

**Technical Assistance for  
Writing Programme Completion Report  
Over Danida's Direct Funding Activities Supporting MOES  
And Its Line Agencies Including NGO's Under BPEP II  
from 1998 to 2004**

**FINAL REPORT**

Submitted to

**Education Sector Advisory Team (ESAT)  
Kesharmahal, Kathmandu, Nepal**



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**August 2004**

23 August 2004

Mr. Karsten Jensen  
The Chief Technical Advisor  
Education Sector Advisory Team (ESAT)  
Ministry of Education and Sports  
Nepal

**Subject : Submission of Final Report**

Dear Mr. Jensen,

We are pleased to submit herewith the Final Report on Technical Assistance for Writing Programme Completion Report over Danida's Direct Funding Activities supporting MOES, and its Line Agencies including NGO's under BPEP II from 1998 to 2004.

The comments received from the stakeholders and EAST have been incorporated in the Final Report.

Best Regards

Sincerely yours'

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**Shiva Man Rajbhandari**  
*Executive Chairman*

## ACKNOWLEDGEMENT

The Education Sector Advisory Team (ESAT) has appointed METCON Consultants to undertake the study on Technical Assistance for Writing Programme Completion Report over Danida's direct funding activities supporting MOES, and its line agencies including NGO's under BPEP II from 1998 to 2004.

We are thankful and express our appreciation to Mr. Karsten Jensen, CTA of ESAT for entrusting us with this important study. We acknowledge with gratitude a number of high level MOES officers, and its line agencies staffs, who directly or indirectly helped us to complete this study.

Lastly, I would like to extend my sincere thanks to Dr. Pushkar Bajarcharya, lead consultant, and other team members for their effort to complete this study successfully.

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**Shiva Man Rajbhandari**  
*Executive Chairman*

## ABBREVIATIONS

<b>AEL</b>	<b>Access to Enhanced Learning Opportunities for All Children</b>
<b>ASIP</b>	<b>Annual Strategic Implementation Plan</b>
<b>AWPB</b>	<b>Annual Work plan &amp; Budget</b>
<b>BPEP</b>	<b>Basic and Primary Education Programme</b>
<b>CAS</b>	<b>Continuous Assessment System</b>
<b>CBO</b>	<b>Community Based Organization</b>
<b>CDC</b>	<b>Curriculum Development Centre</b>
<b>CIP</b>	<b>Core Investment Programme</b>
<b>CLAs</b>	<b>Central Level Agencies</b>
<b>CRC</b>	<b>Camera Ready Copy</b>
<b>CTA</b>	<b>Chief Technical Advisor</b>
<b>DANIDA</b>	<b>Danish International Development Assistance</b>
<b>DDC</b>	<b>District Development Committee</b>
<b>DEC</b>	<b>District Education Committee</b>
<b>DEO</b>	<b>District Education Office</b>
<b>DEP</b>	<b>District Education Plan</b>
<b>DKK</b>	<b>Danish Kroner</b>
<b>DOE</b>	<b>Department of Education</b>
<b>EC</b>	<b>European Commission</b>
<b>ECD</b>	<b>Early Childhood Development</b>
<b>EFA</b>	<b>Education for All</b>
<b>EFA-NPA</b>	<b>Education for All National Plan of Action</b>
<b>EMIS</b>	<b>Education Management Information System</b>
<b>ESAT</b>	<b>Education Sector Advisory Team</b>
<b>EU</b>	<b>European Union</b>
<b>FGD</b>	<b>Focus Group Discussion</b>
<b>FINNIDA</b>	<b>Finish International Development Assistance</b>
<b>FY</b>	<b>Fiscal Year</b>
<b>GER</b>	<b>Gross Enrollment Ratio</b>
<b>HMG</b>	<b>His Majesty's Government</b>
<b>HRD</b>	<b>Human Resource Development</b>
<b>IA</b>	<b>Institutional Analysis</b>
<b>IDA</b>	<b>International Development Association</b>
<b>IIEP</b>	<b>International Institute of Educational Planning</b>
<b>ILP</b>	<b>Institutional Linkage Programme</b>
<b>JICA</b>	<b>Japanese International Cooperation Agency</b>
<b>JEMC</b>	<b>Janak Education Materials Centre</b>
<b>LG</b>	<b>Local Government</b>
<b>LSGA</b>	<b>Local Self Governance Act</b>
<b>MOES</b>	<b>Ministry of Education and Sports</b>
<b>MOF</b>	<b>Ministry of Finance</b>
<b>MTR</b>	<b>Mid -Term Review</b>
<b>NCED</b>	<b>National Center for Educational Development</b>
<b>NER</b>	<b>Net Enrollment Ratio</b>
<b>NFEC</b>	<b>Non-formal Education Centre</b>
<b>NGO</b>	<b>Non-Governmental Organization</b>
<b>NFE</b>	<b>Non-formal Education</b>

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<b>NORAD</b>	<b>Norwegian Agency for Development</b>
<b>NPC</b>	<b>National Planning Commission</b>
<b>NIEPA</b>	<b>National Institute of Educational Planning and Administration</b>
<b>OSP</b>	<b>Out-of-School Programme</b>
<b>PAT</b>	<b>Programme Advisory Team</b>
<b>PCR</b>	<b>Programme Completion Report</b>
<b>PIP</b>	<b>Programme Implementation Plan</b>
<b>PMIS</b>	<b>Programme Management Information System</b>
<b>PPC</b>	<b>Primary Publishing Cell</b>
<b>RC</b>	<b>Resource Centre</b>
<b>RDE</b>	<b>Royal Danish Embassy</b>
<b>RP</b>	<b>Resource Person</b>
<b>SEDU</b>	<b>Secondary Education Development Unit</b>
<b>SESP</b>	<b>Secondary Education Support Programme</b>
<b>SIP</b>	<b>School Improvement Plan</b>
<b>SMC</b>	<b>School Management Committee</b>
<b>SRC</b>	<b>Study Resource Centre</b>
<b>SWAP</b>	<b>Sector-Wide Approach</b>
<b>TA</b>	<b>Technical Assistance</b>
<b>TL</b>	<b>Teaching Learning</b>
<b>TOR</b>	<b>Terms of Reference</b>
<b>TU</b>	<b>Tribhuvan University</b>
<b>UNICEF</b>	<b>United Nations Children's Fund</b>
<b>VDC</b>	<b>Village Development Committee</b>
<b>VEC</b>	<b>Village Education Committee</b>
<b>WB</b>	<b>World Bank</b>
<b>WEP</b>	<b>Women's Education Programme</b>

## PROGRAMME COMPLETION REPORT

**Author:**

**File No.:**

**Date:**

### BASIC PROGRAMME DATA (Revisiting the Cover of the Programme Document)

<b>Country</b>	Nepal		
<b>Sector</b>	Education	<i>DAC-code: 112</i>	
<b>Sub-sectors</b>	Basic and Primary Education Programme-II		
<b>Finance Act Number</b>			
<b>UM Finance Number</b>	5053391		
<b>National partners</b>	Ministry of Education and Sports and Department of Education		
<b>Other Donors</b>			
<b>Funding Currency: DKK</b>	<b>Danida</b>		<b>Other</b>
	<b>Budget</b>	<b>Disbursement<sup>1</sup></b>	<b>Budget</b>   <b>Disbursement</b>
(Component 1) <b>Quality</b>	42,000,000	34,481,880.31	
(Component 2) <b>Assess</b>	42,000,000	30,719,855.04	
(Component 3) <b>Institution</b>	21,000,000	28,560,712.27	
External Cost		1,891,840.10	
<b>Total undisbursed DKK</b>	<b>Danida</b> 9,345,712.28		<b>Others</b>
<b>Technical advisers</b>	Erik Winther Schmidt (until 2000) Karsten Jensen (from 2000), Ivan Arnbjerg, Vibeke Jensen (from 1999 to 2001) Marianne Berner (from 2001), Jesper Holst (from 2000 to 2003), Rita Tisdall (from 2003).		
<b>Date of agreement</b>	29 May 1998		
<b>Programme duration</b>	<b>Planned</b>		<b>Actual</b>
	July 1998- 15 July 2003		15 July 2004

<sup>1</sup> The disbursement figure covers the period 1998 to July 2004 including KK contracts.

**Achievement of Objectives 2**

<b>OBJECTIVES:</b>	Very Satisfactory	Satisfactory	Less Satisfactory	Quite unsatisfactory
(Component 1) <b>Quality</b>		✓		
(Component 2) <b>Assess</b>		✓		
(Component 3) <b>Institution</b>		✓		

  

<b>OVERALL AID OBJECTIVES</b>	Poverty-orientation with attention paid to cross-cutting issues			
	Very Satisfactory	Satisfactory	Less Satisfactory	Quite unsatisfactory
Poverty-orientation	✓			
Gender Equity		✓		
Environmental concerns		✓		
Democracy and human rights issues	✓			

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## 1. SUMMARY:

### 1.1 Summary

Consolidating the successful experiences of earlier educational projects, the Government of Nepal launched Basic and Primary Education Program (BPEP II) in 1999 with the technical and financial support of five major donors: DANIDA, EU, IDA, NORAD and the government of Finland. IDA provided loan assistance to carry out the program while the remaining four assisted on a grant basis. ADB, JICA and UNICEF also provided earmarked support to the program. This was a comprehensive educational reform program, especially focused to basic and primary education

BPEP II had three major objectives:

- To improve enrollment and retention, particularly of girls and the children of socially disadvantaged groups,
- To enhance the learning achievement of students and increase primary cycle completion rate, and
- To strengthen the management capacity at all levels.

DANIDA joined hands with other institutional donors as mentioned above for supporting BPEP II Core Investment Program (CIP) under a basket funding modality (a common financing modality). The donors released their fund to support the program subject to the endorsement of the Annual Strategic Implementation Plan (ASIP), which was later turned into the Bill of Appropriation and approved by the Parliament.

DANIDA, like other CIP-donors, approved 30% of the grant for direct funding in order to support implementing activities that were not included in the ASIP. The amount allocated for direct funding was amounted DKK 90 million.

The funding modality was based on two developmental premises:

- To provide funding for technical assistance in the form of institutional linkage arrangement and short term specialist consultancies, and
- To enable the Department of Education (DOE) and the Central Level Agencies (CLAs) to undertake pilot projects before new and innovative approaches are disseminated on a wider scale.

Together with these, other unforeseen expenditures aligned with program development, and fully justified within that context, could also be covered under direct funding provision on a limited and agreed scale.

This Program Completion Report records the extent to which the DANIDA direct funding support for accomplishing BPEP II strategic objectives were achieved.

### 1.2 Outstanding Issues

The guidelines for the programme Completion Report state “Outstanding issues” could signify issues relevant for new programmes. The outstanding issues pertaining to direct funding in future Danida assistance are briefly stated below:

### Volume of direct funding

The direct funding is considered necessary to continue in order to help expediting the achievement of the strategic objectives of the program. But the size of such funding arrangement needs to be kept around 20% of the total assistance as it is in the case of Secondary Education Support Program (SESP). Such arrangement, on the one hand, would take into accounts the developments in the context of education sector and on the other, gradually reducing the principle level of direct funding from the earlier assistance to the basic and primary education sub-sector.

### Rationale for direct funding

The process of preparing this PCR has undergone through wide range of consultation with the stakeholders. Different stakeholders commented upon the rationale of direct funding.

Some of the stakeholders stressed that the direct funding assistance should focus on capacitating the researchers at the district levels in order to carry out action research at district level; while others commented that much fund was spent on the activities viz. studies and capacity building carried out at central level as compared to those at district level.

As such, the comments signify a political re-orientation of education policies as well as un-clarity of the purpose and rationale of direct funding. This implies that while structuring direct funding for the EFA 2004-2009, a thorough discussion for conceptual clarity as regards the principle rationale of direct funding is indispensable.

However, it should be considered that arrangement for direct funding should be robust enough to manage frequent changes in the political as well as the administrative environment.

### Norms and Processes of Direct Funding

Direct funding operates under the norms and processes as mentioned in Danida/ESAT financial management and accounting manual, which is approved by the Royal Danish Embassy. However, the Aid Management Guidelines 2003 has been recently issued for the Danida Sector Programme Support. Based on that, a Danida/ESAT financial management manual detailing the procedures for planning, budgeting, reporting, monitoring etc has been developed, which is waiting for the review and approval of the Steering Committee. The formulation of the Steering Committee within the MOES as per the Aid Management Guidelines 2003 will be materialized when support to EFA 2004-2009 is initiated. The re-orientation of the norms and processes for direct funding should include reference to monitoring of activities.

Future Danida direct funding should be reflected in the Red Book (Government Budget), as a lump sum and hence come under the national budgeting system.

### Sustainability after Withdrawal of Danish Support

It is noticed that the MoES has not been efficient to utilize the findings and outputs of DANIDA direct funded activities to the utmost level. The few examples below highlight the low level utilization of the findings.

Several researches and studies have been carried out through Danida direct funding, the findings of which have not been fully utilized. For instance, the "institutional analysis" and subsequent development of "Human Resource Development (HRD) Plan" was undertaken with substantial resources. But the MOES has neither approved it nor carried out any human resource development based on the HRD plan.

The MoES seems firm that the direct funding support should be able to create impact at the school and the classroom levels. But it is at times reluctant to acknowledge that the assistance for policies development, production and distribution of textbooks, teaching-training packages have direct impact on school and classroom practices at the grassroots levels. The policy position seems to divert interest from stern and systematic follow-up for outputs of direct funded activities.

Many officials of MoES and Central Level Agencies (CLAs) received Ph. D., M. Phil. and Master Degree as well as training both in-country and abroad through the provision of ILP under the direct funding. The increased capacity of these officials is certain to create far reaching and positive impact at the schools and classroom levels provided that they are retained in their positions within the MoES system in accordance with the Government-to-Government agreement. The issue of retention, proper placing and utilizing these qualified manpower needs to be addressed.

In general, the MoES needs to divert its interest in direct funding from the input side to the output side and make provision for the efficient use of outputs of activities.

### **1.3 Lessons Learned**

Following lessons have been learnt from the direct funding.

- Danida direct funding not only filled the financial gaps, which is not addressed by the basket funding but in particular helped to initiate activities essential for MoES/DoE. This indicates that still some portion of total assistance in the form of direct funding is needed to expedite the total programme activities and to instill efficiency in the programme.
- Various activities of the direct funding like capacity building of institutions, the decentralized planning process and as well as hardware support to various agencies has contributed to facilitate the programme implementation. Such practice should be continued.

Besides the positive lessons, some weaknesses were also identified and are useful lessons for future programme designing and implementation.

- The MoES/DoE involvement in direct funding has to some extent confined itself to request for, develop terms of references for and approving the activities. They were found to be neither monitoring the activities nor maintaining any records and information. Typically, MoES was found to be more interested in who participated in the training rather than in securing outcomes of the training.
- Lack of conceptual clarity was also noticed in relation to size, scope and management of direct funding. Hence, there should be greater cooperation and understanding between the agencies and sharing of information, particularly financial statements.
- A lack of benchmarks (intermediate indicators) was identified as a barrier in monitoring, evaluation and detailed assessment of the contribution of the direct funding.
- Danida direct funding should also be focused more directly on the need to improve the teaching learning process at the classroom level, and district level agencies should also have direct access to direct funding.
- Danida direct funding should more explicitly respond to the national variations in ethnicity, topography etc.
- Transparent and objective criteria were not noticed in identifying and selecting the regional and international institutions for institutional linkages. Hence, there is a need to develop such criteria.

The Danida direct funding has facilitated the smooth implementation of BPEP II by improving efficiency and effectiveness. It had provided support to programmes and activities of BPEP II, which were necessary in order for the Core Investment Plan (CIP) to be implemented, thus creating synergic effect in achieving overall objectives. However, as part of further development of the facility, it is advised that for future Danida direct funding, the process of identifying and selection of activities should be further improved.

#### **1.4 Contributors to the PCR**

Refer to Annex C

#### **1.5 Documentation**

Refer to Annex D

## 2. FULFILMENT OF OBJECTIVES:

### 2.1 Achievement of Objectives

The direct funding facility was conceived and designed in order to support the activities of CIP for the successful execution of BPEP II. This was a continuation of a facility already brought into play during BPEP I from 1992-97.

In the Government-to-Government agreement of 29 May 1998 between the Kingdoms of Nepal and Denmark, it is stated that;

“Danida funding shall be provided with a view to supporting BPEP II in its totality. The relative prioritization, however, requires some earmarking in the use of Danida funds as indicated above, and the following three specific purposes will be allocated precisely budgeted funding:

- The ILP programme
- Establishment of a Publishing Unit
- Operation of the office of the programme ...

The Government of Denmark shall fund and provide technical assistance to meet requirements of textbook provision.

Direct funding defined as BPEP's capability of quick and flexible access to financing is retained. The present practice of utilizing up to 30% of the total Danida allocations as direct funding continues to ensure that BPEP management can retain present facility for flexibility of and quick access to financing. The Director and the Chief Advisor shall agree on the activities for release of direct funding.”<sup>2</sup>

During the negotiations the provision of direct funding was agreed as mechanism for quick and flexible access to funds with a view to facilitating institutional capacity development. The intention was to enable the MOES/DOE and its constituents for carrying out of innovative and developmental activities, obtaining national, regional and global assistance, linkage and networking services, undertaking surveys, studies and other activities of a similar nature. These activities were not covered by the Project Implementation Plan and hence, were not included in the ASIP.

Hence, direct funding was to be seen as a flexible facility aimed at supporting the strategic objective of the BPEP II.

The immediate objectives of BPEP II were defined in the Government-to-Government agreement as:

- To improve classroom practices

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<sup>2</sup> Article 6 of the Government-to-Government agreement of 29 May 1998. The principle of and for Danida bilateral assistance to the development programme BPEP II was agreed to in the Annual Consultations that took place 11-13 November 1997.

- To improve student assessment and provide increased learning support
- To improve the accountability of headmasters, teachers and resource persons to the community and the Government
- To promote effective community based early childhood development
- To increase access for and demands from adults, especially women to participate in adults/women's education programmes
- To improve physical learning atmosphere of schools
- To achieve comprehensive and consistent policy and operational efficiency in the management of basic and primary education<sup>3</sup>.

A core element of the Danida bilateral assistance to BPEP II was the Institutional Linkage Programme.

For capacity development to succeed and be effective requires multiple interventions and continuous and flexible support strategies. The concept of institutional linkage was and is one of several strategies to satisfy the capacity building objective. Unlike traditional forms of technical cooperation that focus on knowledge transfer, institutional linkage has its focus on knowledge acquisition, individual and organizational learning and improvement in practice.

The rationale behind institutional linkage is the assumption that through the linking, institutions will develop in a more unified and effective manner. The linkage strategies for capacity building focus on the enabling of institutions to learn from and adapt to changes in the environment of the institution. In a knowledge producing and dependent context, the capacity to learn, to generate and disseminate knowledge is of paramount importance.

In this context, the capacity building process itself must connect the institutions to users and beneficiaries of the service, without which the institutions will remain isolated and inept. Contact between institutions can facilitate access to new knowledge and information thus keeping up with the latest sector specific developments. Further, linkages may lead to new ways of communicating. Institutional linkage engages members of an organization in on-the-job learning collectively. It is a cost-effective and sustainable method of capacity development. The relationship between the institutions and professionals involved is one of partnership and collegiality. It offers conditions for mutual learning and sharing of information through knowledge exchange, generation and exchange of mutual experiences, technology and best practices. Linkage arrangement provides relatively easy access to the entire resource base of the institutions involved.

In the BPEP II, the concept of institutional linkage was synthesized into an Institutional Linkage Programme with the Danish University of Education (formerly the Royal Danish School of Education Systems, RDSSES.) and a local ILP coordinator.

Further, the programme activities of BPEP II were supported in its totality by a long-term advisory facility, consisting of 4 Danida advisors, supported by a programme office. The advisors were and are funded over and above the programme grant.

The programme office – Programme Advisory Team<sup>4</sup> – was defined as a facility with a focus on institutional capacity building in general and rolled-out through:

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<sup>3</sup> Article 2 of the agreement.

- facilitation of identification of needs and coordination of inputs of consultancy expertise (primarily within the framework of institutional linkages),
- assistance in designing coherent multidisciplinary approaches to human resource development activities in sectoral institutions at all levels,
- promotion and facilitation of production of local knowledge through research and other forms of knowledge production,
- contribution to effective coordination of technical programs and initiatives between HMG and other donors within the educational sector as such.

The advisors and programme officers advise with a view to develop a conducive environment for adjustments of rules and regulations for devolution and organizational development, promoting administrative governance for participation, transparency and accountability, conflict prevention and resolution as well as sharing of knowledge and information. Advisors and programme officers carry out assignments through meetings, workshops and seminars, trainings and frequently undertake site visits with national counterparts to observe and report on the implementation of the educational programs.

All advisors and programme officers address on a daily basis crosscutting issues like human rights, gender, HIV/AIDS and environmental preservation.

Advisors and programme officers are also expected to contribute to research, publications and knowledge networks, accumulating success stories and best practices.

The basic understanding and rationale for provision of the four advisers is that they relate to the school education sector in its totality (and not specifically to Danish support). The job descriptions for advisors are developed in close collaboration between the MOES, the counterpart institution and the Danida/ESAT.

Counterpart institutions and individuals with whom advisors and programme officers have to work are identified. The advisors and programme officers are strategically located within the counterpart institutions, which makes advisors' expertise and skills accessible to the system apart from close collaboration, sharing of knowledge, and learning between the advisors and those in the system. *Danida advisors and programme officers are not involved in execution of management and implementation of activities, funded through direct funding.*

Hence, there is strong emphasis and focus on institutional capacity building in the bilateral assistance of Danida.

What did BPEP II achieve? A joint HMG/N and donor evaluation of BPEP II, conducted in 2004, states in its draft report that:

“On balance, the joint evaluation concluded that BPEP II (1999–2002) had made a notable contribution to access to basic and primary education in Nepal and what was learned from this

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<sup>4</sup> The designation was changed into Education Sector Advisory Team (Danida/ESAT) with the Danida support to secondary education in 2003.

experience should prove valuable to decision-makers responsible for shaping the new EFA programme (2004–2009).

National schools level data indicates BPEP II coincided with a period of sustained improvements in the level of access to primary schooling, and there is reasonable evidence that programme – related facilities construction, teacher training, and incentives have contributed to improved enrolment statistics. At the same time, it should be recognized that data collection deficiencies suggest actual gains in access levels may be lower than recorded.”

The draft evaluation report continues:

“Significant capacity building results have been achieved in a relatively short timeframe, the most notable being the creation and successful functioning of the new DOE.”<sup>5</sup>

The evaluation, conducted by an international team of evaluators on the behest of HMG/N and the donor group to BPEP II and monitored by a Steering Committee headed by the MOES, came to this conclusion after observing and interviewing more than 600 persons in Nepal, in the process visiting 25 schools, 2 REDs, 9 DEOs, 11 RCs, 10 ECD units and 11 INGOs/NGOs.

## **2.2 Attribution to achievement of BPEP II objectives**

Due to the very nature of direct funding as a flexible facility/support to the general efforts for achieving the strategic objectives of BPEP II, the direct funding did not have its own indicators or benchmarks for assessing performance.

However, through observation, interviews and secondary sources, it is feasible to assess the relative impact of Danida direct funding.

In general, Danida direct funding was used for activities such as short, medium and long-term capacity building, educational experiments, procurement of goods and services as well as contingencies.

At a strategic level, the Danida direct funding could be assessed as critical to:

- the bridging between BPEP I and BPEP II where other CIP-donors did not have agreements in place,
- the HMG/N preparations for the launch of the Secondary Education Sector Programme and the development of the HMG/N Core Document for Education for All 2004-09 as well as further preparations for the implementation of EFA 2004-09,
- the initial and continued building up of capacity for strategic management, decentralized planning and financial capacity of Department of Education<sup>6</sup>, newly established in mid-1999 and eventually coming into function in late 2000. This activity continues until today and in an increasing complex and challenging context.

<sup>5</sup> Joint Government-Agency Evaluation of Basic and Primary Education Programme II for Nepal. Vol I Draft Final Report. Executive summary page vi. May 2004.

<sup>6</sup> Mid-Term Review 2001/02 – Technical Panel Report.

- support for changing policies, rules, procedures and norms, necessary to implement the BPEP II.

To this direction, NORAD supported a Formative Research linkage between CERID and the Ministeriet for Kyrke og Utdanning in Norway and the Government of Finland to developing the Continuous Assessment System pilot at the Curriculum Development Centre.

The primary facilitators behind the attribution with respect to institutional capacity of DoE were the institutional linkages established, in particular with National Institute of Educational Planning and Administration (NIEPA, India) and International Institute of Educational Planning (IIEP, UNESCO, Paris). These linkages rolled out in the interface between capacity building at central and district level, allowing for new dimension in education planning and monitoring to be implemented by well-trained district and central level agency staffs.

At a tactical level, the following major activities carried out through the direct funding can be summed up as attributive factors in achieving the objectives of BPEP II:

- A textbook distribution experiment, facilitated by a linkage to International Book Development (IBD, UK) and East link Consultants Ltd. carried out in 12 districts and a follow-up evaluation supported the rearticulation of nation-wide policy for free textbook distribution. It is expected to save a substantial amount in printing and distribution costs. The bulk distribution modality clearly has an enabling impact on the poorest strata of the population. The distribution experiment led to a change in the HMG/N distribution policy to bulk distribution.
- A Primary Publishing Cell (PPC) has been established with the state-of-art technology. Continuing financial and technical support to PPC has been instrumental in developing camera-ready copies, thereby enabling the publishing of teaching learning materials, durable and quality textbooks for primary grades with high quality in time. The PPC has now been merged with the publishing cell secondary education under the Curriculum Development Centre and is now a fully integrated element of the regular government textbook facility.
- Provision of printing and sewing machines as well as support for development of good management practices to Janak Education Materials Centre (JEMC) has been instrumental in enabling the system to produce and distribute textbooks to all students throughout the country in the beginning of the school year. The production line has helped to overcome the difficulty in timely distribution of textbooks particularly in remote and inaccessible parts of the country. Also, it is estimated to lead to a substantial reduction in printing costs as well as considerable reduction of paper waste.
- Design and construction of environmental friendly prototypes of classroom and furniture are instrumental in nation-wide implementation of construction programme, which led to increase in additional space for more than half a million pupils. Criteria for school eligibility and selection was developed with a view to the poverty classifications of the National Planning Commission.

- Involving 150 schools in three districts in the most insurgency hit area of Nepal, an experiment was undertaken to test the capability and readiness of schools and communities to be involved in school development processes. Bridging the physical environment, teaching learning materials and school improvement planning, the so-called “teaching-learning experiment”, in Kanchanpur, Doti and Humla tested an unprecedented approach to involve all stakeholders in the school improvement process and with a documented ability to reach out to districts where less than 25% of is reached by transportation, communication etc, according to NPC standards. Documented by researchers, who followed preparations, implementation and the after-implementation period, outcomes of the experiment showed that schools are fully capable of organising and managing processes of improvement and that following the support, cost sharing and further development of the school attained a completely different perception.
- It is estimated that more than 5 percent of children in Nepal suffers from various forms of disabilities in one form or the other. In this context, special education programme attempts to bring these children in the schooling system. In close collaboration with DOE and numerous NGOs, a significant number of approaches and innovative activities have been tested to increase access to children with special needs thereby extending relevant and meaningful education. Furthermore, the massive campaigning and awareness programmes launched through the direct funding triggered in changing the mindset of parents and community towards the disabled children. This was clearly demonstrated by the increased enrolment of disabled children in schools.
- In order to support the development of concepts for special needs and inclusive education with a view to build capacities necessary for gradual expansion to national wide implementation, a linkage with County of Copenhagen and Danish University of Education, Denmark was facilitated. Through training and innovative programmes, methods, development of supplementary teaching and learning materials, which was documented in a formative research. In the area of inclusive and integrated education the collaboration has been very helpful in achieving the objective set in BPEP II. A significant proof is that inclusive education has been made one of two key strategies for EFA 2004-09.
- In an attempt to provide access to girls and disadvantaged groups, several studies and field surveys on Dalits, girls and scholarship programmes have been critical to revisit the existing policies. Support to a partnership between BASE and the DOE is an experiment for drawing lessons to be replicated in the EFA program for the inclusion of marginalized children by mobilizing non-governmental agencies.
- The approach to Non-Formal Education has taken a sharp departure from the traditional supply based quota system to a decentralized participatory and demand based planning approach, initiated and supported through Danida direct funding. The development of primers for the flexible schooling and revisit of the text materials for Women's Education Program in order to meet the learning requirements of the changed context is note worthy. On top of this, the piloting of the implementation modality of the needs based integrated approach to non-formal education has resulted in the development of a comprehensive national policy, strategies with a five-year's perspective plan based on the analysis of the census data. Social mobilization has

been established as the basic planning strategy to ensure planning credibility and the program as a comprehensive entity from literacy to poverty reduction by aligning marketable skills and income generation. Today, Non-Formal Education is acknowledged as supplementary and complementary to the formal education, best verified by a full integration into the EFA 2004-09 plan and 300% increase in budget allocations.

- Technical assistance for decentralised educational planning has augured the bottom-up planning process in the country, through innovative approaches and activities in 5 bottom-up districts. Outcomes are the production of technically sound District Education Plans (DEPs). The planning activities are carried out by involving stakeholders like members of School Management Committee (SMC), parents and teachers, Resource Persons (RPs), District Education Officers and other concerned officials for DEP preparation. During the BPEP II, numerous awareness raising and training activities have taken place. It has empowered the stakeholders at grassroots levels and enhanced their greater participation in the planning and decision making process. This has instilled the sense of ownership at the grassroots level of educational programmes and activities. A good many procedures for planning and budget allocation have been revised and developed. The decentralized planning modality has been chosen as one of two key strategies for EFA 2004-09.
- Technical assistance and institutional linkage has helped in strengthening EMIS, school mapping and micro planning. The creation of an experienced and skilled core team at all levels of educational interventions has been the outcome of this initiation. EMIS and school mapping are critical for the educational planning and are regarded as an essential management tools. The assistance and linkage has led to significant changes in the perception and utility of EMIS, made operational both adjustments of content, quality and timeliness but also of procedures for collection, compilation, processing and analysis of data. The capacity build through the assistance and the linkage has enabled new forms of surveying to be implemented with respect to the EFA 2004-09.
- In addition to providing on-the-job and specialised training on different areas, the direct funding has been used to enhance the academic capabilities of HMG/N officials through international and in-country academic programmes. 2 Officials from MOES have successfully completed Ph. D. and the remaining three are expected to confer their doctorate shortly. Likewise, other 37 officials received M. Phil. degree from the Danish University of Education, Denmark and other 37 officers have been enrolled at M. Phil and Master degree at Kathmandu University and Tribhuvan University. It is unprecedented in the history of Nepalese civil service that government staff received Ph.D., M.Phil. and Master degrees in this magnitude in a single ministry and supported from a single donor. This has created a critical mass of technical and managerial staff at all levels of ministry and its constituents. This pool of capacity will enable an academically qualified centre and hence have a long-term impact on educational reform process and upgrading the capacity of the institutions.
- A number of studies have been co-commissioned through Danida direct funding, which have contributed to formulate new policy directions for the education reforms. The "Gender Audit" of 2003 and the "HIV/AIDS Impact and Assessment" studies of 2003 undertaken in collaboration with HMG/N, UNICEF and EC as well as the

“Social Assessment” study of 2004 and the “Village Community Development Plan” of 2004, to facilitate HMG/N obligations with respect to World Bank requirements for EFA 2004/09 marks the far reaching flexibility of Danida direct funding in support of the HMG/N reform process of education.

In view of inadequate technical and professional base of national institutions to support comprehensive educational reform programme initiated through the BPEP II, an externally facilitated technical/professional system was put in place. Currently, an advisory team comprising of four Danish and core national staff are working to bring expertise and experience in the educational reform programme. Their support, particularly in the area of policy analysis, educational planning and management, decentralisation and social mobilisation, special needs education, girl's education, ethnic group, physical planning, EMIS and school mapping have been critical and attributed for the achievement of BPEP II goals and objectives.

Similarly, if such linkages are continued as MoES/DoE established with regional and global institutions to share knowledge, skills and experiences, it is expected to have useful impact on educational reform and development process.

However, the underlying principle of ILP was to establish networking between the national and international institutions with a view to sharing expertise and experiences for continued enhancement of institutional capacity building within the country. The main objective of ILP was only partially achieved as some activities was implemented without proper anchorage to any national institution and hence, the process was weakened.

At the operational level, the facility of Danida direct funding has been essential to fill a number of gaps, emerging in the ever-developing relationship between CIP-donors and HMG/N.

- The bi-annual missions, undertaken by CIP as well as Non-CIP donors in March and December has been facilitated through direct funding, through provision of management coaching, provision of technical facilities and equipment, development of position papers. Arranging and facilitating field observations for HMG/N and donors alike has also been conducted with the help of direct funding.
- The MTR Technical Panel was supported through direct funding, both in terms of external technical assistance but also through setting up an office for the Panel Team members, complete with necessary office equipments and lines of communication.
- During BPEP II, the DoE and other CLA's have brought into operation electronic and technical office equipment. However, very often, the introduction of this has been unsustainable, as no resources were allocated for computer training, maintenance, phone lines etc. Direct funding has also been used to compensate this deficit, thus facilitating DoE ability to communicate inter agency and with donors.
- As the programme language is English, numerous problems have been encountered in this context, as many officers are not proficient in English. Through direct funding, a number of officers have been trained to facilitate perception of programme documents, training materials or activities supposed to be undertaken.

At the operational level, direct funding enabled facilities that ensured some form of institutional memory. A modest but important element of this is the collection of

programme documents, analyses, reports and other materials that has emerged throughout the lifetime of BPEP II. These materials are made available, printed, distributed upon request through Danida/ESAT.

### 2.3 Sustainability

The Government-to-Government agreement does not record any conditions on institutional, financial and/or environmental sustainability with a view to Danida direct funding. However, the PIP records in general that “sustainability has both institutional and financial dimensions”.<sup>7</sup> Hence, involvement of parents and communities in decision-making would be considered essential for the strategy of the program, especially promoting local control of implementation and ensuring effective participation.

The activities funded through direct funding have largely, aimed at developing ways and methodologies to support HMG/N efforts towards materialising this strategy.

#### Institutional Sustainability

- A significant proportion of the direct funding has gone into enabling activities at the district and local level. The decentralised educational planning adopted in BPEP II and rolled out in participatory activities like School Improvement Planning and District Education Planning has contributed to enhance the ownership of the programme at all levels, and thus promoted the programme sustainability.
- The process of creating and developing critical mass of technical and managerial staff at all levels of the education system is a pointer to the overall institutional sustainability. Training both in-country and abroad, academic courses and study visits through the ILP led to creation of pool of a technical and professional staff thereby supporting the institutional sustainability.
- Establishment of Department of Education (DoE) to manage BPEP II was a significant step towards institutional sustainability of the education reform process. In BPEP I, project approach was adopted creating parallel structure of Project Implementation Unit (PIU), outside the regular ministerial organisation. The establishment and operation of DoE lends credence to sustainable educational interventions due to the permanent nature of the structure, facilitated by the development of procedures, norms and manuals.

Activities funded via Danida direct funding has supported the institutional capability of DoE, the human resource capability and advocated participation and local involvement.

However, it is critical as to how the outputs of Danida direct funded activities have been utilised and/or inserted into HMG/N regular or development programmes. Scope is found with respect to improve the use of outputs of activities and use of the knowledge resource generated for MoES through direct funded activities.

#### Financial Sustainability

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<sup>7</sup> See PIP, 2.10.1

- The activities undertaken under Danida direct funding were intended to facilitate new and innovative ways of implementing the programme only.
- However, activities undertaken under Danida direct funding has contributed to make the general programme activities financially sustainable. This goes, among others, for the process of decentralisation in educational planning and management initiated with the support of direct funding. This has instilled the sense of ownership among the local communities, which triggered towards the efficiency and cost effectiveness in programme implementation. Moreover, cost sharing scheme and people participation in classroom construction programme have been firmly retained.

### Environmental Sustainability

Although the education reform programme does not normally entail the environmental degradation, activities under direct funding have given due consideration to this issue. For example;

- Creating the physical infrastructure of schools, consideration has been given on transforming eco-friendly technology to the communities,
- Increasingly, activities were launched that promoted use of locally available materials for school construction and rehabilitation and
- Furniture prototypes were developed, easing the use of the forest as a main source of building material.

### 3. PROGRAMME DESIGN:

#### 3.1 National (Sub) Sector Context

His Majesty's Government of Nepal (HMGN) decided to implement the second phase of BPEP within a sub-sectoral framework during its Ninth Plan (1997 - 2002). The overall development objective of the BPEP II was to alleviate poverty by increasing economic productivity, health and sanitation practices and community awareness on development issues. In this light, the three major thrusts determined for BPEP II were: to improve the quality of primary education, to increase access to basic and primary education and to strengthen management efficiency for empowering the human resources of Nepal. The MTR (2001/2002) restructured the 17 components of BPEP II into the following five broad categories:

- Physical Facilities Improvement
- Access and retention
- Enhancing learning achievements
- Institutional capacity building and management
- SIP based development program.

The DoE established on 16 July 1999 as a part of the organizational restructure of the MoES started implementing Basic and Primary Education (BPE) programme within the decentralized planning and management framework. BPEP II has adopted a 'basket' approach to programme funding as a CIP. The donors contributing to a basket funding for integration into HMG/N's budget for education are Denmark, European Commission (EC), the government of Finland, Norway and International Development Association (IDA). In addition, Denmark provided technical assistance to carry out BPEP II activities as direct funding.

BPEP II was implemented from the middle of Ninth Plan (1997 - 2002) to the middle of Tenth Plan (2002 – 2007). Consequently, BPEP II had to address the problems and issues related to basic and primary education mentioned in both development plans. Specifically, the overall development objective of reducing poverty as stated in BPEP II was in conformity with the goal set by the Ninth and Tenth Plan for developing education as a powerful means of poverty reduction. Moreover, during the implementation of BPEP II, Nepal has witnessed several important events: Enforcement of Local Self-Governance Act (1999), Seventh Amendment (2001) in Education Act (1971), and Education Regulations (2002). The report of Technical Panel (2001) suggested making adjustment in BPEP II in response to the changed context. These changes influenced the implementation of BPEP II in one way or another and eventually Danish programme funding.

BPEP II is to be completed in July 2004. An Education for All 2004 – 2009 plan, resulting from Dakar EFA Framework for Action will be launched from July 2004 as a basic and primary education sub-sector programme in a modified sector approach.

Through Danida direct funded assistance, the MoES is in the process of designing and modeling future support modalities, donor coordination and programme monitoring. The overall scope and activities of direct funding should be considered from above perspective and context.

### 3.2 Process of Implementation

Direct funding distinguishes itself from activities under the basket modality in three ways:

- The overall Danida grant is stipulated to allocate a ratio of 40% for Quality, 40% for Access and 20% for Institution. Direct funding as a facility to support strategic objectives of the BPEP II has not had its own component structure and the distribution of direct funding only followed this distribution indicatively.
- Danida direct funding was not reflected in the HMG/N “Red Book” upon the request of MoES at the time of entering into the agreement.
- Activities under direct funding, are not reflected in the ASIP, but rather derived from the shortcomings of the ASIP and AWP&B.

Below a representative list of activities, funded through Danida direct funding is listed. It is understood that the list does not exhaust all activities throughout the 6 years of operation of the direct funding modality.

Objectives of sub-components	Activities undertaken under direct funding	Period of implementation	
1. Curriculum and Textbook Development and Distribution <ul style="list-style-type: none"> <li data-bbox="693 126 1042 215">• To experiment distribution of textbooks and other materials</li> <li data-bbox="693 402 1042 524">• To establish and strengthen the Primary Publishing Cell (PPC) to enable it to develop prototype copies</li> </ul>	<p data-bbox="1083 126 1655 248">Textbooks were produced, transported and distributed through JEMC Undertaken and evaluation study of BPEP II textbooks distribution experiment</p> <p data-bbox="1083 370 1655 459">Provided administrative and operational expenses for upgrading and maintenance of equipment and remunerating PPC staff</p>	<p data-bbox="1709 126 1905 183">December 2000 to September 2002</p> <p data-bbox="1736 370 1878 394">2000 - 2003</p>	<p data-bbox="1959 126 2104 337">587,000 student textbooks free for three years JEMC receive produce textbooks DoE formulate distribution</p> <p data-bbox="1959 370 2104 427">Development of curriculum, te</p>
2. Non-formal education	<p data-bbox="1083 561 1655 643">Development of new primers and readers including training manuals for flexible schooling level I, II and III</p> <p data-bbox="1083 683 1655 805">Revisiting the curriculum, primers, facilitators guides, and training and supplementary materials for Women's Education Program responding to the changed context</p> <p data-bbox="1083 862 1655 951">Piloting of needs based integrated program in three districts with a view to develop policies, strategies and a perspective plan for NFE.</p> <p data-bbox="1083 992 1655 1049">Produced master trainers for developing Village Education Plan based on social mobilization</p> <p data-bbox="1083 1105 1655 1130">Design of prototype NFE EMIS</p> <p data-bbox="1083 1170 1655 1227">Mapping of literacy situation, analysis of census data and knowledge centre established</p>	<p data-bbox="1736 561 1878 586">2000-2004</p> <p data-bbox="1736 683 1878 708">2003-2004</p> <p data-bbox="1736 862 1878 886">2001-2004</p> <p data-bbox="1736 992 1878 1016">2003-2004</p> <p data-bbox="1682 1105 1932 1195">Completed in March 2003 2001-2004</p>	<p data-bbox="1959 561 2104 618">15 primers and 60,000 each year</p> <p data-bbox="1959 683 2104 829">As a direct result activity enable basic literacy, around 40,000 within the EF/</p> <p data-bbox="1959 862 2104 919">Holistic policies for implement</p> <p data-bbox="1959 992 2104 1065">Qualified man and an approach established.</p> <p data-bbox="1959 1105 2104 1130">First NFE EMIS</p> <p data-bbox="1959 1170 2104 1252">Significant increase awareness of children Nepal at NFE/</p>
3. Teacher Training <ul style="list-style-type: none"> <li data-bbox="693 1295 1042 1531">• To improve classroom practices through development and implementation of an integrated system of pre-service, in-service and recurrent training for teachers</li> </ul>	<p data-bbox="1083 1295 1655 1352">Conducted training programme for MOES and other CLAs</p> <p data-bbox="1083 1385 1655 1442">Attempt to link NCED with Aga Khan University for a capacity building programme</p> <p data-bbox="1083 1474 1655 1498">Develop a "teacher education policy" document</p> <p data-bbox="1083 1563 1655 1588">Conducted workshop for NCED officials</p>	<p data-bbox="1709 1295 1905 1352">Completed in May 2001</p> <p data-bbox="1736 1385 1878 1409">2001 - 2002</p> <p data-bbox="1709 1474 1905 1531">Completed in June 2001</p> <p data-bbox="1736 1563 1878 1588">October 2001</p>	<p data-bbox="1959 1295 2104 1352">Benefited 70 people other CLAs</p> <p data-bbox="1959 1385 2104 1409">The file was n</p> <p data-bbox="1959 1474 2104 1498">First participat</p> <p data-bbox="1959 1563 2104 1588">Benefited 30 p</p>

• Assessment of Faculty of Education capacity	Faculty of Education		
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## ACCESS AND RETENTION COMPONENT

Objectives of sub-components	Activities undertaken under direct funding	Period of implementation	
<p>1. School Physical Facility</p> <ul style="list-style-type: none"> <li>To improve access, particularly for girls and disadvantaged children and reduce overcrowding in grade I and II</li> <li>To upgrade environment and health situation in primary classrooms through sanitation and water supply</li> </ul>	<p>Implemented prototype design of new classrooms in three selected districts</p> <p>Designed DEO buildings</p> <p>Rehabilitated disaster hit schools of 38 districts</p> <p>Made available technical services to the programme</p>	<p>May 2000 to January 2001</p> <p>Completed in July 2001</p> <p>December 2001 to March 2003</p> <p>Throughout the BPEP II</p>	<p>Newly designe construction m</p> <p>Design of DEO Dadeldhura di</p> <p>297 schools re</p> <p>Majority of sci 25.000 mainte SMCs in 2003</p>
<p>2. Special Needs Education</p> <ul style="list-style-type: none"> <li>To increase access to girls by improving schools facility and scholarships</li> <li>To identify and provide access to children with special needs</li> <li>To pilot inclusive, integration and resource classes to provide educational opportunity to children with special needs</li> <li>To provide educational opportunity to the marginal and vulnerable community</li> </ul>	<p>Undertaken a review to assess effectiveness of incentive and scholarship programme for girls</p> <p>Substantial support to disability NGOs to facilitate a conducive environment for children with disabilities</p> <p>Pilot and build capacity within the field of inclusive education through institutional linkage</p> <p>Support to implementation of resource classes</p> <p>Piloted alternative schooling in collaboration with BASE by developing special curriculum to suit the needs of Kamaiya children in Banke and Bardia</p>	<p>September 2003 to May 2004</p> <p>1999 - 2004</p> <p>2000 - 2003</p> <p>1999 - 2004</p> <p>Started from June 2003</p>	<p>Proposed new selection criteri monitoring.</p> <p>Supported cha provided pract capacity for te teaching learni children with c</p> <p>Piloted inclusi Sindhupalcho</p> <p>2510 children attending scho</p> <p>The pilot has s</p>

**COMPONENT**

Objective	Activities	Period	
<p>1. Strengthening capacity for decentralization</p> <ul style="list-style-type: none"> <li>• Strengthening central, district and sub-district planning</li> </ul>	<p>Institutional linkage facilitated manuals for and preparation of district level plans, school improvement plan manuals</p> <p>Communication materials developed WGD formed, trained and report submitted</p> <p>Training materials developed and districts/Sub-district level training conducted</p> <p>Support for development of EMIS Designed EMIS/PMIS Dissemination of EMIS/PMIS Training on EMIS/PMIS</p> <p>Support to preparation of ASIP</p>	<p>2001 to 2004</p> <p>2004 2003</p> <p>2002 to 2003</p> <p>2001 – 2004 1998 – 2001 Jan. 2002 to Feb. 2003 2003</p> <p>2001</p>	<p>Plan appraisal developed. 5 I School improv</p> <p>A critical core decentralized l</p> <p>More than 300 trained in dece</p> <p>Officers qualif educational ini processed and</p> <p>Quality of nati the Bill of App a.o. through a thousands of s</p>
<p>2. A national plan for human resource development</p> <ul style="list-style-type: none"> <li>• Development of guidance for capacitating human resources from Ministry down to RC level</li> <li>• Creating a pool of academically qualified officers</li> <li>• Building capacity in critical areas through short term measures</li> </ul>	<p>Draft MoES HRD Plan for 2002 – 2006</p> <p>Design of and enlisted officers from MoES in international postgraduate courses.</p> <p>Enrollment of MoES officers at postgraduate and graduate courses at national universities.</p> <p>Provision of computer training, improving efficiency through English language training Design and implementation of management training program for class II officials.</p> <p>Support for training on procurement procedures</p> <p>Hands-on training on financial management and accounting</p>	<p>2000 - 2002</p> <p>2000 – 2004</p> <p>2000 – 2004</p> <p>2000 – 2003 2001 – 2002</p> <p>2001 &amp; 2002</p> <p>2001 - 2003</p>	<p>An HRD plan prepared and p</p> <p>2 officers conf conferred Ph. l</p> <p>37 officers enr M. Phil and M</p> <p>52 officers we and language c 23 officers we made manager</p> <p>220 officers w management a</p> <p>8 officers prov Bank procuren</p>
<p>3. Institutional capacity building</p>			

		MoES, including legal database		Capacity of leg – launch of leg
	• Institutional systems development	Draft templates for job descriptions and personnel record systems	2003	Developed job inventory syste
		Support to web-launched home-pages	2003 – 2004	Developed anc
		Provision of electronic equipment and maintenance support	1999 - 2004	Provided elect Provided 8 vel
		Renovated physical facilities at MoES	2001 & 2002	Renovated Mo
4.	Review of programme			
	• Assessments and further development of support to sub-sector	Support for joint mission	1998 - 2004	Enhanced the c outputs and ou
		Support MTR preparation and technical panel	2001 – 2002	BPEP II was a implementatio education
		Facilitated concept paper and core document on BPE for the support during 2004 – 2009	2002 - 2004	Enabled MoES future support needs and inte
		Supported preparation of the 10 <sup>th</sup> national development plan	2001 – 2002	Educational se NFE/literacy h placement
		Supported social analysis of inclusiveness	2003 - 2004	Fulfillment of documentation programme
		Co-commission of HIV/Aids assessment	2002 – 2003	Review and re MoES
		Co-commissioned Gender Audit of BPEP II	2001 - 2002	Review and re MoES
5.	Development of Communication Strategy			
	• Improvement of media reporting on education	Drafted communication strategy and supported capacity building at DoE	2002 – 2003	DoE adopted c improved relat
		Arranged mass campaigns on education, including radio campaign	2002 - 2003	Effects have n
		Capacitated journalists, at regional level	2002	Relative imprc on education.
		Developed information materials on education and	2002	Dissemination

Since there has not been any study or evaluation undertaken in the past to assess the effectiveness of direct funding, nor have separate indicators or benchmarks been developed during the design of the BPEP II, it is not feasible to evaluate the activities of direct funding against any established indicators and benchmarks. In spite of such scenario, many laudable activities like durable textbook, inclusive education, decentralized planning, Human Resource Development (HRD) and ILP had been carried out, which have important ramifications on educational reform process of Nepal.

Likewise, it is not within the scope of this completion report possible to go into detail in all activities undertaken through direct funding through the period 1998-2004. A single illustrative example could be that in the period 2000-2003, 34 direct funded activities were conducted by Disability NGO's for the promotion of primary education for children with disability.

Activities vary from Conference for Resource Teachers for Blind Students, Procurement of Braille books, Development of and Printing of Sign Language, Translation of UN standard rules for disability and facilitation of visit to Nepal by the UN Special Rapporteur on Disability, Mr. Bengt Lindquist, vocational and literacy training for people with disability, inclusive education for children and women with disability, awareness programmes on rights of children, production of videos displaying children with disability and their relation to schooling.

### 3.3 Budgets and Expenditure

#### Budget

The Danish Government has provided a grant assistance of DKK 300 million to BPEP II under the bilateral agreement with HMG/N. The assistance has been divided into three components of BPEP II. - Quality, Access and Institution - in the ratios 40, 40 and 20 respectively. Out of this total grant assistance, 30 percent, which was later increased to 35 percent has been earmarked for direct funding. Accordingly, the budget available under direct funding for the three components as follows:

Quality Component	-	DKK 42.0 million
Access Component	-	DKK 42.0 million
Institution Component	-	DKK 21.0 million
<b>Total</b>	-	<b>DKK 105.0 million.</b>

Out of expenditure under direct funding 91.1 percent has been spent by Danida/ESAT up to July 2004. The total expenditure at the end of the programme is expected to be much higher nearing the goal. In the total expenditures, 36.4 percent has been spent on quality component, 34.2 percent on access and 29.4 percent on institutions. Some deviations, however, were noted in the proportion of earmarked budget and the actual expenditures by components. The overall efficiency of expenditures, however, appeared to be quite encouraging.

One of the positive factors of the Danish assistance unlike much other donor assistance is that the expenditures on advisors in the Danida/ESAT are not included in Danish assistance package of DKK 300 millions.

### Budgeting Process

Danida/ESAT sits together with the MoES/DoE and CLA staff for needs identification and activities that would foster implementing CIP program and secure planned targets with efficiency. Based on the identified needs, Danida/ESAT compiles the plan of action jointly with the DoE/CLA and sends it for concurrence to the Ministry and RDE.

The plan of action is adjusted as per the need in order to meet the changing requirements of the system.

### Expenditures

According to the financial documents available from ESAT, out of the total funding available for the direct funding, a sum of DKK 95,654,287.72 or 91.1 percent was spent by 31 July 2004. Such expenditures include local costs as well as external costs including expenditures under KK Contract (contracts made in Copenhagen). The external costs incurred due to foreign exchange gain/loss. The breakdown of the expenditures is given as follows:

#### **Expenditures of Direct Funding July 1998 – July 2004**

*Figures in DKK*

<b>Component</b>	<b>Total Expenditures</b>	<b>% of Total</b>
Quality	<b>34,481,880.31</b>	<b>36.05</b>
Access	<b>30,719,855.04</b>	<b>32.12</b>
Institution	<b>28,560,712.27</b>	<b>29.86</b>
External Cost	<b>1,891,840.10</b>	<b>1.98</b>
<b>Total</b>	<b>95,654,287.72</b>	<b>100.0</b>

*Source: DW UM Sagsbudgetbalance REP and Final Audit Report of 2003 and LED 2 ID=50026 printed on 05 Aug-2004*

It is expected that additionally approximately DKK 8.5 million will be spent before 30 September 2004. This concerns run-offs on KK contracts and activities not yet settled.

In total, spending is projected at DKK 104 million or 99% of the allocation. However, figures may move in one or the other direction due to the uncertainty of matters, though the general trend is upheld.

### **3.4 Organizations and Management**

The procedures for awarding Danida direct funding to activities were made up and agreed to between MoES and the Chief Technical Advisor in February 2001.

To make the best possible use of human resources and expedite requests for funding without any delay, MoES and Danida/ESAT subsequently agreed to develop an annual work plan and budget for the use of direct funding. This understanding was confirmed and further elaborated during the Bilateral Direct Funding Review in 2002. Here it was agreed to between MoES and Danida that the annual plan should be developed, following the existing procedures, but attempt to become a plan covering a longer plan period in order to allow for the institutional linkages to flourish.

The Annual Strategic Implementation Plan (ASIP) and the Annual Work Plan and Budget (AWPB) have been the key planning instruments that adopt participatory approach for capturing the concerns of beneficiaries at different levels. Danida direct funding was a facilitating arrangement for expediting in achieving the ASIP/AWPB objectives.

Jointly with the system stakeholders, ESAT prepares annual plan to facilitate the smooth implementation of the ASIP/AWPB and realize the planned objectives following the approval of Annual Strategic Implementation Plan (ASIP). The ESAT annual work plan and budget is revisited thrice a year in order to keep it abreast to the changed needs. The plan consists of general principles for Danida/ESAT assistance and a list of activities to be funded through direct funding. The plan of activities were developed through an elaborate system of consultation, where DoE and its CLAs identify areas requiring direct funding support, before a list of activities were compiled. The list of activities were again presented to the heads of CLA's and, in particular, to the Director General of DoE as the manager of BPEP II before it was forwarded to the MoES for approval by the Secretary and/or the Minister of the MoES.<sup>8</sup> Once the plan is approved, it is put into practice with provisions for updating as per the changed requirements.

Danida/ESAT has developed working procedures, guidelines and norms in consultation with MoES to specify procedural and operational details. This effort served the purpose of familiarization of direct funding procedures to all concerned agencies and in maintaining institutional standardization. One significant aspect has been the appreciated inputs of the advisors and their close working with the DOE team.

The criteria for the direct funded activities have been operationalised as:

- Capacity building at system and institutional levels, with activities like organizational development, policies, strategies, guidelines manuals, leadership, management and coordinating capabilities
- Procurement of equipments, necessary for the system and/or institutional capacity building
- Capacity building for individuals, including international education and training, as per the national school education sector human resource development plan.

The activities eligible for direct funding will have to meet the criteria of pro-poor and conflict prevention and resolution interventions;

The pro-poor orientations mean that activities will have to be<sup>9</sup>;

- *Policy consistent* - Have beneficiaries and stakeholders been involved developing the proposal? Do the poor, excluded and marginalized groups benefit from the activity? Do the management and the execution of the proposal involve the beneficiaries?
- *Policy coherent* - Is the proposed activity in line with government strategies and policies? Does the activity facilitate new tools for the institutional and systemic capacity building?
- *Policy coordinated* - Does the activity replicate, duplicate earlier or substitute ASIP planned efforts? Is the activity planned and monitored in coordination with other activities of the section/agency?

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<sup>8</sup> The Steering Committee is formed according to the Danida Aide Management Guideline, 2003

<sup>9</sup> Poverty Reduction, OECD DAC Guideline, 2001

Danida/ESAT officers were to be involved as early as possible in requests for funding to ensure quality in and coordination of activities. Involvement of requesting section chiefs and the concerned senior officials of MoES/DoE and other governmental agencies were assumed to be the responsibility of the requesting officer.

Further, it was the responsibility of MoES/DoE officer, unit or section to implement activities in line with agreed norms and procedures and in accordance with approved annual work plan and budget. It was considered the responsibility of the requesting MoES/DoE officer, unit or section to ensure that funds are spent economically, for the intended purposes and within the prescribed timeframe for completion of the programme activity concerned. MoES/DoE officers, units or sections were also required to report on financial and progress as set out in these guidelines. They were accountable for their activities and responsible to the concerned executives of MoES/DoE.

Selection of technical assistance, companies etc have not followed a prescribed pattern apart from compliance with Danida rules and regulations for procurement and remuneration of services.

Danida/ESAT was responsible for making available all data and information with respect to consultants, procurement and other institutional linkages to the implementing agencies.

The CTA, after MOES approval of activities funded through the direct funding enters into the agreement with the contractors in case of procurement, releases the fund, , and prepares reports for submission to the Royal Danish Embassy (RDE) and MOES.

A Danida/ESAT standard contract was used for entering local and regional agreements. In the case of international involvement, the RDE is responsible for the contract signing, as per the KR-regulations. Here, a so-called KR-standard contract was used.

The Danida Procurement Policy was followed for procurements as stipulated in the Government-to-Government agreement.

Activities undertaken under the Danish grant for BPEP II were monitoring through a number of different system, the most important of which were the ASIP and the joint HMG/N-donor missions.

The outcomes of this monitoring are recorded in the Aide Memoires.

With respect to the Government-to-Government agreement, it is stipulated that the programme management<sup>10</sup> (the Director-General of DoE) on a biannual basis should submit a progress on financial and physical status of the programme. In practice, this report has been submitted by Danida/ESAT after consultations with relevant stakeholders. The biannual report is submitted to the RDE and all MoES CLA's and institution heads.

In particular with respect to activities under Danida direct funding, two different reporting systems were in place;

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<sup>10</sup> Article 9.b. of the agreement

- All activities approved and initiated were, as per the understanding between MoES and Danida in February 2001, recorded in a quarterly report by Danida/ESAT and submitted to MoES/DoE and the RDE.
- All activities initiated were supposed to submit inception, progress and final reports to the Danida/ESAT and the requesting officers for commenting and keeping. Activities undertaken under the KR-contract system were briefed and debriefed in particular procedures involving the counterparts of the activity. All reports, briefing and debriefings have been circulated to relevant institution head and parties as and when there were made available.

Danida/ESAT, together with the DOE/CLAs monitored and tracked the direct funded activities with a view to securing system ownership and quality of performance. The MoES adopted a top down approach of monitoring and bottom-up approach for collecting and processing of educational information. Although tracking of activities under direct funding was done, there is a need for making it systematic and efficient. Similarly, the manual data collection, reporting and compilation processes at various levels (school, RC, DEO and RED) leave rooms for mistakes to occur and hence, affect the quality of policy decisions.

In addition, some other shortcomings noted were lack of specific criteria for identification and selection of activities under direct funding and delay in approval by MoES.

The Danida/ESAT was responsible for reporting use of direct funding to RDE. Danida/ESAT submitted financial reports (FORB2, Trial Balance, G/L Register, Bank Reconciliation statements and bank statements, outstanding advances summary) on a monthly basis and progress and budget monitoring reports on quarterly basis to the RDE.

Direct funded activities were audited biannually from 2001. The audit method is a complete examination of all invoices, bills etc. and undertaken by an auditor, short listed by the RDE. The auditor of Danida/ESAT was requested to conduct field and spot audits at times relevant for the general monitoring and reporting on direct funded activities. This audit method took place as per the discretion of the auditor. Audit reports were forwarded to the RDE and after final approval distributed by the RDE to MoES and MOF.

The Danida/ESAT office recorded the utilization direct funding. The CTA was responsible towards the RDE for the overall coordination and reporting on utilization of funds under the Danida Aide Management Guideline. With respect to funded activities and utilization of resources, the Danida/ESAT complies with the HMG/N Financial Administration Regulation, chapter 16 "Provisions relating to daily allowance and traveling expenses" as well as the Basic Operating Guidelines, signed by 10 donors to Nepal.

Over the last twelve months to date, the Danida/ESAT has twice been exposed to surprise visits from the RDE, checking that all procedures were followed as well as a "Performance Monitoring Mission" has examined procedures, norms and activities. A particular mission, intending to enhance the awareness of indigenous people was also examining Danida/ESAT activities.

Findings from these missions and “surprise visits” have been incorporated into rules and norms of the office and necessary changes have been carried out.

### 3.5 Risks and Assumptions

The direct funding being only a funding arrangement, has not defined its own risks and assumptions. It was assumed that risks and assumptions mentioned in PIP would be valid for the direct funding as well. However, the direct funding itself is supposed to mitigate such risks which might appear during implementation of BPEP II. PIP had identified a number of risks, both external and internal to BPEP II. These are given below in the tabular form.

Risks and Assumptions	Actual
<p><u>External</u></p> <ul style="list-style-type: none"> <li>a. Allocation to education sector will be 15percent of the total government expenditure.                             <ul style="list-style-type: none"> <li>- Basic and primary education sub-sector investment will be 55percent.</li> <li>- Under financing will affect the programme.</li> </ul> </li> <li>b. Assumes that there will be substantial support and reinforcement from a number of programmes other not financed directly from the BPEP II.</li> <li>c. Assumes the support of local communities, local authorities, NGOs and parents.</li> </ul> <p><u>Internal</u></p> <ul style="list-style-type: none"> <li>a. New institutions will be created, staffed and strengthened along with some restructuring of the MOES institution to implement BPEP II with a decentralized strategy.</li> <li>b. Assumes ability to retain core BPEP I staff and competent manpower. Also assumes the risk of turnover.</li> <li>c. Assumes saving (financial) due to improvements in dropouts and repetition rates.</li> <li>d. Initiative may to work closely with VDCs, SMCs, NGOs and local communities may not lack due to the long standing tradition of bureaucracy at DEOs.</li> </ul>	<ul style="list-style-type: none"> <li>a. <i>The risk of under financing did not occur as the government maintained agreed fiscal framework throughout the programme period.</i></li> <li>b. <i>Less applicable to direct funding</i></li> <li>c. <i>Less applicable to direct funding</i></li> </ul> <ul style="list-style-type: none"> <li>a. <i>The DOE was established and its capacity strengthened.</i></li> <li>b. <i>The BPEP II has been able to adequately retain the core and trained staff of BPEP I. The staff turnover was also low.</i></li> <li>c. <i>Less applicable to direct funding</i></li> <li>d. <i>Less applicable to direct funding</i></li> </ul>

In general, it appears that the programme document (PIP) did not adequately take into account the seriousness, complexity and magnitude of the Maoist insurgency, which had already started since 1996.

The persisting insurgency coupled with political instability has seriously affected the smooth implementation of the original intentions of the BPEP II particularly at the school and cluster/sub-district level. However, it should be noted that in particular over last few years, DoE has regularly discussed and informed on the impact at joint mission, to which the Aide Memoires bear witness. There can be only little doubt that MoES has found a new vocabulary with respect to the root causes and impact of the insurgency.

Again, the flexibility of Danida direct funding proved its worth when in 2002, following a series of attacks on district headquarters, staff from Danida/ESAT and the DOE were capable to observe the sites and offer whatever assistance could be offered.

Through direct funding, Danida/ESAT has an enabling facility to compensate for and make preventive initiatives towards the impact of the armed conflict. However, as is the principle, the MoES/DoE must request the assistance.

#### 4. RECOMMENDATIONS :

Following recommendations are made to reinforce direct funding as a vehicle towards assisting the overall educational goals:

- The proportion of direct funding needs to be gradually reduced and maintained around 20 percent as in the case of SESP.
- The proposed structure of management and decision making process of Danida Sector Programme Support based on Aid Management Guidelines, 2001 should be implemented without further delay.
- The existing planning and budgeting processes should be strengthened to further enhance the sustainability of direct funded activities in the future.
- For all activities, benchmarks (intermediate indicators) for evaluation should be developed, included in the terms of reference for the activity and each activity should explicitly be linked with EFA programme goals and components.
- A monitoring system should be developed and put in place to improve effective organizational learning of outcomes of direct funded activities.
- There is a need to develop methods to assess the efficiency and effectiveness of direct funded activities and draw lessons that trickles into ordinary HMG/N programmes and activities.
- The reporting system should be the responsibility of the HMG/N and should highlight not only outputs, but also how the requesting agencies intend make good use of the outcomes.
- Identification and selection of consultants and institutions, both local, regional and global should be based on the Danida/ESAT roster as well as defined transparent and objective criteria and be the responsibility of the requesting agency.
- Financial information and statement of expenditures related to direct funding should be shared with and commented upon by MoES and other relevant government institutions.

**ANNEX A**

**Project/component financial status:**  
**Project/component starting date: 17 July 1998**  
**Reporting date: 17 July 1998 to 31 July 2004**

Component output	Original grant in DKK million (a)	Total disbursements per reporting date DKK million (b)	Balance on grant DKK million (a-b)	Progress on work (planned, ongoing, completed, postponed)	Give reasons for major deviations between (a) budget and (b) disbursements
Output 1: Quality	42.00	34.48	7.52		
Output 2: Access	42.00	30.71	11.29		
Output 3 Institution	21.00	28.56	-7.56		The expenditure incurred for Danida/ESAT operational cost is included under institution.
External cost		1.89	-1.89		Due to the fluctuation in the currency. Cannot be budgeted

## ANNEX B

### Inventory of assets

Assets	Value (DKK)
1. Vehicles	1,461,098.58
2. Furniture and Fixtures (chair, table, shelves, filing cabinet etc)	124,319.15
3. Office Equipment (photocopier, overhead, air conditioner, fax machine)	353,153.37
4. Various Items (portraits, mobile phones, camera)	81,026.38
5. Computer, Printer, UPS, Software	1,438,133.56
<b>Total</b>	<b>3,457,731.04</b>

#### Note:

- (i) ESAT has posted the value of assets in Nepalese Rupees. A few items are in US dollar.
- (ii) Exchange rates applied for calculation are as follows:

1999 and earlier years	Rs. 1 = 0.102565 DKK
2000	Rs. 1 = 0.114958 DKK
2001	Rs. 1 = 0.115607 DKK
2002	Rs. 1 = 0.109649 DKK
2003	Rs. 1 = 0.090580 DKK
2004	Rs. 1 = 0.083050 DKK
- (iii) For US\$ 1 = 6.1 DKK has been applied for calculation

## ANNEX C

### **Discussions and Interviews made with Officials of DOE and CDC Officials of MOES and its Constituents**

#### Name of the Participants

1. Ram Sarobar Dube, MOES
2. Haribole Khanal, NFEC
3. Lavadev Awasthi, MOES
4. Lok Bilas Pant, MOES
5. Ram Balak Singh, Department of Education
6. Raja Ram Shrestha, Department of Education
7. Ratna Man Shakya, Primary Publishing Cell
8. Hari Prasad Lamsal, Curriculum Development Centre
9. Mitra Nath Gartola, Department of Education
10. Mohan Gopal Nyachhen, FATAS
11. Suresh Kumar Wagle, Department of Education
12. Madan Nath, National Centre for Educational Development
13. Hariram Pant, Department of Education
14. Iswori Prasad Gyawali, National Centre for Educational Development
15. Diwakar Awasthi, Department of Education

#### **Interaction with Danida/ESAT Officials**

1. Karsten Jensen
2. Tekendra Karki
3. Jeet Bahadur Thapa
4. Suman Adhikari
5. Ivan Arnbjerg

## ANNEX D

### Documentation

Aide Memoire  
Joint Donor Review Mission - BPEP II (10 –19 May 2000), Kathmandu: ESAT  
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PAT (2002) Annex 9 Direct Funding, Summary October 2000 to December 2001, Kathmandu: Basic and Primary Education Programme II/Danida, Programme Advisory team (PAT)  
PAT (2003) Activities Under Direct Funding, January- December 2002, Kathmandu: Basic and Primary Education Programme II/Danida, Programme Advisory Team (PAT)

### **Audit Report (1998 to 2003)**

DANIDA –BPEP II, Draft Audit Report, June 16 to Dec. 31 1998, Kathmandu: ESAT  
DANIDA-BPEP II, Final Audit Report, July 17, 1998 to Dec. 31 1998, Kathmandu: ESAT  
DANIDA –BPEP II, Interim Audit Report, 1 Jan to 30 June 1999, Kathmandu: ESAT  
DANIDA-BPEP II, Final Audit Report, 1 Jan 1999 to 31 Dec. 1999, Kathmandu: ESAT  
DANIDA-BPEP II, Final Audit Report, 1 Jan 2000 to 31 Dec. 2000, Kathmandu: ESAT  
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