

Joint Financing Arrangement

This Joint Financing Arrangement ("JFA") made between

The United Kingdom of Great Britain and Northern Ireland,
represented by the Department for International Development ("DfID");
The Ministry for Foreign Affairs of Finland ("Finland");
The Ministry of Foreign Affairs of the Kingdom of Norway ("Norway");
The Ministry of Foreign Affairs of the Kingdom of Denmark ("Denmark");
The International Development Association ("IDA");
collectively referred to as (the "Pooling Donors")

and

His Majesty's Government of Nepal, hereinafter referred to as ("HMG/N")

1. WHEREAS HMG/N has requested the support of the Pooling Donors to contribute towards the funding of the Basic and Primary Education sub-sector described in the Education for All Core Document, dated November 17, 2003 (hereinafter referred to as the "EFA Programme"). HMG/N and the Pooling Donors together are hereinafter referred to as "the Signatories";
2. WHEREAS HMG/N has committed itself to provide funding at a level to be determined at a meeting in April every year, to the EFA Programme and intends to procure from Pooling Donors, credits and/or grants to assist in financing the EFA Programme on the terms and conditions set forth in an agreement/arrangement to be entered into between HMG/N and each of the Pooling Donors;
3. WHEREAS the Pooling Donors have committed themselves to the principles of harmonisation as reflected in this Joint Financing Arrangement (hereinafter referred to as the "JFA") and strive to reach the highest degree of alignment with the budgetary and accountability system and legislation of Nepal so as to enhance effective implementation and to reduce the administrative burden of HMG/N;
4. WHEREAS respect for human rights, the rule of law and good governance form the basis of the co-operation and constitute essential elements of this JFA;
5. NOW THEREFORE, the Signatories to this JFA have come to the following understanding:

I. Goals of the EFA Programme and Scope of the JFA

6. This JFA will apply to all activities budgeted and accounted for in Nepal under the EFA Programme budget heads 65-3-140 Education for All (Regular Budget), 65-4-140 Education for all (Development Budget – Central Level) and 65-5-140 Education for All (Development Budget – District Level) as per HMG/N current chart of accounts. All activities under these budget heads will be funded jointly by HMG/N and pooling donors. In the context of this JFA these budget heads will comprise the EFA Programme for financial reporting purposes. In the event that these budget heads are changed due to revision of HMG/N chart of accounts, HMG/N will notify the Pooling Donors of the new budget heads, which will comprise the EFA Programme for financial reporting purposes.
7. The objectives of the EFA Programme are: (a) ensuring access and equity in primary education; (b) enhancing quality and relevance of primary education; (c) improving efficiency and institutional capacity as well as promoting Early Childhood Development and Non-formal Education as specified in the Core Document.
8. This JFA sets forth the joint provisions and procedures for financial support to the EFA Programme and serves as a co-ordination framework for consultation between the Signatories for EFA Programme monitoring and decision-making, joint reviews of performance, common procedures on disbursement, procurement, and financial management including reporting and audits.
9. The financial commitments of the Pooling Donors will be confirmed within the bilateral agreements/arrangements concluded between HMG/N and each of the Pooling Donors.
10. The Pooling Donors will establish bilateral agreements/arrangements that are compatible with the spirit and provisions of this JFA and will refrain, as far as possible, from setting conditions in the bilateral agreements/arrangements that contradict or diverge from the spirit of this JFA. In case of any inconsistency or contradiction between the provisions and conditions of this JFA and any of the bilateral agreements/arrangements, the provisions of the bilateral agreements/arrangements will prevail. Insofar specific provisions on specific items made in bilateral agreements/arrangements should deviate from the JFA, the Pooling Donor concerned will inform the other Pooling Donors thereof by supplying a copy of the bilateral agreement/arrangements to the other Pooling Donors and specify the deviations and how to resolve them in case of inconsistency with this JFA.
11. The Pooling Donors will base their actual support on the progress attained in the implementation of the EFA Programme. Progress will be measured through the common procedures for monitoring and reporting as described in paragraphs IX and X (refer to Annex 1. Nepal EFA Programme - Schedule of Monitoring and Reporting).

II. Representatives

12. In matters pertaining to the implementation of this JFA, HMG/N will be represented by the Ministry of Finance ("MOF"). The responsibility for the implementation of the EFA Programme not affecting the overall responsibilities of HMG/N or the MOF will lie with the Ministry of Education and Sports ("MOES").
13. In matters pertaining to the implementation of the JFA, the representative of each Pooling Donor will be regulated in their respective bilateral agreements/arrangements.

III. Responsibilities of HMG/N

14. HMG/N will make all reasonable efforts to facilitate the successful implementation of the EFA Programme, and will hereunder:
 - a. have the overall responsibility for the planning, administration, procurement, financial management and implementation of the EFA Programme;
 - b. establish a foreign exchange account in United States Dollar with Nepal Rastra Bank ("NRB") to which the Pooling Donors will disburse proceeds of their credits/grants and from which funds will be released to be utilised exclusively for the EFA Programme;
 - c. ensure that accounts for the EFA Programme are kept in accordance with HMG/N accounting system, Financial Procedures Act and procedures set forth in the Financial Administration Regulations ("FAR") of HMG/N (2056 and as amended);
 - d. maintain a financial management system adequate to reflect the transactions, resources, expenditures and assets under the EFA Programme and will ensure that HMG/N is able to produce timely, relevant and reliable financial information for planning and implementation of the EFA Programme, and monitoring of progress toward its objectives that will also allow the Pooling Donors to evaluate compliance with agreed procedures;
 - e. provide sufficient qualified personnel and do their utmost to release all financial and other resources that are required over and above the funding from the Pooling Donors for the successful implementation of the EFA Programme; and
 - f. promptly inform the Pooling Donors of any condition which interferes or threatens to interfere with the successful implementation of the EFA Programme and call for a meeting to consult with the Pooling Donors on

remedial actions to be taken.

15. HMG/N will convene and make adequate arrangements and documentation as stated herein for joint consultations (ref. Annex 1. Nepal EFA Programme - Schedule of Monitoring and Reporting).

IV. Responsibilities of the Pooling Donors

16. The Pooling Donors will make available to Nepal funds through a foreign exchange account in the name of the MOF in the NRB to be used exclusively to finance the EFA Programme.
17. On an annual basis, the Pooling Donors will review the Annual Strategic Implementation Plan ("ASIP") and Annual Work Plan and Budget ("AWPB") for the EFA Programme and commit their contributions (ref. section 30).
18. The Pooling Donors will ensure timely release of their commitments to the foreign exchange account in accordance with the provisions of paragraph VII below and the bilateral agreements/arrangements.
19. The Pooling Donors do not bear any responsibility and/or liability to any third party with regard to the implementation of the EFA Programme.

V. Meeting Structure

20. The Pooling Donors and HMG/N will conduct semi-annual meetings (December and April).
21. The meeting in December will serve as a consultative meeting for the Signatories to discuss overall progress for the previous fiscal year based on reports as mentioned in paragraph IX as well as section 24 (a) below, and the findings of a technical review mission. The Pooling Donors will make an initial indication of funding to be provided for the following fiscal year.
22. The meeting in April will serve as the annual review meeting that will include the wider group of donors to the sector for joint review of the ASIP and the AWPB for the next fiscal year, the audit report of the previous fiscal year, and the findings of a technical review mission.
23. The Pooling Donors, MOF, Financial Comptroller General's Office ("FCGO") and MOES will be represented at the meetings. MOES in cooperation with the Pooling Donors will be responsible for the agenda. MOES will call and chair the meetings. The outcome of the meetings will be presented in an Aide Memoire. The Aide Memoire will be drafted jointly by the Signatories.
24. The discussions and decisions in the semi-annual meetings will be based on, *inter*

alia, the following documents, which will be submitted to the Pooling Donors in accordance with the deadlines set forth in paragraph IX and XI below but no later than two weeks ahead of the meeting:

- a. December meeting: preliminary annual financial statement (ref. section 50 (a)), annual performance report (ref. section 52 (a)), financial monitoring report for the first fiscal trimester (four monthly) and a consolidated flash report of the previous fiscal year (ref. section 52 (c)); and
- b. April meeting: the annual audit report of the EFA Programme as certified by the Office of the Auditor General of Nepal ("OAG/N"), the ASIP and AWPB, the financial report for the second fiscal trimester and a report from the technical review mission.

VI. Organizational Structure and Consultations

25. All the Pooling Donors will be represented in a Pooling Donors' Working Group ("PDWG"). The Pooling Donors through the PDWG will designate one of the Pooling Donors as a Contact Point for communication and information sharing with HMG/N on matters concerning the implementation of this JFA. However, the Pooling Donor Contact Point will not have any authority to make decisions on behalf of the Pooling Donors.
26. The terms of reference ("TOR") for the Pooling Donors' Contact Point will be prepared by PDWG and decided upon between the Pooling Donors, and a copy of the TOR will be shared with HMG/N and the Pooling Donors.
27. The selection and role of the Pooling Donors' Contact Point, as well as any changes made during the timeframe of this JFA, will be communicated to HMG/N (MOF, FCGO/MOES/Department of Education ("DOE")) and in writing by the Pooling Donors' Contact Point.
28. The Signatories will co-operate and communicate fully and in a timely manner with each other on all matters relevant to the implementation of the EFA Programme and this JFA. Signatories will share all information on financial flows, plans to carry out reviews, missions, and any other initiatives relating to the implementation of the EFA Programme.

VII. Pooling Mechanism

29. The Pooling Donors will provide indicative funding levels for the following fiscal year in the semi-annual meeting in December.
30. The Pooling Donors will provide a funding commitment in the semi-annual meeting in April. It will take into account the sub-sector budget and cash forecast statement (ref. 49 (c)) of the EFA Programme.

31. The Signatories will in the light of these commitments determine their share of funding for the coming fiscal year for the total EFA Programme as defined in paragraph 6 above.
32. Changes within the year of commitments or schedule of disbursements by the Pooling Donors or additional commitments from new donors becoming signatories to this JFA, will be discussed and agreed upon between the Signatories before such adjustments are being made.
33. The disbursements by the Pooling Donors to the foreign exchange account will be as follows:
 - a. For the first disbursement of the first fiscal year under the EFA Programme, the Pooling Donors will advance their share of first two fiscal trimesters expenditure estimates for the first year.
 - b. For every trimester disbursement thereafter, the Pooling Donors will replenish the Foreign Exchange Account (FE Account) based on Financial Monitoring Reports (FMRs) as defined in para 49 of this arrangement showing funds utilized during the trimester, the cash balance position of the FE Account, and the cash forecast for the remaining fiscal year.
 - c. In the event of the cash balance position in foreign exchange being more than the funds requirement for the next two trimesters, no transfers of funds would need to take place from the Pooling Donors to the foreign exchange account.
 - d. Any outstanding advance may be liable for repayment or deduction against the advance for the following fiscal year.
 - e. There may be a final adjusted disbursement for the fiscal year on the basis of the certified annual financial statement (section 50a). This adjustment will be made in the second trimester of the following fiscal year.
34. The MOF/FCGO/MOES/DOE are responsible for certifying and forwarding the relevant financial reports indicated in paragraph IX below, and submitting the request for disbursement in writing in accordance with the provisions of this JFA to the PDWG contact Point. The MOF/FCGO will certify all consolidated annual reports. With respect to trimester reports the MOF/FCGO will certify only reports generated from the FCGO database. The rest lies with the MOES/DOE.
35. The Contact Point in consultation with PDWG will have 10 days upon receipt of this request to review the attached reports (ref. paragraph IX) and clarify any outstanding issues including validity of cash forecasts for the following two trimesters with the MOF/FCGO and MOES/DOE.
36. In the event of there being 'no objection' the Pooling Donors' Contact Point will

advise Pooling Donors to deposit their share of the overall disbursement in the designated foreign exchange account, which should take place no later than 30 days after the receipt of HMG/N's request.

37. In the event of there being issues which are not possible to clarify within the 10 day period indicated in section 35 above, the above process will be suspended until outstanding issues are resolved. HMG/N and the Pooling Donors will make their best endeavours to resolve any such issues as quickly as possible.
38. Following confirmation from NRB, MOF/FCGO will immediately acknowledge receipt of the foreign exchange funds, in writing, to the Pooling Donors' Contact Point.
39. The FE Account will be a non-interest bearing account. No fees and commission will be charged by the NRB for the operation of the account without prior agreement of the Signatories.
40. The exchange rate at which funds from the foreign exchange account will be converted into Nepalese rupees will be the official buying rate of the NRB on the date of conversion.
41. The FE Account will be used only for the purpose of transferring the amount to HMG/N's consolidated fund following the certification of actual expenditures. There will be no direct expenditure on the procurement of imported goods and services from the foreign exchange account. The procurement of such items will take place in accordance with paragraph VIII below. Upon MOES/DOE's requests, foreign exchange currency payments will be promptly facilitated by HMG/N as per HMG/N regulations.

VIII. Procurement

42. HMG/N undertakes to effect all procurement of works, goods and services for the EFA Programme and is responsible for the contracts to be signed.
43. All procurements will be performed in accordance with generally accepted principles and good procurement practices and in conformity with HMG/N's regular procedures and regulations as described in the FAR of HMG/N unless otherwise provided for below.
44. As an annex to the AWPB, MOES/DOE will provide the Pooling Donors for their review a draft annual procurement plan ("Procurement Plan"), which will include on-going contracts rolling into the following year, and procurement plans for the following fiscal year prepared based on the agreed work Programme. The Procurement Plan shall only include activities to be financed under the EFA Programme and procured pursuant to International Competitive Bidding (ICB) and other procurement methods as maybe requested by the Pooling Donors.

45. During implementation of the Procurement Plan, MOES/DOE will provide the Pooling Donors with fiscal year trimester procurement monitoring reports concerning progress in implementation of the Procurement Plan and identifying any contracts that were not included in the previous Procurement Plan. In each procurement monitoring report, MOES/DOE will also provide information to the Pooling Donors concerning awarded contracts, appointment of consultants, and any material modifications to the terms and conditions of such contracts after their award.
46. Procurements requiring National Competitive Bidding (NCB) will follow HMG/N procurement guidelines with the following exemptions to FAR 2056 to ensure compliance with generally accepted principles and good procurement practices:
 - a. bid opening at only one place, and immediately after the deadline for bid submission;
 - b. all bidders must provide performance securities if so required by the letter of invitation without exemptions (Regulation 86 of FAR 2056 as amended);
 - c. no preference for local bidders competing with foreign bidders in NCB (Regulation 58 (3) of FAR 2056 as amended);
 - d. no provision for debarring foreign bidders from bidding for contracts less than NRS 250 million (Regulation 73 (k2) of FAR 2056 as amended); and
 - e. bidders' qualification criteria will be according to the World Bank's standard procedure.
47. For International Competitive Bidding the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in January 1995 and revised in January and August 1996, September 1997 and January 1999 (the Guidelines) will apply until such date of entry into force of the new procurement law currently being drafted in which case the Signatories will agree on applying procedures under the new procurement law for all procurements.
48. HMG/N will, upon request, furnish the Pooling Donors with all relevant information on its procurement practices and actions taken, and provide access to all related records and documents.

IX. Reporting

49. The following set of financial reports will be accepted by the pooling donors as "Financial Monitoring Reports (FMRs) and will form the basis of disbursement to the foreign exchange account by the pooling donors each trimester. They will be produced by MOES/DOE and submitted to the PDWG Contact Point within 45 days of the end of each trimester:

- a. A report certified by FCGO for each trimester and year to date on transfers to and from the foreign exchange account in accordance with the format in Annex 2 and with a copy of the bank statement for the account from the NRB enclosed.
 - b. One consolidated financial report for allocation and expenditures for the budget heads described in section 6 of paragraph I above, comparing actual and budgeted figures budget line item code for the trimester and cumulatively for the fiscal year to date (report ref. Annex 3). For preparation of this report data from FCGO will be supplemented by DOE data.
 - c. An output based progress report for the first and second trimester year relating EFA sector expenditure and outputs in accordance with Annex 4; the third trimester output based report will not be required but instead substituted by the annual output based report (ref. 52a below).
 - d. A cash forecast statement for the following two trimesters accounting for the current balance in the foreign exchange account.
 - e. An update on the procurement plan.
50. The following financial reports will be produced by MOES/DOE and submitted to the Pooling Donors on an annual basis:
- a. The un-audited annual financial statement for the budget heads referred to in section 6 of paragraph I above certified by the Financial Comptroller General by 15 January of the following fiscal year.
51. The financial reporting will compare costs for actual expenditures against budget for broad Programme clusters as specified in Annex 4. for the current reporting period with the budget for the same period, and in the same currency.
52. The following performance reports will be produced by MOES/DOE and submitted to the PDWG Contact Point on an annual basis:
- a. A consolidated output based progress report for the fiscal year relating EFA sector expenditure and outputs in accordance with Annex 4 by 15 November of the following year (ref. 49c above);
 - b. Flash reports on outcomes and processes twice during each academic year by 15 November and 15 August.
 - c. A consolidated annual progress report by 15 November on outcomes and processes (ref. 52 b above) above for the previous academic year in the format decided upon between the Signatories.

X. Monitoring

53. As part of the preparation for the consultative meeting in December and annual review meeting in April, the Signatories will jointly conduct an external technical review in November and March of past performance and future financial needs. The TOR for the technical review will be drawn up and consultants identified by the Signatories. The costs of the technical review will be borne by the Pooling Donors.
54. The Signatories will jointly conduct a mid-term review after two years of EFA Programme implementation. The PDWG will elaborate the TORs of the review to be discussed at a semi-annual meeting. The Pooling Donors' contact point will coordinate and manage the review process including the contracting of any external technical assistance for the review. The cost of the review will be charged to the Pooling Donors.
55. The Pooling Donors may jointly conduct an evaluation of the EFA Programme after EFA Programme completion. The PDWG will prepare a TOR for the evaluation to be discussed at the last semi-annual meeting of the EFA Programme. The Pooling Donors' contact point will coordinate and manage the evaluation process. The cost of the evaluation will be charged to the Pooling Donors.
56. The Pooling Donors will to the extent possible refrain from initiating unilateral reviews/evaluations of the EFA Programme. However, in case a Pooling Donor is required to conduct a review/evaluation this Pooling Donor will in a timely manner consult with the other Signatories.

XI. Audit

57. With respect to the EFA Programme, MOES/DOE on behalf of the HMG/N will submit to the Pooling Donors an annual audit report of the budget heads referred to in section 6 for each fiscal year as so audited by the OAG/N, no later than 15 March of the following fiscal year. HMG/N and pooling donors will agree on the scope of the audit, which will be proposed thereafter to the OAG/N for its consideration. OAG/N will submit the audit report of the EFA Programme with detailed observations. The Audit report will also include the audit of the FE Account and the related local currency account.
58. The Signatories may request a performance related audit to be carried out by the OAG/N, or at his discretion, with the support of appropriately qualified auditors contracted under his authority. HMG/N will provide adequate resources for such a purpose. The selection of the auditors and timing for such audit will be done in close collaboration with the Pooling Donors. The Signatories will jointly agree on the TOR. Based on the outcome of such audit, the Pooling Donors may convey to HMG/N any corrective measures they consider needed to be undertaken.

59. The Pooling Donors will to the extent possible refrain from initiating unilateral audits of the EFA Programme. However, in case a Donor is required to conduct such an audit or inspection, this Donor will timely consult with the other Signatories. HMG/N will offer all reasonable support to facilitate such audits/inspections. The cost of this audit/inspection will be covered by the Pooling Donor(s) through separate arrangements.

XII. Non-Compliance

60. In case of non-compliance with the provisions of this JFA and/or violation of the essential elements mentioned in this JFA, the Pooling Donors reserve the right to suspend further disbursements to the EFA Programme and/or to reclaim all or part of the funds already transferred. Such non-compliance includes *inter alia* that:
- a. substantial deviations from agreed plans and budgets occur or misprocurement is declared;
 - b. EFA Programme implementation does not comply with the conditions of this JFA;
 - c. the EFA Programme develops unfavourably in relation to its objectives; and
 - d. the suspension is warranted by a fundamental change in circumstances compared to those, which existed at the start of the EFA Programme.
61. Any suspension of further disbursements will cease as soon as the event/events, which gave rise to the suspension, have ceased to exist.
62. If a Pooling Donor intends to suspend new disbursements, reclaim funds or terminate its support, the Pooling Donor will call for a meeting with the other Signatories in order to seek a solution in the matter and the Signatories will seek to reach a joint position on the remedial measures required.

XIII. Corruption

63. HMG/N will promptly inform the Pooling Donors any incidence of accidental or deliberate misuse of funds or corruption as investigated by anti-corruption bodies.

XIV. Modification, Donor Accession, Withdrawal

64. Any modification or amendment of/to the provisions of this JFA will only be effective if accepted in writing by all Signatories.
65. The Signatories would welcome the accession to this JFA of other donors who wish to support the EFA Programme.

66. Upon a new donor's written request and written acceptance of the provisions and conditions of this JFA, HMG/N may authorise in writing as an annex to this JFA, a donor to become a Signatory. HMG/N will inform the other Pooling Donors in advance of possible donor accession and subsequently furnish them with a copy of the letter of acceptance.
67. In case a Pooling Donor intends to withdraw/terminate its support, the Pooling Donor will call for a meeting to inform the other Signatories on its decision and to consult on the consequences for the EFA Programme. Each Pooling Donor reserves the right to withdraw/terminate its support to the EFA Programme by giving the other Signatories three months written notice.

XV. Dispute Settlement

68. If any dispute arises between the Signatories as to the interpretation, application or performance of this JFA, the Signatories will consult with each other in order to reach an amicable solution.

XVI. Entering into Effect

69. This JFA comes into effect on the date of signature by HMG/N and the individual Pooling Donor and will remain in effect until all commitments under this JFA have been completed.

HIS MAJESTY'S GOVERNMENT OF NEPAL

By_____

Name: _____ date:_____

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, represented by THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DfID)

By_____

Name_____ date:_____

THE MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

By_____

Name_____ date:_____

THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION/THE MINISTRY OF FOREIGN AFFAIRS OF THE KINGDOM OF NORWAY

By_____

Name_____ date:_____

THE MINISTRY OF FOREIGN AFFAIRS OF THE KINGDOM OF DENMARK

By_____

Name_____ date:_____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By_____

Name _____ date: _____

ANNEX 1. NEPAL – EFA PROGRAMME SCHEDULE OF MONITORING AND REPORTING¹

Month	HMG/N input	Donor Input	Dialogue and expected output
April	ASIP, AWBP, Annual Procurement Plan, Cash Forecast for the Fiscal Year.		Annual Review meeting: Input: Reports. Output: Aid Memoire with agreed donor share of budget and proposed schedule of donor disbursements.
July	FCGO request for advance donor disbursement.	Agreed share of advance to be disbursed by each donor to the FOREX account within agreed date.	
November	Flash1.	Technical Review of performance.	
December	FMR1, FCGO request for donor replenishment		HMG/N - donor consultations: Input: Reports Output: Aid Memoire with donor pledges for next fiscal year.
January		Agreed share to be disbursed by donors to the FOREX account within agreed date according to revised cash forecast consolidated with previous trimester advance and actual expenditure.	

¹ For first two years of the Programme

Month	HMG/N input	Donor Input	Dialogue and expected output
March		Technical Review of performance.	
April	FMR2, ASIP, AWBP, Annual Procurement Plan, FCGO request for donor replenishment	Agreed share to be disbursed by donors to the FOREX account within agreed date and according to revised cash forecast consolidated with previous trimester advance and actual expenditure.	Annual Review meeting: Input: Reports. Output: Aid Memoire with agreed donor share of budget and proposed schedule of donor disbursements.
July	FCGO request for advance donor disbursement.		
August	FMR3 (excluding Output based report third Trimester which is substituted by the Annual Consolidated Output Based Report submitted in November) Flash 2	Agreed share of advance adjusted for previous years balance to be disbursed by each donor to the FOREX account within agreed date.	
November	Flash1, Annual Consolidated Flash report previous academic year. Annual Consolidated Financial Report, Annual Consolidated Output Based Report.	Technical Review of performance.	

Month	HMG/N input	Donor Input	Dialogue and expected output
December	FMR1 FCGO request for donor replenishment		HMG/N - donor consultations: Input: Reports Output: Aid Memoire with donor pledges for next fiscal year.
January	FCGO certified Annual Consolidated Report previous fiscal year.	Agreed share to be disbursed by donors to the FOREX account within agreed date and according to revised cash forecast consolidated with previous trimester advance and actual expenditure.	
March		Technical Review of performance.	
April	FMR2, ASIP, AWBP, Annual Procurement Plan, OAG Audit report. FCGO request for donor replenishment		Annual Review meeting: Input: Reports. Output: Aid Memoire with agreed donor share of budget and proposed schedule of donor disbursements.
May		Agreed share to be disbursed by donors to the FOREX account within agreed date and according to revised cash forecast consolidated with previous trimester advance and actual expenditure.	

Month	HMG/N input	Donor Input	Dialogue and expected output
July	FCGO request for advance donor disbursement.		
August	FMR3 (excluding Output based report third Trimester which is substituted by the Annual Consolidated Output Based Report submitted in November) Flash 2	Agreed share of advance adjusted for previous years balance to be disbursed by each donor to the FOREX account within agreed date.	
November	Flash1, Annual Consolidated Flash report previous academic year. Annual Consolidated Financial Report, Annual Consolidated Output Based Report.	Technical Review of performance.	

FMR = Financial Monitoring Reports each trimester (ref. Section 49 of Joint Financing Arrangement). FMR3 will not include an Output-based Progress Report, which instead will be substituted by the Annual Consolidated Output-based Progress Report (ref. 49c and 52a of JFA).

ASIP = Annual Strategic Implementation Plan.

AWPB = Annual Work-Plan and Budget

Flash Reports = Flash 1 reporting on process and outcome indicators beginning of the school year, Flash 2 at the end of school year (ref. section 52b in JFA). Annual Consolidated Flash Report (ref. section 52c of JFA) presents consolidated information from flash 1 and flash 2 reports.

ANNEX2. STATEMENT OF FUNDS FLOW THROUGH FOREIGN EXCHANGE ACCOUNT COVERING [DATE] TO [DATE]

Financial Monitoring Report

His Majesty's Government

NEPAL EDUCATION FOR ALL PROGRAMME SUPPORT (Cr. - NPR)

FY: -----

Trimester Period: -----

Foreign Exchange "Pooled" USD Account Reconciliation Statement & Cash Projection

	USD	NPR
1. Opening Cash Balance		
Foreign Exchange "Pooled" Fund Account		
(a) IDA		
(b) DANIDA		
(c) FINLAND		
(d) NORAD		
(e) DFID		
2 Add: Receipt of Funds		
(a) IDA		
(b) DANIDA		
(c) FINLAND		
(d) NORAD		
(e) DFID		
3 Total Cash Balance		
(a) IDA		
(b) DANIDA		
(c) FINLAND		
(d) NORAD		
(e) DFID		
4. Less: Transfer to HMG/N Treasury		
(a) IDA		
(b) DANIDA		
(c) FINLAND		
(d) NORAD		
(e) DFID		
5. Less: Commissions/Charges by Bank, if applicable		
(a) IDA		
(b) DANIDA		
(c) FINLAND		
(d) NORAD		
(e) DFID		
6. Total Expenditure		
(a) IDA		
(b) DANIDA		
(c) FINLAND		

(d) NORAD		
(e) DFID		

7. Exchange Gain/Loss (+/-)		
(a) IDA		
(b) DANIDA		
(c) FINLAND		
(d) NORAD		
(e) DFID		
8. Closing Foreign Exchange "Pooled" Fund Account Balance at the end of Reporting Period (3-6+7)		
(a) IDA		
(b) DANIDA		
(c) FINLAND		
(d) NORAD		
(e) DFID		
CASH REQUIREMENT PROJECTION		
9. Total Cash Projection from "Pooled" Donors for the Next Trimester		
10. Less: Closing "Pooled" Fund Account Balance (From 8)		
11. Cash Requirement from "Pooled Donor for Next Trimester (9-10)		

* To be proportioned among "Pooled" donors as per annual agreed percentage

"Pooled" Donors	% Share	Fund Requested
Total		
IDA		
DANIDA		
FINLAND		
NORAD		
DFID		

Note: -

- (a) In the event of the cash balance position in foreign exchange being more than the fund requirement for the next two trimesters, no transfers of funds would need to take place from the pooling Donors to the Foreign exchange account
- (b) Any outstanding advance may be liable for repayment of deduction against the advance for the following fiscal year.
- (c) There may be a final adjusted disbursement for the fiscal year on the basis of the certified annual financial statement (Section 50). This adjustment will be made in the second trimester of the following fiscal year.
- (d) Concerned donors should inform DOE about deposited amount.

ANNEX 3. TRIMESTER FINANCIAL REPORT

Department of Education

EDUCATION FOR ALL PROGRAMME – Summary Sheet

Statement of Expenditure for ----- Trimester FY

Budget Head: Education for All (Cumulative of 65-3-140, 65-4-140, 65-5-140)

Item No.	Description	Annual Budget	Expenditure up to Previous Trimester	Current Trimester Expenditure		Year to date Expenditure		Balance Budget	
				Amount	%	Amount	%	Amount	%
1.01	Salary								
1.02	Allowance								
1.03	Programme TADA ²								
1.08	Training Programme Cost								
Total Consumable Expenditure									
2.01	Water and Electricity								
2.02	Communication								
2.03	Office Expenses								
2.04	Rent								
2.05	Repair and Maintenance								
2.06	Fuel and Fuel other								
2.07	Consultant and other services								
2.08	Miscellaneous								
Total Operating Expenditure									
3.03	Social Grant								
Total Grant									
4.03	Books and Materials								
4.04	Programme Cost								

² Travel Allowance and Daily Allowance

4.05	Programme TADA								
Total Programme Expenditure									
5.01	Land Purchase								
6.02	Vehicle								
6.03	Equipment								
6.04	Building Construction								
8.03	Capital Grant								
8.03	Capital Grant GP								
Total Capital Expenditure									
Grand Total									

ANNEX 4. OUTPUT BASED PROGRESS REPORT

His Majesty's Government
 Ministry of Education and Sports
Department of Education
Education for All Programme
Programme Expenditure Statement
 FY

----- Trimester (to)

Programme	Annual Budget	Weighted %	Expenditure upto Last Trimester	Expenditure of Current Trimester	Total Expenditure		Balance	
					Amount	%	Amount	%
Programme Cost								
1. Salary								
2. Construction								
3. School Grant								
a. Block								
b. Earmark								
c. Scholarships								
Total Grant								
4. Other Programme Cost								