

**Danida Direct Funding**

**Steering Committee**

**Annual Work Plan & Budget**

**for**

**01 Jan. 2007 to 15. Jul. 2007**

**&**

**Tentative Budget for the Fiscal Year 2007/08**

**December 15, 2006**

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

AWP&B	Annual Work Plan & Budget (for Direct Funding)
CDC	Curriculum Development Centre
Danida	Danish International Development Assistance
DDC	District Development Committee
DEC	District Education Committee
DEP	District Education Plan
DEO	District Education Office
DF	Direct Funding
DKK	Denmark Kroner
DOE	Department of Education
ECD	Early Childhood Development
EFA	Education for All
EOD	Embassy of Denmark
ESAT	Education Sector Advisory Team
FACS	Foreign Aid Coordination Section (of the MOES)
FMR	Financial Monitoring Report
GIS	Geographical Information System
ICT	Information and Communication Technologies
JFA	Joint Financing Arrangement
MDA	Mid-Decade Assessment
MDG	Millennium Development Goals
MOES	Ministry of Education & Sports
NFEC	Non-Formal Education Centre
NRS	Nepal Rupees
PRSP	Poverty Reduction Strategy Paper
PTTCS	Primary Teacher Training Centres
SC	Steering Committee (for management of the Direct Funding facility)
SESP	Secondary Education Support Programme
SIP	School Improvement Plan
SMC	School Management Committee
TA	Technical Assistance
UN	United Nations
VDC	Village Development Committee
VEC	Village Education Committee
VEP	Village Education Plan

## **I INTRODUCTION**

### **1 ROLE OF AND PROCEDURES FOR USE OF DIRECT FUNDING**

The Direct Funding facility (DF) under both the Education for All (EFA) and Secondary Education Support Programme (SESP) can represent up to 20% of the entire Danida funds allocated for these programmes. The role of DF is to ensure flexibility during programme implementation, primarily through the opportunity to design and implement essential support and follow-up activities that will increase the likelihood that benefits produced by the programmes will be sustained beyond programme closure.

Originally it was envisaged that the DF mechanism primarily would be used for facilitating institutional linkages, specialist consultancies, and support for a number of district-level intensive programmes. Although in general this has also been the case, there is consensus that if need be, DF can also be used to meet other emerging needs, if this could not be foreseen and planned for through the normal programme mechanisms. The intention and key advantage of DF is exactly in providing this type of opportunity to address issues that could not be foreseen at the very outset of the normal planning process.

Activities carried out with support from DF are approved by the MOES and the Embassy of Denmark (EOD) through their representation and participation in a formally established Steering Committee (SC). Although both EFA and SESP share the same SC, separate accounts are maintained, and plans and budgets clearly specify whether activities will be funded by the EFA or the SESP DF facility. This distinction is also made in this Annual Work Plan & Budget (AWP&B). The SC is chaired by the Secretary of the Ministry of Education & Sports (MOES) and includes senior most officials from the MOES and the EOD. It is normal practice to invite key donor partners to attend SC meetings as observers with a view to ensure full information sharing and transparency in the identification and selection of activities for DF and in ensuring proper coordination of Technical Assistance (TA). As a rule of thumb, the SC meets on a quarterly basis. Additional meetings are scheduled as and when deemed necessary to facilitate effective management and utilisation of DF.

The financial management of DF is in keeping with the provisions of the general guidelines for Programme accounting of Danida funds, including the fielding of independent annual audits. Reporting on progress in principle follows the timetable prescribed by the Joint Financing Arrangement (JFA).

### **2 RECENT DEVELOPMENTS AND THEIR IMPLICATIONS**

Although still fluid, the November 7 agreement between the Maoists and the Government of Nepal holds promises for a more permanent peace and a more stable political situation. The agreement stipulates that the current parliament and National Assembly will be dissolved and an interim parliament formed on November 26. The old Constitution has been scrapped and an interim Constitution, already drafted by a committee, came into effect from November 21, following the official signing of the Peace Agreement. An interim government, including the Maoists, was to be formed on December 1<sup>st</sup>, but has been delayed. With a view to ensure free and fair elections, the two sides decided to lock up the Maoist arms and confine their combatants in cantonments from November 21. The United Nations (UN) will be monitoring both the forces, the Nepalese Army as well as the Maoist, and elections for a Constituent Assembly will be held by June 2007 to draft a new Constitution. The Interim Parliament will include members drawn from the present House of Representatives and Upper House as well as 73 Maoists to be

nominated by the rebels and 48 other members nominated by eight parties from the civil society and other political fields. The fate of the monarchy will be decided in the first meeting of the elected Constituent Assembly.

The 6 months peace process prior to the above agreement has already contributed to a more conducive environment for implementation of planned activities as staff has experienced improved access to implementation sites. With the recent developments in the political situation there is good hope for a further improvement in the access of and working conditions for field level staff, which in turn should result in higher implementation rates.

### **3 ABOUT THIS PLAN**

The DF facility is a mechanism that needs to be accompanied by a programming and scheduling tool in order to ensure that the intended desired flexibility is achieved throughout the entire programme implementation period. For this purpose a multi-annual scheduling and programming mechanism is required. Although this AWP&B only covers 18 months, the intention is that it in the future will become a two-year rolling action plan that will be updated regularly on the basis of the SC's review of quarterly reports on progress and the availability of funds for initiating new activities.

This AWP&B for DF describes the budget requirements for carrying out a number of proposed activities to be implemented over the period from 01 January 2007 to 15 July 2008 as well as some expected key outputs that will be produced as the direct result of these activities. In keeping with the principles of the JFA, this plan is output-based, which means that focus is on communicating the key outputs that will be delivered or milestones that will be achieved within key Activity Areas and the estimated costs of delivering these outputs. When outputs are properly defined in terms of quality and quantity, this form of planning facilitates monitoring and reporting on progress and will make it easier for the SC to perform its management oversight function. We are aware that there is still work to be done to fine-tune the planning process.

The AWP&B has been prepared by identified MOES agencies based on a careful analysis of required interventions to address problems prioritised by the SC in its meeting on the 15<sup>th</sup> of September 2006. The Planning Division and the Foreign Aid Coordination Section (FACS) of the MOES together with the Education Sector Advisory Team (ESAT) have functioned as process facilitators, working closely with various MOES agencies and other partners throughout the process. The ESAT in close consultation with the FACS have been responsible for the incorporation and consolidation of the many inputs into this plan and for the printing and distribution of the document to the members of the SC prior to the December 15 meeting.

In keeping with standard Government practice, annual activities and budgets will be prepared during early spring for the following year. In addition hereto and at the same time, the perspective second year will be established, making it in principle a two-year planning exercise. For example in Spring 2007, the work programme for the fiscal year 2007/08 and the perspective year 2008/09 will be prepared in order to ensure, as the need arises, that they are taken into account in the AWP&B document. The purpose of the two-year rolling action plan is to facilitate better management of the DF facility by providing the SC members with an overview of the extent to which the DF facility is being utilised at present and what the commitments are for the coming year. Further, the DF SC will have the opportunity to continuously assess the continued relevance of the DF facility with the options of adjusting the percentage allotment between the DF facility and the EFA-pool and SESP basket respectively.

## **II ACTIVITY OUTLINE AND KEY OUTPUTS BY COMPONENT**

This section of the AWP&B provides an overview of Activity Areas to be supported through the DF mechanisms as well as some KEY expected outputs to be produced within these Activity Areas and the required budget in Nepali Rupees (NRS). Activity Areas in this context should be understood as a cluster of logically and inter-related activities at the sub-component level designed to produce specific outputs that are considered necessary to either facilitate the smooth implementation of the overall programmes or add value to or improve synergies between already ongoing activities. An example of such an Activity Area is “*Development of Inclusive Education Concept and Methods*” under the “*Ensuring access to Education for All Children*” component of the EFA programme.

The outputs to be produced within each Activity Area over the coming period have been identified through a participatory process involving all key MOES agencies. Not all outputs that will be delivered within each Activity Area have been included in the tables below. Focus has been on providing the SC members with an opportunity to quickly develop an overview of what each Activity Area is focusing on and which key outputs and/or milestones will be produced/achieved over the plan period. For specific details on all outputs, milestones and implementation schedules, it is necessary to contact the concerned implementing agencies.

The point of departure for the DF planning process has been the approved ASIP, the EFA and SESP core documents, and the MOES Business Plan. Based on the principles and strategies already identified in the EFA and SESP Core Documents, focus has been on identifying areas where progress has been slow and where the use of DF could act as a catalyst of progress and synergies with activities being implemented through the overall programmes. This means that there are components where no DF activities have been planned and others where DF plays an important role.

In addition, a number of already approved spill-over activities remaining from preceding years have been included in this plan to help the SC members develop an overview of the commitments made and the resources required to complete these activities..

### **1 EDUCATION FOR ALL**

The overall development objective of the EFA programme is to contribute to poverty reduction and national development through education as defined within the policy framework of the 10<sup>th</sup> Plan and the Poverty Reduction Strategy Paper (PRSP). In keeping with the Millennium Development Goals (MDG), the immediate objectives of the EFA are:

- a) Ensuring access and equity in primary education.
- b) Enhancing quality and relevance of primary education.
- c) Improving the efficiency and institutional capacity.

The programme has adopted six mutually supportive EFA goals, drawn from the Dakar Framework of Action, which serve as mutually reinforcing components. The prioritised Activity Areas and the expected outputs to be delivered within these Activity Areas over the coming period through the DF facility are presented in the following sub-sections by component.

## 1.1 Expanding Early Childhood Development

The expected outcomes of the EFA programme in the area of Early Childhood Development (ECD) are<sup>1</sup>:

- To raise the Gross Enrolment Rate of ECD/Pre School from 13% in 2001 to 51% in 2008/09; and
- To raise the percentage of new entrants at Grade 1 with ECD from 8% in 2001 to 60% in 2008/09.

According to the latest EFA Status Report of 2006 the Gross Enrolment Rate of ECD/PPC is now 41.4 %, and the percentage of new entrants at grade 1 with ECD experience is 18.0%. An analysis of the current status of progress against the 2008/09 targets reveals that it is unlikely that the targets will be achieved unless an additional effort is made. In particular extra resources are required to first increase the in-take capacity for ECD, (meaning both the development of new ECD centres as well as the expansion of existing ones) and to subsequently ensure that ECD centres have the human capacity required to facilitate ECD in a meaningful way that is compatible with the need for quality in ECD. A successful ECD policy cannot only focus on quantitative targets, but must be based on a careful balancing between the desires for high coverage with the need for quality.

### 1.1.1 Situation Analysis and Preparation of ECD 2015 Strategy

Based on the analysis above, Direct Funding (DF) will be used to facilitate the preparation of a balanced strategy describing how the MOES will bring progress in the ECD field back on track and achieve the 2015 MDG targets. The preparation process will be consultative, involving local stakeholders and concerned donors. It will tie-in with and build on the findings made during the Mid-Decade Assessment (MDA). In order to make it a natural extension of the MDA process, activities will start only after the completion of the MDA in late March or early April 2007.

Upon the completion of the MDA, the Secretary of the MOES will initiate the ECD 2015 Strategy formulation process by formally establishing a Working Group made up of a group of 5-8 selected recognised professionals who will be mandated to prepare and present a draft ECD strategy to the MOES. The Working Group will report directly to the Secretary, or a senior-most official appointed by the Secretary, on a monthly basis. It will have access to ESAT technical assistance as and when required and funds as stipulated in this work plan to facilitate the process. It is expected that focus will be on identifying a balanced approach taking into consideration both the physical targets for 2015 as well as the need to define and meet certain quality standards in ECD. The ECD 2015 Strategy Working Group will require funds to finance meetings with local stakeholders and donors during the process outlined above, including the production of selected background documents and draft versions of the strategy. The budget presented here is subject for revision as the Working Group meets and develop its work plan and schedule.

**Summary Table 1.1: Expanding Early Childhood Development**

Sl.No.	Activity Area/Output Description	FISCAL YEAR 2006/07		ROLLING YEAR 2007/08	
		Target	Budget*	Target	Budget*
1.1.1	No. of Situation Analysis and ECD 2015 Strategy prepared	1	400,000		0
	<b>TOTAL</b>		<b>400,000</b>		<b>0</b>

\* Note: All figures are in Nepali Rupees (NRS)

<sup>1</sup> Reference is made to the Education for All 2004-2009 Core Document page 12.

## **1.2 Ensuring Access to Education for All Children**

As stated in the Tenth Plan, ensuring access for all children to basic and primary education is a government priority. MOES has committed itself to making significant progress towards this challenging target by 2009, in order to ensure that all children have access to primary education by 2015.

The EFA Core Document (p. 22-24) clearly spells out the principles and strategies to be followed in the pursuit of the above Millennium Development Goal (MDG). Whereas elements of improving access through physical expansion have been relatively easy to implement, the strategies related to inclusive education and decentralisation in educational planning and implementation have been more difficult.

### **1.2.1 Development of Inclusive Education Concept and Methods**

With respect to inclusive education, the intention of the MOES is that the concept needs to be further developed and scaled up to a national level during the programme period in order to increase access of children from marginalised groups. As progress in this field has been slow, the SC has decided that DF should be used to first facilitate the finalisation of the inclusive education concept, and thereafter to facilitate the preparation of a strategic action plan describing how inclusive education can be scaled up to national level by end 2009. The output target and expected budget requirements are presented in table 1.2 below.

### **1.2.2 Strengthening of School-Level Planning Capacities**

Decentralisation in educational planning and implementation has been adopted as the primary strategy for achieving access to all as well as improving the performance of schools. The main objective of decentralisation is to create an environment where communities will be able to participate and take decisions in the process of educational planning in order to make it more meaningful for them in their specific situation. As stated in the Core Document, it relates to the requirement for developing a process whereby the parents will be able to create demand for quality educational services. District Education Plans (DEP), Village Education Plans (VEP), and School Improvement Plans (SIP) are intended as the tools through which educational planning and programme implementation are to be carried out so that locally specific needs related to children's access can be effectively addressed. However, due to the insurgency and other problems, a number of the intended strategies and activities identified in the EFA Core Document could not be launched or have only been partially implemented. This includes for example the school mapping exercises, aimed at identifying the need for schooling facilities for ensuring access at all locations, as well as the efforts to develop decentralised capacities for the preparation and implementation of educational plans at district, Village Development Committee (VDC)/municipality, and individual school levels using participatory tools and inclusive approaches.

Through a close cooperation with 150 schools located in the SESP Programme Intensive Districts, this Activity Area aims at developing a better and shared understanding of local planning capacities in general and capacity gaps in particular, while also seeking to close these capacity gaps through practical training sessions and on-the-job technical backstopping both for SIP planning, physical facilities planning and for carrying out key day-to-day school management tasks. While focus is on developing local capacities for preparing SIPs that meet basic minimum requirements, a great deal of attention will be paid to raising the awareness of and skills to ensure local ownership through broad-based participation. During the first phase from January to July 2007, emphasis will be on the development of facilitation material and the training of trainers; which in turn will be tested with 150 schools during the fiscal year 2007/08.

### **1.2.3 Development of School Mapping Capacity**

In the EFA Core Document, school mapping was considered an essential tool in the efforts to ensure access to and equity in primary education. By providing essential data on the present and future demand for educational services, school mapping is a commonly used tool in the medium- to long-term planning of the supply of educational services. However, due to the insurgency it has not been possible to fully implement the intended school mapping activities.

This Activity Area aims at rejuvenating the original plans to carry out school mapping and generate a basis for informed decision-making and planning. Building on the School Snapshot exercise, through which almost all public schools have been geographically referenced to VDC maps, the focus during the period from January to July 2007 will be on the development of a GIS (Geographical Information System) capable of showing the location and type of schools on digital maps along with a few indicators such as student-teacher ratio, average square meters per student, etc.. Once the initial GIS is functional, it will be linked to the database containing the data collected through the Flash Report exercises, making it capable of processing and presenting a wide range of data and educational indicators on digital maps. While the GIS is being developed, efforts to develop school mapping training materials, conduct Training-of-Trainers programmes, and facilitate school mapping exercises with schools will continue. The aim is to have one pair of trained School Mapping Facilitators in each district by end of the fiscal year 2007/08, and to facilitate school mapping with at least 8 schools in each district. In case it should be required, this activity can also be up-scaled to conduct more intensive school mapping exercises in all districts where the School Sector Approach (SSA) will be piloted, thereby pursuing synergies with these efforts.

### **1.2.4 Improving the physical progress reporting used in the Financial Monitoring Reports (FMR)**

This Activity Area focuses on helping DEOs develop the capacity for timely, accurate and comprehensive reporting of physical progress against planned targets. DOE is producing trimester progress reports and the annual Status Report on the basis of data and information submitted by the districts. However, getting the exact status on physical progress is a problem. In many cases the reporting on physical progress does not match with the reporting on financial progress, especially when it comes to construction activities. This Activity Area is aimed at improving the reliability of FMR data by identifying the current data reliability and which factors are constraining timely and precise data to the FMRs. Following a data verification exercise and consultation with stakeholders on actions to be taken, the Activity Area will produce a list of agreed action steps for implementation.

### **1.2.5 Increasing the use and reliability of EMIS data**

A number of studies over recent years have pointed at problems with the quality and reliability of school-level data. This Activity Area focuses partly on providing schools with feedback on their submitted data, and partly on improving school record keeping through the development of a standardised, consolidated and integrated record keeping operation manual. The first part will be achieved through the preparation and sharing of a School Profile, containing calculated averages and an opportunity to compare school-level data at district, regional and national level. It is expected that the School Profile will encourage the use of school-level data during the school planning process as well as increase access to and transparency of school level data.<sup>2</sup> The efforts to simplify school record keeping formats and requirements is aimed at increasing the reliability of the data used for educational planning at all levels of the MOES planning system; but will also help strengthen mechanisms of accountability and transparency towards local stakeholders.

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<sup>2</sup> See also TRSE special report on “Standardisation of record keeping in schools”, November 2006.

**Summary Table 1.2: Ensuring Access to Education for All Children**

Sl.No.	Activity Area/Output Description	FISCAL YEAR 2006/07		ROLLING YEAR 2007/08	
		Target	Budget*	Target	Budget*
<b>1.2.1</b>	<b>Inclusive Education</b>		<b>200,000</b>		<b>0</b>
	No. of Code of Conduct document for staffs of the MOES on promoting inclusive education	1	100,000	0	0
	No. of Strategic Action Plan prepared for up-scaling inclusive education to national level	1	100,000	0	0
<b>1.2.2</b>	<b>Strengthening of School-Level Planning Capacities</b>		<b>1,303,100</b>		<b>7,933,375</b>
	No. of complete set of training manuals and materials developed and distributed	1500	750,000	0	0
	No. of Trainers trained to facilitate capacity building process	75	440,400	0	0
	No. of schools completing SIP capacity building programme and capable of submitting SIP meeting basic minimum criteria	0	0	150	
	No. of joint evaluation report documenting lessons learned	0	0	1	277,275
<b>1.2.3</b>	<b>Development of School Mapping Capacity</b>		<b>2,150,000</b>		<b>6,290,000</b>
	No. of GIS Model and database developed	1	2,150,000	0	0
	No. of sets of training modules, programmes and guides prepared and distributed for school mapping	0	0	200	240,000
	No. of School Mapping facilitators trained	0	0	190	900,000
	No. of schools where school mapping exercise has been completed	0	0	600	5,150,000
<b>1.2.4</b>	<b>Improving the physical progress reporting used in the FMR</b>		<b>950,000</b>		<b>175,000</b>
	No. of staff trained in data verification through 2-day workshop	30	210,000	0	0
	No. of districts where data verification has been carried out and constraining factors for quality data has been described	20	700,000	0	0
	No. of data verification reports on FMR data quality and constraining factors prepared	1	40,000	0	0
	No. of staff participating in workshop on constraining factors	0	0	50	150,000
	No. of Plan of Action reflecting agreed recommendations, prepared, printed and distributed	0	0	1	25,000
	<i>Cost of implementing Plan of Action will be submitted later</i>				
<b>1.2.5</b>	<b>Increasing the use and reliability of EMIS data</b>		<b>3,000,000</b>		<b>5,400,000</b>
	No. of School Profiles (primary, lower secondary, and secondary) prepared and distributed to all schools	27,000			
	No. of EMIS Report Card distributed to schools	27,000			
	No. of Resource Persons trained to facilitate the preparation of EMIS School Report Cards and use of School Profile in school planning	?			
	No. of School Profile campaigns completed	1			
	No. of new consolidated/integrated school recordkeeping operation manual prepared	1			
	No. of schools to which new Manual has been distributed			27,000	
	No. of schools submitting correctly filled-in EMIS Report Card			12,000	
	<b>TOTAL</b>		<b>7,603,100</b>		<b>19,798,375</b>

\* Note: All figures are in Nepali Rupees (NRS)

### **1.3 Meeting the Learning Needs of All**

The National Foundation for Development of Indigenous Nationalities Act of 2002 (2058) identifies and recognises minority children's need for education through their own languages, and the provision made in the Education Act (7<sup>th</sup> Amendment) for the use of mother tongue in primary classes is seen as a positive step addressing the instructional needs of indigenous and linguistic minority children across Nepal. Hence, the policy framework for basic and primary education includes developing a learning environment that is conducive to all children from indigenous and linguistic minorities. The aim of strengthening decentralised capacities for school planning and management, and in particular the aim of increasing local ownership and involvement, should also be seen as an important part of the efforts to make schools and teachers more attuned to the learning needs of all.

The use of DF in this area will primarily focus on supporting the efforts to develop or re-design school curricula that are practical and relevant to the lives of children, youths and adults. The following sections provide a brief overview of the prioritised Activity Areas and the planned outputs to be delivered through the DF mechanism over the coming period.

#### **1.3.1 Development/adaptation of school curricula and teaching materials to local needs**

Nearly 50% of all Nepalese speak languages other than Nepali as their mother tongue. The Curriculum Development Centre (CDC) has succeeded in developing curriculum and textbook materials in about a dozen minority languages with a view to facilitate the learning among ethnic and linguistic minorities learning. These minorities are now coming forward and have been offering their support to bring about changes in the primary school curricula and training materials to address their particular learning needs. Over the coming period from January to July 2007, the NFEC will work with the Abadhi speaking population in the four districts of (Nawalparasi, Rupandehi, Kapilvastu and Banke with the aim of developing curriculum, textbook and training package in local Abadhi language, and the subsequent training of 20 district trainers. This phase of the Activity Area is expected completed by mid July, after which the outputs produced (the 20 trainers, the adapted curriculum, and the completed textbooks and other materials) will be tested. If DF will be required for the testing and evaluation of the complete package, a budget and action plan will be prepared and submitted for the SC's consideration.

#### **1.3.2 Strengthening of Multi-grade Teaching Capacity**

Given Nepal's geography combined with a severe shortage of teachers multi-grade teaching is a common phenomenon in particular in mountainous areas. Although efforts to improve teachers skills in planning for, organising and conducting multi-grade teaching are in progress, there is a need to support these efforts with the preparation of practical tools and materials to help teachers become effective in a multi-grade teaching environment. This Activity Area will over the coming 18 months period produce three outputs, intended to complement already on-going initiatives in the multi-grade teaching area. The outputs are: 1) the development and distribution of a practical handbook on how to organise multi-grade classrooms, plan and conduct multi-grade teaching; 2) the development of self-learning text books and materials for multi-grade schools aimed at facilitating self-paced learning in multi-grade classrooms, and 3) the procurement and distribution of teaching kit box to facilitate learning exercises in multi-grade classrooms to 5,000 schools.

**Summary Table 1.3: Meeting the Learning Needs of All**

Sl.No.	Activity Area/Output Description	FISCAL YEAR 2006/07		ROLLING YEAR 2007/08	
		Target	Budget*	Target	Budget*
1.3.1	<b>Development/adaptation of curricula and teaching materials to local needs</b>		1,000,000		0
	No. of complete grade curriculum developed in Abadhi language	1			
	No. of district trainers trained	20			
	No. of complete grade textbooks and educational materials developed in Abadhi	1			
1.3.2	<b>Strengthening of Multi-grade Teaching Capacity</b>		1,176,000		3,155,000
	No. of teaching kit box distributed to schools with multi-grade teaching problems	5,000	1,175,000	0	0
	No. of practical handbooks prepared and distributed to teachers working in a multi-grade teaching environment	0	0	5,000	N.S.
	No. of subjects for which self-learning textbooks and materials for multi-grade teaching have been completed	0	0	2	N.S.
	<b>TOTAL</b>		2,176,000		3,155,000

\* Note: All figures are in Nepali Rupees (NRS)

#### 1.4 Reducing Adult Illiteracy

The Dakar Framework of Action stresses the need for achieving a 50 percent improvement in levels of adult illiteracy by 2015, especially for women, and equitable access to basic and continuing education for all adults. Whereas the efforts in primary education is considered the main contributor towards this goal, non-formal programmes targeting adults and focused in very low literacy areas are important in helping adults and others who fall outside the formal system to upgrade their qualifications to the needs of a constantly changing job market. Over the coming months, the DF facility will be used to strengthen the efforts in Non-Formal education through the development and implementation of Alternative School Programmes, and for the formulation of Village Education Plans (VEP) with communities in districts with low literacy levels.

##### **1.4.1 Development of Non-Formal Education (NFE) Alternative-School-Programme**

In keeping with the recently approved NFE policy, this Activity Area is aimed at piloting alternative schooling at lower secondary level in two districts for school drop-outs. During the pilot phase, emphasis will be on the development and testing of a complete Alternative-School-programme with a tailored approach and modality, including curriculum and required educational material, aimed at helping school drop-outs participate in and cross the lower secondary level of education. During the period from January to July 2007 focus will be on the development of the Alternative-School-Programme approach and modality, as well as a complete curriculum and the necessary textbooks, and other required reference and educational materials. At the end of this phase, an estimated 100 resource teachers will be trained and prepared for the Alternative-School-Programme piloting phase. A more detailed strategy for the testing of the programme in two districts will be prepared along with detailed budget requirements in consultation with the trained resource persons and key stakeholders.

##### **1.4.2 Formulation of Village Education Plans (VEP)**

An important challenge during the design of adult literacy programmes lies in ensuring that activities not only respond to local needs, but are tailored to meet these needs in an effective

manner. To that effect the involvement of local communities throughout the design and planning of what essentially is their VEP is essential in ensuring relevance and ownership. A programme to develop participatory methods for the preparation of VEPs was initiated last year and reached 363 educationally backward VDCs in 26 different districts. The aim is to develop local capacities to prepare VEPs in a participatory manner through a hands-on facilitation approach. Hence, this Activity Area is a continuation of the programme started last year. The expected result at the end of July is 237 additional VEPs prepared by VDCs following the implementation of the capacity development package already developed during the previous year.

As the process of carrying out school mapping and preparing VEPs share similar features, in particular in relation to the collection and processing of data, efforts will be made to ensure full coordination between and integration of these two activities. The aim is to draw on the strength of both activity areas and achieve full integration by end of this fiscal year as exemplified by an integration of formal and non-formal education activities and services in the production of a local education plan that may be VDC-based.

**Summary Table 1.4: Reducing Adult Illiteracy**

SI.No.	Activity Area/Output Description	FISCAL YEAR 2006/07		ROLLING YEAR 2007/08	
		Target	Budget*	Target	Budget*
1.4.1	<b>Development of NFE Alternative Schooling Programme for Out-of-School Children</b>		1,300,000		N.S.
	No. of Alternative-School-Programme approach and modality finalised	1	N.S.	0	0
	Full set of curriculum and education material for Alternative School lower secondary level completed	1	N.S.	0	N.S.
	No. of resource teachers trained	0	0	100	N.S.
	No. of children enrolled and crossed lower secondary school from NFE Alternative School in two pilot districts	0	0	2,000	N.S.
1.4.2	<b>Formulation of Village Education Plans</b>		5,606,830	0	0
	No. of VDCs participating in training & preparing their own VEP	237	N.S.	0	0
	No. of VDCs where functional databases has been established	237	N.S.	0	0
	<b>TOTAL</b>		<b>6,906,830</b>		<b>0</b>

\* Note: All figures are in Nepali Rupees (NRS)

N.S. – Not Specified

## 1.5 Eliminating Gender Disparity

In keeping with the Dakar Framework of Action, the EFA programme puts emphasis on the goal of eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality in education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality.

### 1.5.1 Development of Code of Conduct for Gender Policy implementation

This Activity Area aims for the further development of the policy framework for eliminating gender disparity, as a tool for mainstreaming efforts to eliminate gender disparity. It is the intention that the gender policy will serve as the basis for future programming of activities to eliminate gender disparity and achieve the MDG. The Code of Conduct for Gender Policy Implementation is expected to be a practical guide for policy implementation at various levels.

**Summary Table 1.5: Eliminating Gender Disparity**

Sl.No.	Activity Area/Output Description	FISCAL YEAR 2006/07		ROLLING YEAR 2007/08	
		Target	Budget*	Target	Budget*
1.5.1	Development of Code of Conduct for Gender Policy implementation	1	100,000	0	0
	TOTAL		100,000	0	0

\* Note: All figures are in Nepali Rupees (NRS)

## 1.6 Improving the Quality in All Aspects of Education

In pursuit of improved quality of education in schools, the government has established and strengthened the support system at all levels of education. The National Centre for Educational Development (NCED), the Distance Education Centre (DEC), and the Primary Teacher Training Centres (PTTCS) have all been entrusted with the responsibility for improving classroom pedagogy and for providing on-the-job training to teachers across the country. However, in spite of the strengthened support system persistently low retention rates and high repetition and drop-out rates indicate that achievement levels continue to be low. The removal of the traditional causes such as unequal distribution of teachers, overcrowded class rooms and inadequate basic physical facilities and materials are pursued through the normal programmes; but much more needs to be done to improve the learning environment in classrooms, teacher competencies, curriculum and instructional materials, school-based monitoring, and the accountability of teachers and schools towards the community. One of the important Activity Areas where DF is planned is for the facilitation of a process where through quality is defined in the Nepalese context and a number of key indicators developed.

### **1.6.1 Defining Quality in Education in the Nepalese Context and Developing Indicators**

This Activity Area focuses on facilitating a process where through the MOES together with its development partners define quality in different dimensions of education in the context of Nepal, as well as a catalogue of quality indicators.

### **1.6.2 Support for improving learning achievements in poorly performing schools**

During the initial phase of this Activity Area focus will be on developing a better understanding of the problems and underlying causes for low performance in schools. Through the on-site observation and interaction with students, teachers and other local stakeholders in schools in 3 different pilot districts this Activity Area will produce a catalogue of typical performance problems and their underlying causes. This in turn will serve as the basis for the design of strategies and practical tools to be used for supporting poorly performing schools in addressing their problems. It is the intention that the strategies and tools will be tested in other pilot schools during a later phase.

### **1.6.3 Strengthening school supervision system**

This Activity Area focuses on observing and documenting teaching-learning activities in a selected number of schools, with the aim to identify gaps between delivery and learning outcomes. A final report will be prepared and shared with stakeholders prior to consultations on how to improve teaching-learning activities in schools.

**Summary Table 1.6: Improving the Quality in All Aspects of Education**

SI.No.	Activity Area/Output Description	FISCAL YEAR 2006/07		ROLLING YEAR 2007/08	
		Target	Budget*	Target	Budget*
1.6.1	<b>Defining quality in Education in the Nepalese context</b>		100,000	0	0
	No. of reports defining quality of education in the Nepalese context	1	100,000	0	0
1.6.2	<b>Support for improving learning achievements in poorly performing schools</b>		600,000	0	0
	No. of reports documenting performance problems and their underlying causes and assessment reports	1	600,000	0	0
1.6.3	<b>Strengthening school supervision system</b>		300,000		
	No. of reports documenting gaps between delivery and learning outcomes	1	300,000	0	0
	<b>TOTAL</b>		1,000,000		0

\* Note: All figures are in Nepali Rupees (NRS)

## 2 SECONDARY EDUCATION SUPPORT PROGRAMME

The overall development objective of the Secondary Education Support Programme (SESP) is to expand quality secondary education suitable for the need of national development. The immediate objectives of the SESP are:

- a) To improve quality and relevance of public secondary education;
- b) To improve access and equity in secondary education, with a particular emphasis on girls, students with disabilities and students from poor and disadvantaged groups and districts; and
- c) To develop the institutional capacity and management of central and district education institutions and public secondary schools based upon a decentralised system of planning and management.

The immediate objectives above are pursued through four inter-linked components. The expected outputs of and an activity outline for the use of Direct Funding for each of these components are presented in the following sub-sections.

### 2.1 Learning Environment

As in the case of the “*Ensuring access to education for all children*” component of the EFA programme, the efforts to improve the learning environment is firmly anchored in the Government’s decentralisation policy in general and the Education Act (7<sup>th</sup> Amendment) in particular. Whereas the goal of returning schools to the communities is clear and shared, the development of effective strategies and means to achieve local ownership and well-run schools capable of continuously improving the learning environment is a much more complex task. It is obvious that realising the vision of a decentralised system calls for a continuous investment over a number of years in the strengthening of capacities at school, district and national level. To achieve the desired decentralised system of planning and programme management require the institutions of elected government and those of the education sector to work together. This is in particular the case for the Head Teacher and the School Management Committee (SMC) during the preparation and implementation of the SIP; but also for the SMC and the Village Development Committee (VDC) and Village Education Committee (VEC). At the district level the District Education Office (DEO) needs to work together with the District Development Committee (DDC), via the District Education Committee (DEC), in the preparation of District Education Plans (DEPs).

The preparation of school and district plans will be the institutional modality for this work and for developing the necessary relationships and networks to achieve goals of ownership and sustainable improvements in performance. However, it will require considerable training and support over a number of years with regular follow-up and continuous reinforcement of training efforts. The facilitation of a clear and shared understanding of the respective rights, roles and responsibilities of the different actors and entities in the system is a must. The current decentralisation policy needs to be further developed in order to provide a clear and logical link between roles and responsibilities as well as the commensurate powers and available resources to successfully discharge such responsibilities at all levels. Only then will it be possible to develop and implement effective training and communication strategies and programmes addressing skills and performance gaps at all levels.

At present there are no DF activities planned in this area as regular programmes are addressing most of the issues. However, if any of the scheduled pilot activities reveal a need, proposals for DF support may be forthcoming.

## 2.2 Curriculum and Assessment

### 2.2.1 Repackaging of secondary level curriculum

The Government has decided to conduct SLC from the course of grade ten only. The content weightage for grade 9 and 10 is at present 60% and 40% respectively. However, the course should be balanced for both grades, calling for a re-packaging of the grade 9 and 10 curriculum of 15 subjects. This Activity Area will support the repackaging of the secondary level curriculum with a view to facilitate the smooth implementation of the changes to be brought about with the introduction of the SSA.

**Summary Table 2.2: Curriculum & Assessment**

Sl.No.	Activity Area/Output Description	FISCAL YEAR 2006/07		ROLLING YEAR 2007/08	
		Target	Budget*	Target	Budget*
2.2.1	Repackaging of secondary level curriculum		2,200,000		0
	No. of subjects where repackaging has been completed	15	2,200,000	0	0
	<b>TOTAL</b>		2,200,000		0

\* Note: All figures are in Nepali Rupees (NRS)

## 2.3 Teacher Education, Development and Management

At present there are no DF activities planned to complement the regular programme.

## 2.4 Institutional Management and Capacity Building

Although several major education projects with heavy institutional capacity building components have been implemented over the years, the SESP Core Document identifies the overall management system as weak and lacking coherence. Component 4 of the SESP is aimed at addressing performance gaps in general and in educational management in particular. The aim is to help the MOES become a learning organisation capable of taking responsibility and action for its own capacity development. The development of adequate in-house capacity to identify needs and facilitate capacity development processes at all levels is central to the aim of sustaining improvements in service levels beyond programme closure.

At the national level, the immediate objective of supporting capacity building in the broad fields of planning and management of the decentralised system of educational service provision will be met through the development of the capability of National Centre for Education Development (NCED). Following this process, the NCED will manage the development of training courses, instructional materials, and suitable manual and guidelines for the national, district, and school organisations and personnel responsible for implementing a decentralised system of education planning and school management. The training of trainers capable of delivering such courses and training also falls under the NCED's expanded mandate. To help the NCED develop its capacities to perform these functions in a professional manner, DF is used to finance the implementation of an NCED Capacity Development Plan. DF will also be used to facilitate capacity development activities at the broader systems level, including the development of the ministry's ICT infrastructure, and for closing performance gaps in other line agencies as well as the enhancement of individual staff members' skills through participation in tailored education and training programmes, such as those offered by the Danida Fellowship Centre. Finally, it should also be mentioned that DF will be used to assess the current capacity and services of a

number of MOES line agencies vis-à-vis the expected future service requirements and capacity to successfully deliver such services, leading to the preparation of a tailored Capacity Development Strategy and Action Plan for each of the concerned line agencies.

The following sub-sections provide a more detailed description of the DF funded activities under this component.

#### **2.4.1 Implementation of NCED Capacity Development Plan**

A central element in the SESP programme's strategy for ensuring long-term sustainability is the development of the NCED's capacity to continuously facilitate capacity development at all levels, but in particular at the school level through training programmes aimed at teachers and the school management. The development of this "In-house" capacity is hoped achieved through the implementation of comprehensive NCED Capacity Development Plan. For details on activities to be carried out, their implementation schedules, associated budgets, and outputs to be produced, please refer to the main document, the NCED Capacity Development Plan.

#### **2.4.2 Strengthening of the ICT Capacity of the Ministry of Education & Sports (MOES)**

The aim of this Activity Area is to contribute to enhanced performance through a more efficient information and communication infrastructure and improved skills in the application of ICT to work tasks. The Activity Area will provide support for the implementation of the MOES ICT Master Plan over the coming 18 months period. The implementation is divided into two inter-linked phases. Phase 1, comprising the period from January to July 2007, will focus on developing the specified ICT infrastructure and the adequate ICT capacities for managing and maintaining this infrastructure through the establishment of the Research and Educational Information Management section of the MOES as the responsible unit for MOES ICT activities and subsequently develop the required skills to perform assigned functions. As a result of the activities planned for Phase 1, the Ministry should experience the benefits of improved ICT capacity among staff, a well-functioning network, and high-speed communication and information sharing opportunities. Phase 2, to be implemented during the fiscal year 2007/08, will focus partly on consolidating and fine-tuning the systems developments and capacities achieved during Phase 1, and partly on expanding the facilities to other education sector entities, like the REDs, DEOs and ETCs.

#### **2.4.3 Preparation of Organisational Capacity Development Plan**

The need to look into the organisational structure and identify ways of improving efficiency was already pointed out in the SESP Core Document (reference is made to page 95). This Activity Area concerns the development of a strategic and multi-year capacity development action plan for MOES, DOE, CDC, OCE, REDs, DEOs, and RCs. In order to build on international experience and the best available technical expertise, the Activity Area may establish a link and partnership with the UNESCO/IIEP in Paris that is acknowledged as a highly competent agency that has helped governments in other countries in re-designing, planning and managing their education system in a rapidly changing world. The final output to be produced during the initial phase of this Activity Area is a Capacity Development Action Plan & Budget that will guide the concerned agencies, their management and staff, in their efforts to develop the required capacity at systems, entity and individual levels to deliver support services that are relevant, timely and of an acceptable quality. The objective is to improve not only the relevance of services and products, but also the efficiency with which they are produced.

The achievement of this objective depends to a large extent on whether various agencies involved as a team of individual staff members understands, owns and shares the vision for the future as well as how they should move from the current situation toward the future desired

situation. In order to achieve this shared ownership of the vision and key strategies to be implemented, the process of developing the Capacity Development Action Plan and Budget is essential. It needs to be participatory and transparent and based on logical analytical steps that facilitates staff understanding and appreciation of the current situation as well as their contribution and commitment to the development of strategies that will help the agencies move towards the desired future situation. Given these considerations the process is as important as the Capacity Development Action Plan & Budget itself, and the need for professional external process facilitation must be considered and evaluated regularly, weighing pros and cons. Following the completion of the Capacity Development Action Plan & Budget, a more detailed budget for the fiscal year 2007/08 will be prepared and submitted for DF consideration.

#### **2.4.4 Strengthening of systems and procedures for budget release to schools and school-level financial management and reporting capacity**

Through the development and piloting of a more decentralised approach to budget release and school-level financial management and reporting, this Activity Area aims to: 1) reduce the time gap between the start of the fiscal year and the time budget is available to schools for implementing the SIP; and 2) develop simple, but effective mechanisms for enhancing the financial management and reporting capacity of schools. Through the focusing on a limited number of schools, the activity will work on ensuring the timely release of SIP budgets, while, at the same time, helping schools develop a basic minimum financial management and reporting capacity. At the end of the pilot period an improved understanding of the problems related to timely budget release to schools should be achieved as well as a better understanding of the underlying causes for poor financial management and reporting at school level. In addition, the pilot will in the process develop and produce documentation for formats, guidelines and specific recommendations on how to overcome the problems experienced and achieve both a more effective budget release system as well as better financial management and reporting at school level.

#### **2.4.5 Capacity Development with the Danida Fellowship Centre**

DF funded capacity development activities carried out in co-operation with the Danida Fellowship Centre include MOES staff participation in technical skills-enhancement courses, such as organisational development, financial management etc.; as well as courses aimed at developing skills for implementation and mainstreaming of broader policy issues, such as conflict management, integration of human rights in programming, HIV/AIDS mainstreaming, anti-corruption, and the elimination of gender disparities. A detailed plan for the calendar year 2007 has been developed by the MOES, describing the specific courses, the number of participants and the expected cost. It is expected that close to 40 participants will participate in one of the above courses and that the total cost will amount to DKK 987,000 or NRS 11,850,000.

#### **2.4.6 Strengthening of Financial Information Management & Reporting (FIMR) Capacity**

A recurrent theme during annual reviews and consultations remain the timely availability of accurate and comprehensive financial information in general as well as the Financial Monitoring Reports (FMR) in particular. The current system of preparing, submitting, processing and compiling FMRs is paper-based and very time consuming. For example the DOE has found it difficult to obtain the necessary data to prepare updated FMRs prior to meetings with donors. With a view to the system introduced by the FCGO, this Activity Area is aimed at electronically linking cost centres (the DEOs) to the DOE, and making it possible to transfer financial data and information electronically from these cost centres to the DOE within 1-2 days. The Activity Area focuses on developing the Financial Information Management and Reporting System (FIMReS) at central and district level to meet evolving internal needs as well as donors'

requirements. In order to achieve this, a number of activities will be carried out, starting with a study of “Best Practices” and “Lessons Learned” in terms of Public Financial Information Management and Reporting in general, and systems and procedures for release of budget to schools in particular. Based on the study group’s observations and findings the members will assess the situation in Nepal and prepare a report with a detailed description and specification of an improved budget release and financial information management and reporting system (FIMReS) that will meet the needs of the MOES. This report will in turn serve as the basis for the preparation of tender (if required) and the setting up of the system in the first 25 districts. Shortly after the close of the fiscal year 2006/07, it is expected that a tentative system review can be carried out as the 25 first districts submit their financial data and the DOE use the improved system to obtain, process, analyse and compile different types of financial reports, including the FMR.

#### **2.4.7 Institutional Capacity Building of NFEC**

With a view to strengthen the capacity of NFEC in the fields of facilitating social mobilisation and inclusive decentralised planning, this Activity Area will develop adequate in-house capacity to facilitate the development of VEPs and provide technical facilitation for the continuous improvement in the quality of VEPs. Part of this end result will be achieved through the establishment of institutional linkage with UNESCO and the subsequent development and implementation of targeted capacity building activities. Some training and skills-enhancing activities will, however, be carried out with other partners and outside the linkage programme with UNESCO. The Activity Area is expected to continue till July 2009. The expected outputs to be delivered include: 1) the capacity of 20 NFEC personnel to facilitate need-based planning strengthened; 2) the quality of VEPs enhanced and a gradual scale-up of NFECs VEP support programmes in other districts; 3) a functional database will be established at local and central level; and 4) an agreed, detailed action plan with activities and budget for future collaboration and institutional linkage will be developed.

#### **2.4.8 Strengthening of Education Sector Policy & Legal Framework**

This Activity Area aims to support the on-going education sector reforms in general and the School Sector Approach (SSA) in particular. It focuses on preparing the ground for the implementation of the SSA by collecting data and information, conducting nation-wide consultations on policy and legal issues, and preparing a Core Document for the SSA implementation. It will also review the current planning framework and decentralisation policy implementation and document lessons learned. A key element of this Activity Area is to ensure wider consultation with stakeholders and the solicitation of inputs to policy review and plan preparation.

#### **2.4.9 Upgrading of working environment and conditions**

This Activity Area focuses on improving the working environment in the MOES through the upgrading of out-dated facilities and physical infrastructure. It includes the development of sanitary installations and facilities prior to the piloting of outsourcing the operation and maintenance of these facilities.

**Summary Table 2.4: Institutional Management and Capacity Building**

SI.No.	Activity Area/Output Description	FISCAL YEAR 2006/07		ROLLING YEAR 2007/08	
		Target	Budget*	Target	Budget*
2.4.1	<b>Implementation of NCED Capacity Development Plan</b>		62,499,900		97,632,975
2.4.2	<b>Strengthening of the ICT capacity of the MOES</b>		7,637,500		6,146,800
	No. of agencies where firewall has been installed and functions	4		0	0
	No. of MOES institutions with functional networks established	4		3	
	No. of user-stations where Anti-Virus protection functions	300		Renew.	
	No. of Core Group members trained	12			
	No. of users passing through basic ICT training course	40			
	24/7 Broadband Internet connection in all sections of MOES				
	MOES Internet web-site developed and maintained	1		0	
	MOES Intranet developed and functioning	0		1	
2.4.3	<b>Preparation of Capacity Development Plan for the education sector support system (covering MOES, CDC, OCE, DOE, REDs, DEOs, and RCs)</b>	1	8,000,000	0	35,000,000
	No. In-house persons passing through tailor-made course for facilitating capacity development	25		0	0
	No. of Capacity development Plan Framework Developed	1			
	No. of capacity development plans prepared (one for each agency)	2			
	No. of exploration visits carried out	2			
	No. of costed capacity development plans developed	2			
	Cost of Implementation of capacity development plan cannot be estimated at this point in time, but tentatively 20 million should be booked				
2.4.4	<b>Strengthening of system and procedures for budget release to schools and school-level financial management and reporting capacity</b>		300,000		830,000
	No. of Concept Paper for piloting of more effective budget release and financial management and reporting practices developed	1	300,000	0	0
	No. of schools in which improved budget release procedures and tools for enhancing school financial management and reporting capacities have been tested		0	15	N.S>
	No. of pilot experience reports describing more efficient mechanisms for releasing budget to schools, meeting the criteria of a) budget availability at the beginning of the fiscal year; and b) acceptable processing time		0	15	N.S.
2.4.5	<b>Capacity Development with the Danida Fellowship Centre</b>	3	3,240,000	29	8,610,000
	No. of people passing through Mainstreaming Course	0	0	7	5,730,000
	No. of participants passing through Organisational/Project Development courses	3	3,240,000	0	0
	No. of participants passing through the Financial Management & Good Governance course (arranged in Nepal with DFC)	0	0	20	2,400,000
	No. of participants passing through course in Aid harmonisation	0	0	2	480,000
2.4.6	<b>Strengthening of FIM&amp;R Capacity</b>		7,035,000		5,000,000
	No. of study reports specifying FIM&R System requirements and specifications	1	3,535,000	0	0
	No. of districts electronically linked with DOE and capable of submitting Financial Information in real time	25	3,500,000	50	5,000,000

		FISCAL YEAR 2006/07		ROLLING YEAR 2007/08	
<b>2.4.7</b>	<b>Institutional Capacity Building of NFEC</b>		<b>5,400,000</b>		<b>6,000,000</b>
	No. In-house persons passing through tailor-made course for facilitating capacity development	20		0	0
	No. of Capacity development Plan Framework Developed	1			
	No. of capacity development plans prepared	1			
	No. of exploration visits carried out	1			
	No. of costed capacity development plans developed	1			
	Cost of Implementation of capacity development plan cannot be estimated at this point in time, but tentatively 20 million should be booked				
<b>2.4.8</b>	<b>Strengthening of Education Sector Policy &amp; Legal Framework</b>		<b>4,650,000</b>		<b>7,100,000</b>
	No. of additional copies of SLC study reports with English and Nepali summary printed and distributed	1,000	900,000	0	0
	No. of consultation rounds conducted with stakeholders on Three-year Interim Plan Preparation	5	500,000	0	0
	No. of School Sector Approach Core Document prepared	1	1,400,000	0	0
	No. of districts where social poverty mapping has been completed (linked with SSA roll-out)	1	1,200,000	2	2,000,000
	No. of national level consultation/seminar on policy related issues for the implementation of SSA and its financing	5	300,000	7	500,000
	No. of Legal Databases brought up-to-date	1	100,000	0	0
	No. of Legal Overview Reports printed and distributed	500	500,000	0	0
	No. of regions where changes in legal framework has been presented and discussed	0	0	5	300,000
	No. of reviews of current decentralisation policy implementation conducted	1	250,000	0	0
	No. of members from Education Policy Committee participating in policy study tour	0	0	13	1,500,000
	No. of members from teacher union and student union participating in study tour	0	0	10	1,000,000
	No. of disadvantaged and/or female officials passing through M.Phil and/or Masters Courses	0	0	6	1,000,000
	No. of assistant staff passing through training course in educational planning	0	0	5	800,000
<b>2.4.9</b>	<b>Upgrading of working environment and conditions</b>		<b>800,000</b>	<b>0</b>	<b>0</b>
	<b>TOTAL</b>		<b>99,562,400</b>		<b>166,319,775</b>

\* Note: All figures are in Nepali Rupees (NRS)

### III BUDGET

#### 1 INTRODUCTION

This section of the AWP&B provides an overview of the budget for the period from 01 January to 15 July 2007 by programme, component and Activity Area. Through the inclusion of a rolling budget, covering the fiscal year 2007/08, this section also provides an overview of the tentatively programmed budget for the coming year.

It is important to stress that the budget for approval during the SC meeting on the 15<sup>th</sup> of December 2006 concerns the budget for the period 01 January to 15 July 2007. The budget for the Fiscal Year 2007/08 is a tentative budget, subject for regular updating as progress of approved activities are reviewed along with new proposals. The purpose of the rolling budget is to allow the SC members to assess the level of programming for the upcoming year.

The total estimated funds requirement from the DF facility for the period from 01 January to 15 July 2007 amounts to **NRS 134,544,023**. At an exchange rate of DKK 1= NRS 11.6, this amounts to DKK 11.6 million, which is the amount submitted for the SC's approval.

**Table III.1: Summary of Total DF budget by Period and Programme**

DIRECT FUNDING		01 Jan. to 15 Jul. 2007		Fiscal Year 2007/08	
		(NRS)	(DKK)	(NRS)	(DKK)
<b>I</b>	<b>Education For All</b>	<b>29,001,623</b>	<b>2,500,140</b>	<b>38,518,757</b>	<b>3,320,582</b>
a)	Programme activities	20,974,330	1,808,132	24,953,375	2,151,153
b)	Operations	8,027,293	692,008	13,565,382	1,169,429
<b>II</b>	<b>Secondary Education Support Programme</b>	<b>105,542,400</b>	<b>9,098,483</b>	<b>169,069,775</b>	<b>14,574,981</b>
	<b>TOTAL</b>	<b>134,544,023</b>	<b>11,598,623</b>	<b>207,588,532</b>	<b>17,895,563</b>

\* Note: Exchange rate in use is: DKK 1 = NRS 11.6

The following sections provide a more detailed breakdown of the above budget.

Section 2 provides a more detailed overview of the budget for the EFA programme broken down by component and major activity area. The outputs to be produced within these activity areas were presented in Part II of this AWP&B.

Section 3 provides a more detailed overview of the budget for the SESP broken down by component and major activity area. Again the outputs to be produced within each of these activity areas were presented in Part II of this AWP&B.

Section 4 provides a more detailed overview of the cost components related to operations. As indicated in table III.1 above, it should be noted that cost of operations are charged to the Education for All programme for the planned period.

For an overview of the percentage-wise share of the total budget, please refer to tables 1 to 4 in Annex 6.

## 2 EDUCATION FOR ALL

Table III.2: Budget Breakdown by Component and Activity Area for EFA

EDUCATION FOR ALL		01 Jan. to 15 Jul. 2007		Fiscal Year 2007/08	
		(NRS)	(DKK)	(NRS)	(DKK)
<b>1.1</b>	<b>Expanding Early Childhood Development</b>	<b>400,000</b>	<b>34,483</b>	<b>0</b>	<b>0</b>
1.1.1	Preparation of situation analysis and ECD 2015 strategy	400,000	34,483	0	0
<b>1.2</b>	<b>Ensuring access to education for all children</b>	<b>7,603,100</b>	<b>655,440</b>	<b>19,798,375</b>	<b>1,706,756</b>
1.2.1	Inclusive Education	200,000	17,241	0	0
1.2.2	Strengthening of School-level Planning Capacity	1,303,100	112,336	7,933,375	683,912
1.2.3	Development of School Mapping Capacity	2,150,000	185,345	6,290,000	542,241
1.2.4	Improving physical progress reporting used for Financial Monitoring Report (FMR)	950,000	81,897	175,000	15,086
1.2.5	Increasing the use and reliability of EMIS data	3,000,000	258,621	5,400,000	465,517
<b>1.3</b>	<b>Meeting the learning needs of all</b>	<b>2,176,000</b>	<b>187,586</b>	<b>3,155,000</b>	<b>271,983</b>
1.3.1	Development/adaptation of curricula and teaching materials to local needs	1,000,000	86,207	0	0
1.3.2	Strengthening of multi-grade teaching capacity	1,176,000	101,379	3,155,000	271,983
<b>1.4</b>	<b>Reducing adult illiteracy</b>	<b>6,906,830</b>	<b>595,416</b>	<b>0</b>	<b>0</b>
1.4.1	Development of NFE Alternative Schooling Programme	1,300,000	112,069	0	0
1.4.2	Formulation of Village Education Plans	5,606,830	483,347	0	0
<b>1.5</b>	<b>Eliminating gender disparity</b>	<b>100,000</b>	<b>8,621</b>	<b>0</b>	<b>0</b>
1.5.1	Development of code of conduct for gender policy implementation	100,000	8,621	0	0
<b>1.6</b>	<b>Improving quality in all aspects of education</b>	<b>1,000,000</b>	<b>86,207</b>	<b>0</b>	<b>0</b>
1.6.1	Defining quality in Education in the Nepalese context	100,000	8,621	0	0
1.6.2	Support for improving learning achievements in poorly performing schools	600,000	51,724	0	0
1.6.3	Strengthening of school supervision system	300,000	25,862	0	0
<b>X</b>	<b>Spill-Over Activities from Preceding Years</b>	<b>1,788,400</b>	<b>154,172</b>	<b>0</b>	<b>0</b>
IV	Support to Community School National Network (contractual obligation)	1,638,400	141,241	0	0
V	Support for Village Education Plans (contractual obligation)	150,000	12,931	0	0
	<b>Contingency budget</b>	<b>1,000,000</b>	<b>86,207</b>	<b>2,000,000</b>	<b>172,414</b>
	<b>TOTAL</b>	<b>20,974,330</b>	<b>1,808,132</b>	<b>24,953,375</b>	<b>2,151,153</b>

\* Note: Exchange rate in use is: DKK 1 = NRS 11.6

## 3 SECONDARY EDUCATION SUPPORT PROGRAMME

Table III.3: Budget Breakdown by Component and Activity Area for SESP

SECONDARY EDUCATION SUPPORT PROGRAMME		01 Jan. to 15 Jul. 2007		Fiscal Year 2007/08	
		(NRS)	(DKK)	(NRS)	(DKK)
2.1	Learning Environment	0	0	0	0
2.2	Curriculum & Assessment	2,200,000	189,655	0	0
2.2.1	Repackaging of secondary level curriculum	2,200,000	189,655	0	0
2.3	Teacher education, development and management	0	0	0	0
2.4	Institutional management & capacity building	99,562,400	10,371,759	165,319,775	14,251,705
2.4.1	Implementation of NCED Capacity Development Plan	62,499,900	5,387,922	97,632,975	8,416,636
2.4.2	Strengthening of the ICT Capacity of MOES	7,637,500	658,405	6,146,800	529,897
2.4.3	Preparation of Organisational Capacity Development Plan for MOES, CDC, DOE, REDs, DEOs, and RCs	8,000,000	2,478,448	35,000,000	3,017,241
2.4.4	Strengthening of system and procedures for budget release to schools and school-level financial management and reporting capacity	300,000	25,862	830,000	71,552
2.4.5	Capacity Development with the Danida Fellowship Centre	3,240,000	279,310	8,610,000	742,241
2.4.6	Strengthening of Financial Information Management & Reporting Capacity	7,035,000	606,466	5,000,000	431,034
2.4.7	Institutional Capacity Building of NFEC	5,400,000	465,517	6,000,000	517,241
2.4.8	Strengthening of Education Sector Policy & Legal Framework	4,650,000	400,862	7,100,000	612,069
2.4.9	Upgrading of working environment and conditions	800,000	68,966	0	0
<b>X</b>	<b>Spill-over activities from previous years</b>	<b>2,780,000</b>	<b>239,655</b>	<b>750,000</b>	<b>64,655</b>
I	Support to MOES Masters Studies (6 candidates @NRS 220,000 per candidate)	570,000	49,138	750,000	64,655
II	Support for Teachers' Union of Nepal	1,685,000	145,259	0	0
III	Submersible water pump for CDC	300,000	25,862	0	0
VI	Support to DOE for repair of Mahindra Jeep	225,000	19,397	0	0
	<b>Contingency budget</b>	<b>1,000,000</b>	<b>86,207</b>	<b>2,000,000</b>	<b>172,414</b>
	<b>TOTAL</b>	<b>105,542,400</b>	<b>9,098,483</b>	<b>169,069,775</b>	<b>14,574,981</b>

\* Note: Exchange rate in use is: DKK 1 = NRS 11.6

#### 4 OPERATIONS

The Operations budget presented here concerns the estimated cost of providing administrative, financial and advisory services for the planning, implementation, monitoring and reporting on activities funded by the DF facility. As indicated in Table III.1 in section 1 above, these operation cost are charged to the Education for All programme.

The summary table below provides an overview of the cost components, including the operational cost related to the ESAT as well as estimated costs of providing support services to the SC and during review missions. For a more detailed break down, please refer to Annex 4.

**Table III.4: Budget Breakdown by expenditure category for operations.**

OPERATIONS		01 Jan. to 15 Jul. 2007		Fiscal Year 2007/08	
		(NRS)	(DKK)*	(NRS)	(DKK)*
I	ESAT Personnel	3,610,206	311,225	6,664,995	574,569
II	Office Operation cost	800,248	68,987	988,397	85,207
III	Printing and Stationery	327,368	28,221	604,372	52,101
IV	Communication	510,274	43,989	942,043	81,211
V	Transportation	454,215	39,157	653,936	56,374
VI	Consultancy	513,728	44,287	948,421	81,760
VII	Steering Committee	130,000	11,207	240,000	20,690
VIII	Review Missions	260,000	22,414	480,000	41,379
IX	Capital Equipment	691,500	59,612	810,000	69,828
X	Contingencies	729,754	62,910	1,233,217	106,312
<b>TOTAL</b>		<b>8,027,293</b>	<b>692,008</b>	<b>13,565,382</b>	<b>1,169,429</b>

\* Note: the conversion of NRS into DKK are based on the exchange rate DKK 1 = NRS 11.6.

## **IV MONITORING, REPORTING & REVIEW OF PROGRESS**

### **1 INTRODUCTION**

As the DF facility operates within the framework of the two programmes, the outputs to be delivered through the DF mechanism can be seen as inputs in the larger context of the programmes. For example the DF facility may be used for the development of a practical concept for multi-grade teaching, which in the DF context will be an output; but in the larger programme context may be an input to be used for the achievement of improved quality of education.

The fact that the DF facility operates within this larger programme framework means that monitoring is output-based and aimed at ensuring the timely availability of quality outputs demanded by the programmes through the established planning process. Due to the aim of ensuring flexibility and the ability to support new and innovative activities throughout the entire programme period, an important role of monitoring is to help the SC in performing its DF long-term planning and management function in the overall programme context. To that effect, the DF monitoring activities are designed with a view to provide an:

- early indication of progress, or lack thereof, in achieving planned outputs, which in turn have been designed in a demand-responsive manner to meet the needs of the partners responsible for implementing the overall programmes; and
- updated overview of expenditures incurred against approved budgets and targets; as well as budget availability for the initiation of new activities through the DF facility over the coming periods.

During the day-to-day management of the DF facility, monitoring focuses on ensuring that the DF facility is responsive to the emerging needs of the main programmes, and that outputs required by the programmes are delivered in time and in accordance with the requested quantity and quality. A secondary objective of monitoring and reporting is to facilitate the fostering of an organisational culture of learning, transparency and accountability.

The monitoring, reporting and review of progress principles and methods are described in more detail in the following sections.

### **2 MONITORING**

Monitoring is an essential tool for the efficient and effective use of the DF mechanism and has been designed to provide the SC and the day-to-day management of the DF supported activities with information needed to measure progress and effectiveness of activities and adjust strategies, procedures, institutional arrangements and allocation of resources, if needed. Hence, monitoring data is the basis for the regular reporting to the SC at SC meetings where the status of progress will be presented and discussed.

The FACS coordinates all monitoring in relation to the DF Facility in consultation with the SC and with the ESAT in a facilitating support role. Progress monitoring will be conducted by each implementing agency in relation to the outputs, targets and budgets specified in the SC approved AWP&B. Hence, as regards data related to the implementation of the SC approved activities, the respective implementing entities will play a key role in data collection and the preparation of Quarterly Activity Status Reports. The ESAT office will on receipt of quarterly activity status

reports from the implementing agencies be responsible for the compilation of status of progress and total expenditures by component, programmes and at the overall level.

Monitoring in relation to other information needs of the SC and Danida will be coordinated by the FACS, who may request the ESAT to assist with design of the monitoring system and collection of information. Hence, in addition to the above standard output-based monitoring, the SC or the FACS or ESAT on behalf of the SC may define a few numbers of additional indicators for the purpose of overall programme reporting against indicators specified in the programme core documents.

### **3 REPORTING**

In keeping with the SC decision of 15 September 2006, the planning cycle of the DF will be fully harmonised with that of the MOES with effect from the new fiscal year starting in July 2007. This means that annual work plans and budgets will follow the Government of Nepal's fiscal cycle, starting mid July and ending mid July in the following year. However, due to the obligations of the Government-to-Government Agreement, the reporting of physical and financial progress within the DF context will continue to take place every quarter with the fourth quarter serving as a consolidated annual progress report.

At the end of each quarter, all implementing agencies which have requested and been allocated DF resources must prepare and submit a Quarterly Activity Status Report reflecting the current status of progress against the AWP&B output-based targets and budgets. A format to be used for tracking of both physical and financial progress against agreed targets is the Planning and Monitoring Sheet provided in Annex 2 that should be attached to the Quarterly Activity Status Report. Through the regular updating of this sheet it is possible to keep track of both the status of progress of approved activities against the planned targets as well as the expenditures incurred by output, component and programme. Through the inclusion of a rolling year, the sheet also provides information on tentative financial commitments for the following fiscal year, aimed at helping the SC in its long-term prioritisation and management of the DF facility.

On the basis of these reports, the FACS with the assistance of the ESAT office will prepare a consolidated quarterly financial and physical progress report covering the entire DF facility. This consolidated report will be submitted to all SC members and presented in summary form during SC meetings for consideration by the SC. The fourth quarter progress report will serve as the year-end Annual Consolidated Progress Report, and will be submitted to the SC members and the EOD prior to the annual programme review and/or consultations normally held in December with the purpose of enhancing the overview of the sector in general and how the DF facility is linked to the general sector performance and needs in particular.

An annual external audit report will also be prepared and submitted with the Annual Consolidated Progress Report.

The Consolidated Annual Progress Report will contain, but not necessarily be limited to, the following information:

- a brief analysis of the present situation as compared to situation prevailing at the beginning of the year, and how this situation has affected plan implementation and target achievements;

- a specific reporting on year-end achievements against planned output targets; incl. explanation of causes for deviations and possible solutions to overcome problems and obstacles to progress;
- a specific reporting on expenditures incurred in total and specifically by programme, component and output;
- a brief review of the one-year rolling plan on top of the annual plan, with identification of activities that may not take place, may be delayed or may require additional resources; followed by specific recommendations for changes and adjustments to the one-year rolling plan (including budget reallocations) for the SC's consideration during next SC meeting.

As the DF facility is part of the overall EFA and SESP programme framework, it is important to stress that the Consolidated Annual Progress Report should be read together with the consolidated annual progress report of the EFA and SESP programmes.

#### **4 REVIEWS AND EVALUATIONS**

Given the situation in Nepal, it is more evident than ever that development effectiveness of the education sector rests on strengthening institutions, improving policy frameworks and forging strategic partnerships. At the objective level, the success of the DF facility as a flexible mechanism to complement the EFA and SESP programmes, in particular in the intended fields of institutional strengthening and capacity development, should be measured by its contributions to the achievement of overall outcomes, meaning in relation to the overall sector and programme targets that the MOES and donor community works towards through, among other things, its projects and programmes and partnerships. The traditional method for obtaining answers to these questions is the inclusion of the DF mechanism during the preparation and implementation of programme evaluations. In addition to the joint annual programme reviews, technical reviews and evaluations of any or both of the entire programmes or any parts thereof may be carried out during or by end of the programme period. Such technical reviews or evaluation will be the joint responsibility of Danida's Evaluation Secretariat and the relevant authorities in Nepal as well as the MOES as the recipient organization required to facilitate the technical review or evaluation.

As part of the EFA and SESP programmes the DF facility is also subjected to the joint annual programme. The joint annual reviews may have a different focus and emphasis from year to year, depending on the overall programme requirements; and reviews of the DF facility may not necessarily be full-scale reviews. In addition to annual reviews, Danida may decide in collaboration with the MOES to undertake technical assessments on specific issues at any time during the programme period.

## Annex 1: Format for Financial Progress Reporting

(Aid management Guidelines' Annex 11 C Quarterly financial report to the Representation)

Programme period:  
 National implementing agency: Ministry of Education & Sports  
 Financial Year: 2006  
 Status as at: 31-Jul-06

Representation File no.:

Components/Outputs	Original grant in DKK million [a]	Total disbursements per 31.12.xx	Total budget	National partner contribution	Danida contribution	Total expenditure year to date	Balance on current year's budget	Balance on grant for comming years
		[b]	[c]	[d]	[e]	[f = d + e]	[g = c - f]	[h = a - b - f]

A: [Component]								
A.1: Component Activities								
<i>Sub-total</i>								
Unallocated								
Contingency								
<i>Total</i>								

B: [Component]								
B.1: Component Activities								
<i>Sub-total</i>								
Unallocated								
Contingency								
<i>Total</i>								

C: [Component]								
C.1: Component Activities								
<i>Sub-total</i>								
Unallocated								
Contingency								
<i>Total</i>								

Total Components incl. Contingencies								
<b>Unallocated</b>								
<b>Total</b>								

Balance brought forward from last year: \_\_\_\_\_  
 Cash received reporting year to date: \_\_\_\_\_  
 Sub-total \_\_\_\_\_  
 Programme expenses year to date \_\_\_\_\_  
 Closing balance \_\_\_\_\_

Programme Manager  
 \_\_\_\_\_  
 [signature] \_\_\_\_\_



## Planning and Monitoring Sheet

Education Sector Advisory Team

1st Jan. to 14. Jul. 2007

FINANCIAL YEAR

ESAT Code	Activity Area <i>(Programme/Component/Activity Area)</i>	Implem. Partner	Output Description <i>(SMART)</i>	Target 14-Jul-07	Budget 14-Jul-07	Achievement 01-January to 14 July 2007					Fiscal Year 2007/08		Remarks
						14-Mar	14-Jul	Achievement in % of target	Accumulated achievement	Accumulated Expenditure	Target	Budget	
		DoE	No. of RPs, SSS, relevant DEO staff and HTs trained in Basic School financial management through NCED										
1.3	<b>Meeting the learning needs of all</b>												
1.3.1	Development/adaptation of school curricula and teaching materials to local needs	NFEC	No. of complete grade curricula developed in Abadhi language	1									
		NFEC	No. of district trainers trained	20									
		NFEC	No. of complete sets of educational materials developed in Abadhi	1									
1.3.2	Strengthening of multi-grade teaching capacity	DoE	No. of teaching kit box distributed to schools with multi-grade teaching problems	5,000	1,175,000						0	0	
		DoE	No. of practical handbooks prepared and distributed to teachers working in multi-grade teaching environment	0	0						5,000		
		DoE	No. of subjects for which self-learning textbooks and materials for multi-grade teaching have been completed	0	0						2		
1.4	<b>Reducing adult illiteracy</b>												
1.4.1	Development of NFE Alternative School Programme for Out-of-School children	NFEC	No. of Alternative-School-Programme approach and modality finalised	1							0	0	
		NFEC	No. of Full set curriculum and education materials fro Open School, lower secondary level, completed	1							0	0	
		NFEC	No. of resource teachers trained	0	0						100		
		NFEC	No. of children enrolled and crossed lower secondary school from NFE Open School in two pilot districts	0	0						2,000		
1.4.2	Formulation of Village Education Plans (VEP)	NFEC	No. of VDCs participating & preping their own VEP	237							0	0	
		NFEC	No. of VDCs where functional databases have been established	237							0	0	
1.5	<b>Eliminating gender disparity</b>												
1.5.1	Development of Code of Conduct for gender policy implementation	PPD	No. of Code of Conduct for Gender Policy implementation prepared	1	100,000						0	0	
1.6	<b>Improving quality in all aspects of education</b>												
1.6.1	Definition of Quality in Education	PPD	No. of report where Quality of Education has been defined and explained in the context of Nepal, incl. catalogue of quality indicators	1	100,000						0	0	
1.6.2	Support for improving learning achievements in poorly performing schools	PPD	No. of reports documenting performance problems and their underlying causes prepared	1	600,000						0	0	
1.6.3	Strengthening school supervision system	PPD	No. of reports documenting gaps between delivery and learning outcomes	1	300,000						0	0	
<b>SECONDARY EDUCATION SUPPORT PROGRAMME</b>													
2.1	Learning Environment												
2.2	Curriculum and Assessment												
2.2.1	Re-packaging of secondary level curriculum	CDC	No. of secondary level curriculum re-packaged to meet SSA requirements	1	2,200,000						0	0	
2.3	Teacher education, development and management												
2.4	Institutional management & capacity building												
2.4.1	Implementation of NCED Capacity Development Plan	NCED	Output specific indicators to be developed and submitted by NCED		62,499,900							97,632,975	
2.4.2	Strengthening of the ICT capacity of the MOES	MOES	No. of agencies where firewall has been installed and is functioning	4							0		





**Annex 4: Detailed Budget Breakdown for Operations**

**Budget Estimate for the Period 1st Jan. 2007 - 15th July 2008**

Nr	Line items	Estimated expenses for 2006 (Nrs.)	Budget for January 2007 to Mid July 2007 (Nrs.)	Budget for Mid July 2007 to Mid July 2008 (Nrs.)	Comments
<b>I</b>	<b>ESAT PERSONNEL COSTS</b>	<b>6,914,611.20</b>	<b>3,610,205.72</b>	<b>6,664,995.17</b>	
	Program staff	2,394,838.51	1,426,924.61	2,634,322.36	
	Salary	2,372,838.51	1,413,816.28	2,610,122.36	
	Insurance	22,000.00	13,108.33	24,200.00	
	Administrative staff	1,565,654.91	958,869.38	1,770,220.40	
	Salary	1,540,154.91	917,675.63	1,694,170.40	
	Insurance	25,500.00	15,193.75	28,050.00	
	Local Training		26,000.00	48,000.00	added new
	Finance staff	1,560,109.46	369,656.76	682,443.25	
	Salary	1,539,109.46	337,102.59	622,343.25	reduced FM salary
	Insurance	21,000.00	6,554.17	12,100.00	reduced FM ins.
	Local Training	0.00	26,000.00	48,000.00	added new
	Support staff	1,394,008.32	854,754.96	1,578,009.16	
	Salary	1,284,980.49	765,634.21	1,413,478.54	
	Insurance	55,940.50	33,331.21	61,534.55	
	Overtime	39,087.33	23,289.54	42,996.07	
	Local Training	14,000.00	32,500.00	60,000.00	added new
<b>II</b>	<b>OFFICE OPERATION COSTS</b>	<b>798,318.53</b>	<b>600,248.13</b>	<b>988,397.05</b>	
	Meeting expenses	11,165.23	6,652.61	12,281.75	
	Workshops/Seminars	77,442.08	46,142.57	85,186.29	
	Utilities (electricity, water charges)	344,619.01	205,335.50	379,080.91	
	Consumables (tea, coffee etc)	36,285.89	21,620.34	39,914.48	
	Cleaning supplies & services	36,285.89	21,620.34	39,914.48	
	R&M office	12,514.43	7,456.51	13,765.87	
	R&M Equipment & Software	112,422.60	326,568.47	233,664.86	software renewal
	Entertainment	0.00	65,000.00	120,000.00	added new
	Security services	108,866.67	64,866.39	0.00	discontinued after july
	Non durable Assets	58,716.75	34,985.39	64,588.42	
<b>III</b>	<b>PRINTING &amp; STATIONERY</b>	<b>549,429.31</b>	<b>327,368.30</b>	<b>604,372.24</b>	
	Stationery and others	168,162.13	100,196.60	184,978.35	
	IT supplies (toner etc.)	246,893.03	147,107.10	271,582.33	
	Printing & Binding	76,302.67	45,463.67	83,932.93	
	Educational materials/books	58,071.48	34,600.92	63,878.63	
<b>IV</b>	<b>COMMUNICATION</b>	<b>845,494.07</b>	<b>510,273.55</b>	<b>942,043.47</b>	
	Telephone	129,826.85	77,355.17	142,809.54	
	Mobile	113,476.35	67,612.99	124,823.98	
	Satellite	23,598.20	14,060.59	25,958.02	
	ISP/VPN	507,926.00	302,639.24	558,718.60	
	Website hosting	42,000.00	25,025.00	46,200.00	
	Postage & Others	0.00	6,500.00	12,000.00	added new
	ESAT Web design & upgrade	28,666.67	17,080.56	31,533.33	
<b>V</b>	<b>TRANSPORTATION</b>	<b>503,578.33</b>	<b>354,215.42</b>	<b>653,936.17</b>	
	Vehicle R&M	293,361.93	328,961.49	422,698.13	tyres & windshields
	Vehicle fuel and lubricants	190,193.91	113,323.87	209,213.30	
	Vehicle parking	953.33	568.03	1,048.67	
	Vehicle insurance & puja	19,069.16	11,362.04	20,976.08	
<b>VI</b>	<b>CONSULTANCY</b>	<b>757,746.67</b>	<b>513,728.22</b>	<b>948,421.33</b>	
	IT Consultant	252,000.00	150,150.00	277,200.00	
	Translation/ editing/typing charges	224,746.67	133,911.56	247,221.33	
	Interpreter/Rapporteur	0.00	13,000.00	24,000.00	added new
	Audit fee & others	281,000.00	216,666.67	400,000.00	revised estimate
<b>VII</b>	<b>STEERING COMMITTEE</b>	<b>15,000.00</b>	<b>130,000.00</b>	<b>240,000.00</b>	revised estimate
<b>VIII</b>	<b>REVIEW MISSIONS</b>	<b>280,518.67</b>	<b>260,000.00</b>	<b>480,000.00</b>	revised estimate
<b>IX</b>	<b>CAPITAL EQUIPMENT</b>	<b>344,335.97</b>	<b>691,500.00</b>	<b>810,000.00</b>	new list attached
	Procurement of office equipment	309,518.00	370,000.00	770,000.00	copier & batteries
	Procurement of furniture	34,817.97	205,000.00	40,000.00	
	Procurement of other assets		116,500.00		
<b>X</b>	<b>CONTINGENCIES</b>		<b>729,753.93</b>	<b>1,233,216.54</b>	
<b>XI</b>	<b>IRREGULAR EXPENSES</b>				
	Upgradation of Navision	529,204.35			
	Consultants (YS & P2P)	341,000.00			
	International workshop (jbt)	77,829.00			
	Electrical repairs at PPC building	90,182.00			
	Knowledge management w'shop	817,640.00			
	<b>GRAND TOTAL</b>	<b>12,864,888.10</b>	<b>8,027,293.26</b>	<b>13,565,381.97</b>	

Nett annual operational cost of ESAT in Rs.	6,216,039	10,802,165.43	
Nett annual operational cost of ESAT in million DKK	1	0.93	
Percentage of total annual DF budget (18.6 million DKK)	5.32%	5.01%	18.60

**Notes:**

- Irregular expenses have been separated for budgeting
- One time expenses between Oct - Dec have been added
- Budget for financial year 2007/2008 is 110% of the 2006 estimates
- Budget for Jan-July 2007 is 6.5/12 times that of 2007/2008 annual budget
- Please see specific notes under "comments"

**Annex 5: Detailed Plan & Budget for Capacity Development with the Danida Fellowshi**

Cross-sectorial Courses	When	Duration	Approximate Total Costs per Participant (cost of air ticket may vary)	Participants with Programme	Participants with DFC Central Funds	Budget 2007 - Direct Funding DKK	In NPR rate	status
				(Please indicate numbers)				
<u>Mainstreaming courses</u>						(average 10,000 dkk per person-week)	12	
Conflict Management (and Post-conflict)	2 <sup>nd</sup> half of 2007	8.5 weeks	n/a		3	0	0	
Gender Mainstreaming	1 <sup>st</sup> half of 2007	3 weeks	n/a		3	0	0	FACS invited to submit applications Oct 12- deadline nov
Environmental Mainstreaming (CDC)	2 <sup>nd</sup> half of 2007	4 weeks	n/a		2	0	0	8
HIV/AIDS Mainstreaming ( Policy, teacher training and cdc)		4 weeks	n/a		6	0	0	
Anti-Corruption		3 weeks	n/a		4	0	0	
Integrating Human Rights in Development Programming	2 <sup>nd</sup> half of 2007	3 weeks	n/a		4	0	0	

<b>Organizational/project development courses:</b>					
Organizational Change Management	2 <sup>nd</sup> half of 2007	8 weeks	80,000 DKK		2
Financial Management and Good Governance (local)	1 <sup>st</sup> half of 2007	9 weeks	90,000 DKK		
Sector Programme Management and Coordination		8 weeks	80,000 DKK	4	
Capacity Development Leadership ( <b>DK + e-learning</b> ) (for top managers, executives)	2 <sup>nd</sup> half of 2007	4+1 weeks DK and 5 weeks home	70,000 DKK	4	3
Training Development and Management (for those in charge of on-going training) (NFEC and NCED)	1 <sup>st</sup> half of 2007	9 weeks	90,000 DKK		2
NGO Management (DoE)		3 weeks	37,500 DKK	1	1
Communication and Information Management	2 <sup>nd</sup> half of 2007	8 weeks	80,000 DKK	2	2
				<b>Total Ex-country</b>	

0	Mr. Sharma, Mr. Chhetry and Mr. Bilas Roy submitted applications in
0	0 June 2006
0	Applications sent to DFC August 2006 - awaiting
0	0 feedback
320,000	3,840,000
280,000	3,360,000
0	Invitation sent to FACS October 12, 2006 - deadline for submission
0	0 Nov 22
37,500	450,000
160,000	1,920,000
<b>797,500</b>	<b>9,570,000</b>

Training Needs of your Programme	When	Duration		Participants with Programme Funding	Participants with DFC Central Funds	Budget 2007 - Direct F In NPR rate	
				(Please indicate numbers )		(average DKK 2,000 per person)	12
Financial Management and Good Governance	Jan-Mar 2007 - if possible	5 weeks	Local course in Nepal	20		300,000	3,600,000
We feel that there is a need to develop a global/ regional course dealing with Aid Harmonization in Sector Programmes, following the Paris Declaration. How do Managers and Coordinators of Sector-programmes promote Aid harmonization and additional stipulations of the Paris Declaration?	Anytime when developed	E.g. 2 weeks		2	2	40,000	480,000
<b>Total in-country and proposed new course</b>						<b>340,000</b>	<b>4,080,000</b>
<b>Total DFC Institutional capacity development program 2007</b>						<b>1,137,500</b>	<b>13,650,000</b>

**ANNEX 6: OVERVIEW OF PLANNED DIRECT FUNDING BUDGET FOR YEAR 2006/07 AND THE ROLLING YEAR 2007/08**

11-Dec-06

**Table 1: EFA-Summary of Planned Budget for Direct Funding in EFA for 2006/07 and rolling budget for 2007/08**

<b>Education for All</b>		Planned Year		Budget-wise Distribution	Rolling Year		Budget-wise Distribution
		<b>Fiscal Year 2006/07</b>			<b>Fiscal Year 2007/08</b>		
		NRS	DKK	%	NRS	DKK	%
<b>1.1</b>	<b>Expanding Early Childhood Development</b>	<b>400,000</b>	<b>34,483</b>	<b>2%</b>	<b>0</b>	<b>0</b>	<b>0%</b>
1.1.1	Preparation of situation analysis and ECD 2015 strategy	400,000	34,483	2%	0	0	0%
<b>1.2</b>	<b>Ensuring access to education for all children</b>	<b>7,603,100</b>	<b>655,440</b>	<b>36%</b>	<b>19,798,375</b>	<b>1,706,756</b>	<b>79%</b>
1.2.1	Inclusive Education	200,000	17,241	1%	0	0	0%
1.2.2	Strengthening of School-level Planning Capacity	1,303,100	112,336	6%	7,933,375	683,912	32%
1.2.3	Development of School Mapping Capacity	2,150,000	185,345	10%	6,290,000	542,241	25%
1.2.4	Improving physical progress reporting used for Financial Monitoring Report (FMR)	950,000	81,897	5%	175,000	15,086	1%
1.2.5	Increasing the use and reliability of EMIS data	3,000,000	258,621	14%	5,400,000	465,517	22%
<b>1.3</b>	<b>Meeting the learning needs of all</b>	<b>2,176,000</b>	<b>187,586</b>	<b>10%</b>	<b>3,155,000</b>	<b>271,983</b>	<b>13%</b>
1.3.1	Development/adaptation of curricula and teaching materials to local needs	1,000,000	86,207	5%	0	0	0%
1.3.2	Strengthening of multi-grade teaching capacity	1,176,000	101,379	6%	3,155,000	271,983	13%
<b>1.4</b>	<b>Reducing adult illiteracy</b>	<b>6,906,830</b>	<b>595,416</b>	<b>33%</b>	<b>0</b>	<b>0</b>	<b>0%</b>
1.4.1	Development of NFE Alternative Schooling Programme	1,300,000	112,069	6%	0	0	0%
1.4.2	Formulation of Village Education Plans	5,606,830	483,347	27%	0	0	0%
<b>1.5</b>	<b>Eliminating gender disparity</b>	<b>100,000</b>	<b>8,621</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>
1.5.1	Development of code of conduct for gender policy implementation	100,000	8,621	0%	0	0	0%
<b>1.6</b>	<b>Improving quality in all aspects of education</b>	<b>1,000,000</b>	<b>86,207</b>	<b>5%</b>	<b>0</b>	<b>0</b>	<b>0%</b>
1.6.1	Defining quality in Education in the Nepalese context	100,000	8,621	0%	0	0	0%
1.6.2	Support for improving learning achievements in poorly performing schools	600,000	51,724	3%	0	0	0%
1.6.3	Strengthening of school supervision system	300,000	25,862	1%	0	0	0%
<b>X</b>	<b>Spill-Over Activities from Preceding Years</b>	<b>1,788,400</b>	<b>154,172</b>	<b>9%</b>	<b>0</b>	<b>0</b>	<b>0%</b>
IV	Support to Community School National Network (contractual obligation)	1,638,400	141,241	2%	0	0	0%
V	Support for Village Education Plans (contractual obligation)	150,000	12,931	0%	0	0	0%
	<b>Contingency budget</b>	<b>1,000,000</b>	<b>86,207</b>	<b>5%</b>	<b>2,000,000</b>	<b>172,414</b>	<b>8%</b>
<b>TOTAL</b>		<b>20,974,330</b>	<b>1,808,132</b>	<b>100%</b>	<b>24,953,375</b>	<b>2,151,153</b>	<b>100%</b>

Note: Exchange rate in use is DKK 1 = NRS

**Table 2: Summary of Planned Budget for Direct Funding in SESP for 2006/07 and rolling budget for 2007/08**

Secondary Education Support Programme		Planned Year		Budget-wise Distribution	Rolling Year		Budget-wise Distribution
		Fiscal Year 2006/07			Fiscal Year 2007/08		
		NRS	DKK	%	NRS	DKK	%
<b>2.1</b>	<b>Learning Environment</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>2.2</b>	<b>Curriculum and Assessment</b>	<b>2,200,000</b>	<b>189,655</b>	<b>2%</b>	<b>0</b>	<b>0</b>	<b>0%</b>
2.2.1	Repackaging of secondary level curriculum	2,200,000	189,655	2%	0	0	0%
<b>2.3</b>	<b>Teacher Education, Development and Management</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>2.4</b>	<b>Institutional Management and Capacity Building</b>	<b>99,562,400</b>	<b>8,582,966</b>	<b>94%</b>	<b>166,319,775</b>	<b>14,337,912</b>	<b>98%</b>
2.4.1	Implementation of NCED Capacity Development Plan	62,499,900	5,387,922	59%	97,632,975	8,416,636	58%
2.4.2	Strengthening of the ICT Capacity of the MOES	7,637,500	658,405	7%	6,146,800	529,897	4%
2.4.3	Preparation of Capacity Development Plan for MOES, CDC, DOE, REDs, DEOs, and RCs	8,000,000	689,655	8%	35,000,000	3,017,241	21%
2.4.4	Strengthening of system and procedures for budget release to schools and school-level financial management and reporting capacity	300,000	25,862	0%	830,000	71,552	0%
2.4.5	Capacity Development with the Danida Fellowship Centre	3,240,000	279,310	3%	8,610,000	742,241	5%
2.4.6	Strengthening of Financial Information Management and Reporting Capacity	7,035,000	606,466	7%	5,000,000	431,034	3%
2.4.7	Institutional Capacity Building of NFEC	5,400,000	465,517	5%	6,000,000	517,241	4%
2.4.8	Strengthening of Education Sector Policy and Legal Framework	4,650,000	400,862	4%	7,100,000	612,069	4%
2.4.9	Upgrading of working environment and conditions	800,000	68,966	1%	0	0	0%
<b>X</b>	<b>Spill-Over Activities from Preceding Years</b>	<b>2,780,000</b>	<b>239,655</b>	<b>3%</b>	<b>750,000</b>	<b>64,655</b>	<b>0%</b>
I	Support to MOES Masters Studies (6 candidates@ NRS 220,000 per candidate)	570,000	49,138	1%	750,000	64,655	0%
II	Support for Teachers' Union of Nepal	1,685,000	145,259	2%	0	0	0%
III	Submersible water pump for CDC	300,000	25,862	0%	0	0	0%
VI	Support to DOE for repair of Mahindra Jeep	225,000	19,397	0%	0	0	0%
	<b>Contingency budget</b>	<b>1,000,000</b>	<b>86,207</b>	<b>1%</b>	<b>2,000,000</b>	<b>172,414</b>	<b>1%</b>
<b>TOTAL</b>		<b>105,542,400</b>	<b>9,098,483</b>	<b>100%</b>	<b>169,069,775</b>	<b>14,574,981</b>	<b>100%</b>

Note: Exchange rate in use is DKK 1 = NRS

**Table 3: Summary of Planned Budget for Direct Funding in Operations for 2006/07 and rolling budget for 2007/08**

Operations		Planned Year		Budget-wise Distribution	Rolling Year		Budget-wise Distribution
		Fiscal Year 2006/07			Fiscal Year 2007/08		
		NRS	DKK	%	NRS	DKK	%
I	ESAT Personnel	3,610,206	311,225	45%	6,664,995	574,569	49%
II	Office Operation Cost	800,248	68,987	10%	988,397	85,207	7%
III	Printing and Stationery	327,368	28,221	4%	604,372	52,101	4%
IV	Communication	510,274	43,989	6%	942,043	81,211	7%
V	Transportation	454,215	39,157	6%	653,936	56,374	5%
VI	Consultancy	513,728	44,287	6%	948,421	81,760	7%
VII	Steering Committee	130,000	11,207	2%	240,000	20,690	2%
VIII	Review Missions	260,000	22,414	3%	480,000	41,379	4%
IX	Capital Equipment	691,500	59,612	9%	810,000	69,828	6%
X	Contingencies	729,754	62,910	9%	1,233,217	106,312	9%
<b>TOTAL</b>		<b>8,027,293</b>	<b>692,008</b>	<b>100%</b>	<b>13,565,382</b>	<b>1,169,429</b>	<b>100%</b>

Note: Exchange rate in use is DKK 1 = NRS

11.6

Note: Operational cost are paid from the Educatin for All budget

**Table 4: Summary of Planned Budget for Direct Funding in 2006/07 and rolling budget for 2007/08**

Direct Funding		Planned Year		Budget-wise Distribution	Rolling Year		Budget-wise Distribution
		Fiscal Year 2006/07			Fiscal Year 2007/08		
		NRS	DKK	%	NRS	DKK	%
<b>1</b>	<b>Education for All</b>	<b>29,001,623</b>	<b>2,500,140</b>	<b>22%</b>	<b>38,518,757</b>	<b>3,320,582</b>	<b>19%</b>
a)	Programme cost	20,974,330	1,808,132	16%	24,953,375	2,151,153	12%
b)	Operations	8,027,293	692,008	6%	13,565,382	1,169,429	7%
<b>2</b>	<b>Secondary Education Suport Programme</b>	<b>105,542,400</b>	<b>9,098,483</b>	<b>78%</b>	<b>169,069,775</b>	<b>14,574,981</b>	<b>81%</b>
<b>TOTAL</b>		<b>134,544,023</b>	<b>11,598,623</b>	<b>100%</b>	<b>207,588,532</b>	<b>17,895,563</b>	<b>100%</b>

Note: Exchange rate in use is DKK 1 = NRS

11.6