

Nepal School Sector Development Program
Joint Review Meeting - Aide Memoire
November 25 -29, 2019

I. JRM Background and proceedings

1. The School Sector Development Program (SSDP; FY2016 /17–FY2020/21) is a flagship national program of the Government of Nepal (approved in 2016) jointly supported by eight Joint Financing Partners (JFPs)¹ and various Development Partners, including various UN agencies and international/national non-governmental organizations (I/NGOs) that are members of the Local Education Development Partner Group (LEDPG) under a Sector Wide Approach (SWAp). The SSDP aims to increase participation of all children to a quality school education by focusing on strategic interventions and new reform initiatives to improve equitable access, quality, efficiency, governance, management and resilience of the education system. The Ministry of Education, Science and Technology (MOEST) is the executing agency and the Centre for Education and Human Resource Development (CEHRD) is the implementing agency.

2. In accordance with the provisions in the SSDP Joint Financing Arrangement (JFA), the 2019 Joint Review Meeting (JRM) was organized from November 25-29, 2019 with field visits from Nov 18-22, 2019. This Aide Memoire (AM) summarizes the findings on the status of the progress made in SSDP objectives, including program results framework and disbursement linked indicators, recommendations and agreements reached with the MOEST to take corrective measures and/or to expedite implementation. In addition, the AM also provides a summary of field visits, institutional capacity assessment, annual fiduciary review and the status of disbursements from the JFPs. The specific objectives of the review were as follows:

- (i) Assess Year Three (FY 2018/19) SSDP physical and financial progress including the program results framework;
- (ii) Assess and confirm the achievement of Year Three (FY 2018/19) Disbursement Linked Indicators (DLIs) for which evidence has been submitted;
- (iii) Assess and confirm the achievement of the remaining Year Two (FY 2017/18) DLIs for which evidence has been submitted;
- (iv) Agree on the timeline and actions to be taken to complete the documentation to fulfil the DLI requirements for the remaining Year Two and Year Three DLIs;
- (v) Review progress and agree on actions for Year Four (FY 2019/20) DLIs;
- (vi) Review progress against social and environment safeguards of SSDP;
- (vii) Review financial progress including financial monitoring reports and unaudited reports of FY 2018/19 and assess progress made in reconciling audit observations on work completion report for FY 2012/13-FY2015/2016 (completed program) and audit observations for FY 2016-17 and FY 2017/2018;
- (viii) Review and endorse the changes proposed to the SSDP Program Results Framework (PRF), DLI Matrix, and verification protocol;
- (ix) Review implementation of actions outlined in the Transitional Roadmap; including progress on accountability mechanisms at each level;

¹ Asian Development Bank, European Union, Finland, JICA, Norway, UNICEF, USAID and the World Bank. The World Bank administered REACH and GPE grants which supported the first two and three years of SSDP, respectively. Additional Financing to SSDP up to FY 2021 through additional GPE grant of US\$ 23.958 million has been approved and is expected to be effective by December 2019.

- (x) Endorse the methodology of the education sector analysis and post-SSDP education sector plan development;
- (xi) Review progress made in coordination among Provincial and Local Levels for the implementation of SSDP in the Federal setup.

3. The Terms of Reference (ToR) and agenda of the 2019 JRM are attached as **Annex 1**. The list of participants is provided in **Annex 2**.

4. The AM was discussed at the wrap-up meeting chaired by Mr. Mahesh Prasad Dahal, Secretary, MOEST and at the debriefing meeting chaired by Mr. Shreekrishna Nepal, Joint Secretary, Ministry of Finance on November 29, 2019. The understandings recorded in the AM are subject to the approval of the higher authorities. As practiced in the past, the AM including all the presentations will be publicly disclosed on the MOEST website.

II. Review findings

A. Progress Status on Key Performance Indicators

5. FY 2018/19 was the second federal budget with the budget transferred directly to the Local Governments (LGs) in the form of conditional grants to implement SSDP activities. The federal government mobilized 92 percent of SSDP budget to LGs. Provincial governments (PGs) and the MOEST received 0.29% and 8.13% of the SSDP budget, respectively. LGs received conditional grants earmarking ECED, teacher salaries, textbooks, teaching learning materials and book corner, school management costs, social and financial auditing, school improvement plan and capacity development. While LGs and PGs have also allocated additional funds to the school sector through their discretionary funds (equalization grants and own resource), there is no mechanism to systematically capture and consolidate their contributions.

6. Fiscal transfers have been undertaken smoothly and efforts are underway to streamline expenditure reporting from LGs through a web-based portal called "SUTRA". The Review Team was informed that the SUTRA is now operational in more than 700 LGs and the Financial General Comptroller's Office (FCGO) can and have received expenditure reporting from 700 plus LGs. Still, reporting on the physical progress of sectoral program implemented by the LGs is a major challenge. In the absence of a proper reporting mechanism, disbursements made by the federal government to LGs for SSDP were considered as expenditure for the draft Status Report for FY 2018/19.²

7. The progress against key performance indicators (KPIs) of the SSDP are summarized in Table 1 below. While overall there is an improvement in KPIs (compared to the baseline) related to equity and access, improvement in quality as measured by student learning outcomes and on education financing continues to be a challenge. There is variation in progress against yearly target-many results are below the set target for 2018/19. To view the current status satisfactory there is a need to identify strategies that has proven to work and include specific action plans in the AWPB based on this.

² In addition, 145 LGs reported their actual expenditure to the CEHRD.

Table 1: SSDP key performance indicators, targets and achievements

Sub sector/thematic area indicators		Baseline (2015/16)	Achievement (2016/17)	Achievement (2017/18)	Target (2018/19)	Achievement (2018/19)
1. Early childhood education development/pre-primary education (ECED/PPE)						
1.1	GER in ECED/PPE	81.0 ^a	82.9	84.1	86.0	84.7
1.2	% of ECED/PPE teachers with required qualification	93.7 ^a	93.8	94.2	95.5	94.5
1.3	% of ECED/PPE teachers with one-month training	0	N.A.	4.7	30	10.4
1.4	% of grade 1 new entrants with ECED/PPE experience	62.4 ^a	64.7	66.3	68.5	66.9
2. Basic education (grades 1–8)						
2.1	GIR in grade 1	136.7 ^a	133.5	128.6	130.5	123.9
2.2	NIR in grade 1	93.9 ^a	95.2	95.9	95.0	96.3
2.3	GER in basic (grades 1-5)	135.4 ^a	134	132.3	130.5	118.6
2.4	NER in basic (grades 1-5)	96.6 ^a	96.9	97.2	97.5	96.6
2.5	GER in basic (grades 1-8)	120.1 ^a	122	120.2	118	109.2
2.6	NER in basic (grades 1-8)	89.4 ^a	91.0	92.3	94.0	92.7
2.7	Gender parity index (GPI) in NER basic (grades 1-8)	1.0 ^a	1.0	1.0	1.0	0.98
2.8	Survival rate to grade 8	76.6	75.9	77.4	86.0	77.9
2.9	Completion rate for basic (grade 8)	69.6 ^a	68.4	70.7	78.5	71.3
2.10	% of OOSC in basic education (age 5-12)	10.6 ^a	9.0	8.7	7.5	7.3
2.11.1	Students' reading proficiency (%) in grade 3	12.8 ^b			14.1	
2.12.1	Students' learning achievement scores (%) in grade 5	Maths: 48.0 ^b	49 ^b	49 ^b	52	49 ^b
2.12.2		English: 47.0 ^b	47 ^b	47 ^b	53	47 ^b
2.12.3		Nepali: 46.0 ^b	46 ^b	46 ^b	54	46 ^b
2.13.1	Students' learning achievement scores (%) in grade 8 (based on National Assessment for Student Achievements, NASA)	Maths: 35.0 ^c	35.0 ^c	35.0 ^c	48	35.0 ^c
2.13.2		Nepali: 48.0 ^c	48.0 ^c	48.0 ^c	52	48.0 ^c
2.13.3		Science: 41.0 ^c	41.0 ^c	41.0 ^c	49	41.0 ^c

3. Secondary education						
3.1	GER in grades 9-12	56.7 ^a	56.9	60.6	72.0	66.2
3.2	NER in grades 9-12	37.7 ^a	38.9	43.9	45.0	46.4
3.3	Survival rate to grade 10	37.9 ^a	45.2	57.1	50.0	58.5
3.4	Survival rate to grade 12	11.5	N/A	17.2	18.0	22.2
3.5	GPI in NER in grades 9-12	0.99 ^a	0.98	0.99	1.0	1.07
3.6	Number of model schools	0	0	196	600	222
3.7	Number of students enrolled in technical subjects in grades 9-12	9,750 ^a	15,445	23,415+	72,540	29,269++
4. Non-formal education and lifelong learning ³						
4.1	Literacy rate 6 years+	78.0 ^d	78.0 ^d	78.0 ^d	85.0	78.0 ^d
4.2	Literacy rate 15-24 years	88.6 ^e	88.6 ^e	88.6 ^e	92.0	88.6 ^e
4.3	Literacy 15+ years	57.0 ^f	57.0 ^f	57.0 ^f	70.0	57.0 ^f
5. Teacher management and professional development						
5.1	% of female teachers in basic level	38.8	40.7	41.2	42.0	43.1
6. Sector finance						
6.1	Education sector budget as % of national budget	12.04%	11.09%	9.91%	15%	10.69%

a: DOE (2016); b: ERO (2016); c: ERO (2016); d: NPC (2016); e: NPC (2014); f: CBS (2012); g: RTI (2014)

+ agriculture and science- 10,700; English – 12,645; music education 70.

++ agriculture and science- 13,375; English – 15,806; music education 88

Source: Status Report 2018/19; Consolidated Flash Report 2018/19.

B. Progress Status on Key SSDP Objectives

8. The progress against the key SSDP objectives as outlined in the program results framework is in **Annex 3**. The progress against the SSDP outputs and outcome in each of the objectives is summarized below.

9. **Basic Education.** There has been progress in FY 2018/2019 in Basic Education compared to the baseline indicators of FY 2015/16. However, in comparison to the annual targets of 2018/2019 there is limited progress. Many indicators are below target. Grade 1 new entrance with ECED/PPE experience is 66.9% against the target of 68.4%. The ECED training has been organized into two phases of 15 days training. Achievement for ECED teachers with the total one-month training reached 10.4% despite a target of 30 %, although 88.4% of ECED teacher have completed the first phase of training of 15 days.⁴ 575 ECED centres were closed for various reasons, including due to merger of schools.

³ Data for lifelong learning is reported according to the CBS 2011 census and will be updated accordingly.

⁴ Data from FLASH 2016/17.

10. Net Enrollment rates (NERs) have gone down in grade 1 -5. Although the decrease observed in year 3 has been corrected, additional interventions will be required to reach the year 5 target. Survival rate to grade 8 is 77.9, while the target is 86.0. Completion rate also shows a significant difference in the result against the target (71.3 compared to 78.5).

11. With the exception of grades 1-3, the share of girls' enrollment at basic level has reached more than 50%. The grade 1 share in total enrollment at basic level in 2018 is lower than in 2014, and the share of grade 8 higher by 1.3% than in 2014, indicated improvement in internal efficiency. Improvement in quality continues to remain a challenge with learning achievement below targets for all grades and subjects. Progress in learning outcomes are not able to be readily assessed because reading outcomes for grade 3 were not measured this year despite setting a target for FY 2018/2019. The Grade 5 National Assessment of Student Achievement (NASA) results from 2018 show that students' learning has not been improved over the years, there is a huge proportion of students at the underperforming level. The trend of English as medium of instruction continues to increase and has the potential to further jeopardize learning achievement if not addressed with schools, in teacher training, and with communities and parents.

12. The equity index has been adapted to the federal context with ranking calculated for all 753 LGs supplementing the previous formulation by district. 189 LGs within the 15 focused districts have been ranked as having the highest disparity in access and participation. The mission noted that there is a provision of allocation of budget for the 40 bottom LGs which have the highest disparity in education outcomes. The LGs are developing their own equity strategy which is a positive step. A block amount was allocated to the LGs for targeted interventions to reduce the number of Out of School Children (OOSC). Overall, the target of reducing the OOSC was surpassed.

13. Interventions such as free textbooks, scholarships and the provision of midday meals in targeted districts have contributed to enhancing equitable access to education. The number of children receiving midday meal was 64,890 (baseline) and the result for fiscal year 2018/2019 was 1,312,469.

14. **Secondary Education.** There has been better progress in Secondary level than in Basic Education. Improvement in the rates of transition from lower secondary to secondary contributed to increased enrollment in secondary level. The NER in grade 9 -12 is 46.4% against target of 45.0. The number of students in technical subjects have increased from last year, but remains far below the set target of 72,540. The cohort survival rate to grade ten has increased to 58.5 % from the target of 50%. The number of students enrolled in technical subjects in grade 9 has increased from the baseline of 0.7 to 2.5%. Pro-poor scholarship (for grade 9-12) and pro-science scholarship (for grade 11 and 12) schemes have been expanded to all districts across Nepal. Till date, 12761 students have received pro-poor scholarships. However, more work needs to be done to ensure that students, parents and schools are aware of the scholarship opportunities because currently many are not aware. A targeted social marketing campaign should be conducted to ensure that students who qualify can take advantage of these scholarship schemes. At the same time, learning outcomes continues to remain low as shown by Secondary Education Examination (SEE) results of 2018/2019. Only 0.8% scored Grade Point Average (GPA) 3.60; 3.6% scored GPA of 3.20-3.60 and 85.5% scored GPA of 2.80. The Review Team noted that there is a plan to restructure the secondary level school curriculum to enhance the learning process.

15. **Literacy and Life-Long Learning.** Progress on targets related to literacy and lifelong learning are currently not monitored through EMIS as they are tracked either through the periodic household-based surveys or census undertaken by the Central Bureau of Statistics. As such the progress reported across the three years of implementation of the SSDP is not available. The priorities of literacy and lifelong learning under SSDP is to continue to scale up continuous education programs by expanding libraries as community centers and through strengthening community learning centers (CLCs) as the main mechanism to operate lifelong learning, including professional development for non-formal education facilitators. It is important for the CLCs themselves (in terms of resource generation, program development and its implementation) to identify the remaining illiterate people and devise strategies and develop a program to make them functionally literate.

16. **Teacher Professional Development and Management.** The number of female teachers has increased both in the Basic and Secondary Education as per the baseline. Customized training curriculum and job induction training course for institutional schools, ECED teachers, EGRP Basic and Secondary level teachers have been developed. The mission noted that 9,956 teachers of primary level, 1,574 teachers of lower secondary level and 1,097 teachers of secondary level have been selected and deployed. However, shortage of teachers continues to persist and there is an urgency to resolve this long pending issue. The Team also noted that there is a significant gap in completing targeted teacher professional development which is further exacerbated by lack of teacher support mechanism as the institutions that were responsible for teacher training and support have been dissolved.

17. **Governance and Management.** Due to the federal transition and change in the implementation arrangement some of the results indicators under Governance and Management are no longer relevant. As recommended by the mid-term review (MTR) changes to the PRF, which includes changes to the indicators under governance and management, is being finalized to align to the changed context. For indicators that are still relevant, the mission noted improvements made in the timely delivery of textbooks. The percentage of students receiving textbooks within first two weeks of the academic year has increased to 91% slightly below the Year 3 target of 94%. There are no outstanding financial reports to be submitted to the JFPs. However, the mission noted that the unaudited financial report submitted is based on disbursement data for most of the LGs.⁵ It is expected that the final financial report will include expenditure from financial reports submitted to the FCGO. Implementation progress on some of the indicators, particularly the indicators for which the budget has been transferred through the LGs under conditional grant, are not provided in the draft Status Report.

18. **Disaster Risk Reduction and School Safety.** Overall good progress has been made against the PRF targets under DRR and School Safety. A thematic study on DRR was undertaken as provisioned in the PRF to inform the MTR. The study provided a critical analysis of the extent to which work in the first three years of the SSDP has responded to the priorities and needs identified in the Post Disaster Needs Assessment, including identifying areas requiring further work. The review also documented the progress made on the development of the Comprehensive School Safety Master Plan and implementation, as well as the development of a formal definition of

⁵ Actual expenditure reporting was received from 145 LGs and for the remaining 608 LGs allocation was considered as expenditure.

minimum standards for CSS (the CSS minimum package), to allow for the national assessment of schools against these standards. The implementation arrangements section of the CSS Masterplan will be updated in January 2020 with technical support from UNICEF and the CSS TWG to reflect the federal structure. As per the update provided by the Central Level Project Implementation Unit, out of 7,200 schools (about 45,000 classrooms) affected by the 2015 earthquakes, till date 5,386 schools (26,936 classroom) have been constructed, 1,577 schools (12,894 classroom) are under construction and additional 201 schools (2,228 classrooms) have been selected for reconstruction. While 40 school blocks were retrofitted in FY 2017/18. Retrofitting of school blocks in non-earthquake affected districts are ongoing, however, reporting from the LGs on the progress has been an issue for FY 2018/19.

19. **Monitoring, Evaluation and Reporting.** Some minor revision is envisioned to the PRF targets. In addition, the second round of independent verification of the school's self-reported Education Management Information System (EMIS) data has been completed. Details of the outcome of the verification is provided in section C below (Paragraph 61). Web-based EMIS portal has been established to allow schools to directly upload their EMIS data into the central database. Based on the current web-based EMIS platform, provincial and local governments can generate flash reports and profiles at provincial, LG and school levels. While the CEHRD has provided orientation on the web-based EMIS to the provincial and local governments, further training and capacity building at all levels, including schools, is required to strengthen the use of web-based EMIS for planning, budgeting and monitoring purposes. Further enhancement to the current web-based EMIS system is also planned, including exploring options to introduce modules on infrastructure, finance and key SSDP initiatives to monitor progress.

20. **Examination, Assessment and Accreditation.** Efforts towards standardization of public examinations in Grade 8, 10, 11 and 12 are ongoing. The National Examinations Board (NEB) is preparing a framework for the standardization and uniformity of Grade 8 examinations across the LGs. Likewise, for the standardization of Grade 10 examinations, federal, provincial and local level item writing experts have been trained. A sufficient number of test items in English, Math and Science have been prepared for pre-testing and banking. The pre-testing is planned for February 2020. For the standardization of Grade 11 and 12 examinations, NEB has completed initial rounds of training to the item writers in some selected subject areas. In terms of large-scale assessment of students' learning, the Education Review Office (ERO) has been preparing for the first round of National Assessment of Reading and Numeracy (NARN) in Grade 3 and various rounds NASA in Grades 5, 8 and 10 have already been conducted. The mission noted that there is a greater need for system capacity strengthening in the areas of examination and assessment including the capacity development of human resources and establishment of item banking system within NEB.

21. **Institutional Capacity Development.** Institutional capacity assessment was undertaken across all three tiers of the government through the support of the SSDP technical assistance (TA) team. The assessment highlighted the more than half of the LGs don't have an education officer to implement education activities and the gap is more pronounced in rural municipalities. In addition, the government updated that they are undertaking a second round of Organization and Management Survey.

C. Progress on the achievement of status of global covenants and disbursement linked indicators and proposed revisions

22. **Global covenants.** The Review Team noted that the all three global covenants due for the JRM have been met. First, the third trimester Financial Management Report (FMR) of FY 2018/19 was shared with the World Bank on August 30, 2019 for review, which is within 45 days after the end of the trimester. Second, the audited financial statement of FY 2017/18 was shared with the JFPs within the stipulated time. Finally, the SSDP budget code has been changed from 9 to 6 to align with the federal transition. In FY 2019/20, NRs 163.76 billion of the national budget has been allocated for education sector which constitutes 10.7 percent of the national budget. In real terms this represents about 14.8% increase from the previous fiscal year. The requirement of the global covenant is met. Additionally, the mission recommended the MOEST to include school reconstruction budget to the earthquake affected district, channeled through the National Reconstruction Authority, and to the extent possible budget allocated to school education by the local and provincial governments from their equalization grants towards the calculation of the allocation of national education budget.

23. A detailed discussion on the DLIs, results and technical issues also took place in the Thematic Working Groups (TWGs) prior to the mission with a TWG plenary session during the mission. The TWG presentations are provided in the supplementary annex.

24. **Progress on Year 2 DLIs.** Of the remaining four Year 2 DLIs, achievement reports have been submitted for two DLIs while data compilation is still ongoing for the other two.

25. **Progress of Year 3 DLIs.** There are 18 DLI targets for Year 3. Of those, the MOEST has submitted achievement report against 9 DLI targets which includes partial achievement for two of the DLI targets. Of the remaining 9 DLI targets, 3 targets are no longer relevant in the changed context and will either be revised or dropped. For the remaining 6 DLI targets documentation is still in progress. Details on the progress of each of the DLIs are provided below. The mission noted the delay in hiring of the Independent Verification Agency (IVA). Given the urgency of bringing an IVA onboard for a timely completion of DLI verification, selection and hiring of an IVA will be completed by December 6, 2019. Furthermore, the MOEST will designate a focal point for each DLI to ensure smooth operation of the DLI related activities.

DLI 1 – Reading proficiencies and habits strengthened in early grades.

26. **Year 3 – DLI 1.3: National Early Grade Reading Program (NEGRP).** Year 3 target for DLI1 is the the implementation of the NEGRP minimum package in 20 districts. The MOEST has indicated that NEGRP DLI 3 targets have been partially achieved (the five components of the NEGRP minimum package has been implemented in 16 of the 20 districts planned). However, the achievement report submitted by the MOEST to validate DLI 1 year 3 NEGRP could be strengthened to better demonstrate their achievement. A revised report would be appreciated to specifically detail which of the five components of NEGRP have been achieved in the 20 districts and identify districts that have been fully achieved by December 2019. The remaining four districts are significantly delayed and likely will not receive materials or teacher training prior to independent verification.

27. **Year 4 – DLIs 1.4 National Early Grade Reading Program.** The target for DLI1 year 4 is the implementation of the NEGRP minimum package in 29 districts. In order to achieve the year 4 target, budget has to be allocated for the purchase of the materials in ASIP/AWPB in FY 2019/2020 for 29 districts. Currently, budget is allocated for 9,000 NPR per school for 14 districts. Immediate follow up is needed to ensure that budget is available for the 16 first phase NEGRP districts. Print ready copies (PRC) of classroom materials and teachers guides for Grades 1,2, and 3 of Nepali language have been developed by the Curriculum Development Center (CDC) and JEMC has printed Grades 1 and 2 which are ready for distribution. Master Training (MToT) has been conducted by CEHRD to provide teacher training for 14 districts. Respective Education Training Centers (ETCs) will conduct the teacher training in coordination with Education Development Coordination Units (EDCUs). There is currently no provision for head teacher training. CEHRD/ERO will implement a one-day class (three sessions) for this purpose within the program orientation at the district level, and schools implement CB-EGRA independently. CEHRD is coordinating among CLAs to complete the NEGRP implementation plan by January 31, 2020. CEHRD will ensure timely printing and distribution of materials to schools to ensure year 3 delay is not repeated in year 4. EDCUs will be made responsible for obtaining and transmitting information on the implementation of the NEGRP minimum packages.

28. **Year 5 – DLI 1.5a National Early Grade Reading Program.** Year 5 target for the NEGRP is the implementation of the NEGRP minimum package in 38 districts. It was noted that the NEGRP materials for Nepali subject will need to be reviewed and aligned with the integrated curriculum materials for grades 1-3 which will be rolled out from academic year 2020. Similarly, adequate budget should be allocated in FY 2020/21 ASIP/AWPB to prepare for NEGRP roll out in the 38 districts as student materials/workbooks must be replaced each year.

29. **Year 5 – DLI 1.5b National Early Grade Reading Program.** A nationally representative assessment of reading outcomes is required to measure the percentage of grade 3 students reading a grade level text with fluency and proficiency. Progress has been made on developing and piloting NARN. The pilot NARN includes reading assessment tasks (based on EGRA) and numeracy skills assessment to get the national status of student achievement of Grade 3 on Reading and Numeracy. NARN is planned to be implemented March 2020.

DLI 2 – Increased teaching-learning processes through National Curriculum Framework (NCF) revision and access to activity-based Mathematics, Science and English language materials.

30. **Year 3 and Year 4 – DLI 2.2 and 2.4b: Math, Science and English activity-based kits.** The activity-based kits were developed and published online on the CDC website. In addition, budget has been allocated to all LGs for the provision of these materials to the schools. However, this DLI achievement is delayed as the selection of schools and the distribution mechanism was delayed. The government has now confirmed the distribution mechanism whereby the activity-based kits for grades 6-8 will be provided to the 1000 schools that have received ICT grants and provision of subject teachers for Mathematics, Science and English.

31. While the kits have been made available on the internet, many schools do not have reliable connectivity. Hence, these contents will also be distributed to schools for easy local access. Since many schools have received e-library servers, the e-resources configured or updated to host the e-learning content as well as soft copies of the printed materials prepared by the CDC. The piloting of

this mechanism in some schools of the Kathmandu valley will be done within December 2019. It is also planned that the distribution of the kit will be tied to the teacher training program. It is expected that the achievement report and verification report for DLI 2.2 will be prepared by April 30, 2020 and June 15, 2020.

32. Year 4 and Year 5 – DLI 2.3 and 2.4a: Revision of curriculum for Grades 9-12 and Implementation of the revised curriculum in Grade 9. A joint meeting between the MOEST and DLI partner held on October 16, 2019 agreed to change the timeline for revision of curriculum for Grades 9-12 to Year 5. It was also agreed that the revised curriculum in Grade 9 will be implemented in the Academic Year (AY) 2021/22. The disbursement will be made after IVA verifies that the revised curriculum has been implemented in Grade 9 in the initial six months of the AY 2021/22.

DLI 3 – Improved Teacher Management, availability and accountability, including improved deployment of trained subject teachers for Mathematics, Science and English in basic and secondary schools.

33. Year 2 and Year 4 – DLIs 3.2 and 3.4b: Teacher time-spent-teaching (TST). Budget was released to 15% of community schools in FY 2017/18, through former district education offices. In the federal context, however, receiving comprehensive reporting on the implementation of TST has been a challenge. Till date, CEHRD has been able to compile a list of 2,940 community schools which have implemented TST enhancing monitoring system. This constitutes around 10.5% of the community schools in AY 2017/18.⁶ Data collection efforts are ongoing. For Year 4, budget has been allocated in ASIP/AWPB 2019/20 to be released through the LGs to all community schools for implementation of TST.

34. Year 3– DLIs 3.3a: Subject Teachers. The MOEST shared the list of schools that have full complement of subject teachers to teach Mathematics, Science and English in 1,162 upper basic, 536 basic and secondary and 221 model schools as per the teacher rationalization and redeployment plan. It has been agreed that the IVA will accelerate the verification of this DLI achievement and submit the verification report by February 15, 2020.

35. Year 4 and Year 5 – DLIs 3.4a and 3.5a: Subject Teachers: Given challenges in the teacher management, the review team realized the need to expedite the implementation of the DLI as well as incorporating lessons learned from year 3.

36. Year 3: DLI 3.3b Subject-wise Teacher Professional Development (TPD): A total of 4,500 subject teachers for Mathematics, Science and English received the training. CEHRD is in the process of collecting information on teachers who have received such training. The subject-wise TPD for Mathematics, Science and English will be delivered to teachers from schools that have full complement of teachers in these subjects. These teachers should also be from schools that have activity-based kits. It has been agreed that the government will share the achievement report by July 15, 2020.

37. Year 3 and Year 5 – DLIs 3.3c and 3.5c: Teacher redeployment. The MOEST reiterated its commitment to redeploy and rationalize teacher positions. To facilitate the process, the Cabinet has

⁶ As per FLASH I report, there were 27,914 community schools in AY 2017/18.

recently endorsed the teacher redeployment plan proposed by the MOEST. Redeployment of teachers is expected to be completed by April 2020. Year 3 DLI, while not met at the time of the JRM, has a rollover provision and given the commitment and initiation taken by the MOEST no change is envisioned to the Year 5 target.

DLI 4 – Assessment and examination system reforms undertaken to improve teaching learning.

38. **Year 3 – DLI 4.3a: Single subject certification implementation.** Single subject certification has been implemented for grades 11 and 12 by NEB in line with the decision made by the MOEST. The total number of students certified under single subject certification for grades 11 and 12 is 347,748 and 299,675 respectively for AY 2017/18. The summary of results by subject has been made available through NEB website. The MOEST has submitted the achievement report which has been verified by the IVA.

39. **Year 3 – DLI 4.3b: Standardization of Grade 8 examinations:** As agreed in the MTR mission, the DLI is proposed for restructuring. It has been agreed that preparatory works leading to standardization will be done during the SSDP. The MOEST will approve a framework and allocate sufficient budget for conducting standardized tests for grade 8 by LGs in the federal context in Year 4. The MOEST will approve a repository of sample standardized test items for mathematics, science, and English subjects for grade 8 in Year 5. It has been agreed that the draft framework will be shared by February 28, 2020 for JFPs’ review and consultation before proceeding to finalization.

40. **Year 5 – DLI 4.4b: Standardization of Grade 10 examinations:** The progress in achieving the DLI is noted. Preparatory works are ongoing. The NEB will be conducting standardized examination in Mathematics, Science and English subjects. NEB is currently preparing for pre-testing the standardized test items. The pre-testing of test items is expected to be completed by 28 February 28, 2020. NEB is planning to pilot test items in these subjects by January 2021. Finally, the students will take the standardized examination for grade 10 in February 2021.

41. **Year 5 – DLI 4.4a: Analysis of standardized Grade 10 examination results.** The target for Year 5 “ERO has analyzed and reported grade 10 standardized examination on NEB results and NASA results for the previous year in actionable form” will be slightly revised given that the standardization of Grade 10 examination will be pushed to Year 5. However, the intent of the DLI will remain the same. ERO will analyze grade 10 standardized examinations to be carried out in March 2021 and NASA Grade 10 results from 2019/20. Budget for ERO for the analysis of the results both in FY 2020/21 and FY 2021/22 will be allocated in ASIP/AWPB. ERO needs to come up with a realistic timeline and resource requirements for analysis of the results which needs to be completed and verified by IVA by September 2021 for it to be eligible for disbursement.

DLI 5 – Model Schools piloted with comprehensive quality inputs and innovative teaching and learning.

42. **Year 3 – DLI 5.3a: Implementation of Model School Master Plan:** The achievement of results under the indicator on implementation of approved school-specific multi-year quality improvement plans in 100 model schools has been partially achieved. A total of 60 schools have submitted their Master Plans to CEHRD with evidence of deployment of full-time head teacher and

subject teachers. The achievement report for this indicator was verified by JFPs and found to be satisfactory.

43. The mission was informed that CEHRD will share the achievement report (Master Plans of additional 40 schools, together with the letter confirming the provision of full-time HT and subject teachers) by March 30,2020, and accordingly the JFPs will verify the achievement.

44. **Year 3 and Year 4 – DLIs 5.3b and 5.4: Selected schools provided with science and ICT labs, libraries, e-resources and mathematics, science and English language kits:** The mission was informed that schools have started to implement activities according to their master plan. Each of the schools whose master plans have been approved received NRs 15,000,000 to implement activities for improving physical infrastructure, teaching learning process, and governance and management in the school. Budgetary provision has also been made for performance contract with head teachers of model schools. Baseline information of the selected 222 schools will be prepared so that progress against the costed master plan can be monitored effectively and verified accordingly.

DLI 6 – Reduction in disparities in access, participation and learning outcomes

45. **Year 3 – DLI 6.3: Reduction of OOSC in 15 most disadvantaged districts.** Based on the enrollment of OOSC within 10 of the 15 districts in year 2 vastly exceeding the target of 20 percent reduction, there is confidence that the envisioned reduction of OOSC by 30 percent in 15 districts has been accomplished. However, this can only be verified once the baseline data has been presented, which is currently available for 12 out of the 15 districts. The baseline data and achievement report will be submitted by January 31, 2020 and independent verification should be completed by February 2020. It was noted that the onboarding of the IVA for the verification of DLI 6.3 is especially urgent given field-based verification requirements.

46. **Year 4 and Year 5 – DLIs 6.4 and 6.5: Overall reduction of OOSC.** The development of Local Government Equity Strategy Implementation Plans (LG-ESiPS) in the 40 LGs ranked lowest against the equity index (i.e. having the highest disparities in access and participation) is recognized as a strategy to strengthen equity-based budgeting and planning that is to lead to genuine enrolment and retention of out of school children. Furthermore, the mainstreaming of disability inclusive education, needs-based targeting during the 2020 ‘welcome to school’ campaign and the strengthening of non-formal learning centers to act as a bridge for out of school children to enter education will be key in the Government meeting its year 4 and 5 targets of nation-wide reduction in OOSC. As recommended in the MTR, the verification protocol for Year 4 will be revised for clarity.

DLI 7 – Increased access and participation in secondary education

47. **Year 2 and Year 3 – DLIs 7.2(i) and 7.3: Pro-poor targeted scholarship (PPTS) in grades 9, 10, 11 and 12 and pro-science scholarship (PSS) in grades 11 and 12 in 15 districts and additional 50 districts, respectively.** PPTS and PSS schemes were rolled out in all 77 districts in FY 18/19. A total of 310,936 students applied for the two schemes. Out of the total applicants, 55,941 students (35,964 girls and 19,977 boys) were selected using the proxy-means test method. Students belonging to the bottom quintile were selected for PPTS for grades 9, 11 and 12 (non-science stream) and students belonging to the bottom three quintiles for girls and bottom two quintile for

boys were selected for the pro-science scholarship in grades 11 and 12. While 55,941 students qualified for scholarship, till date only 12761 students have received the scholarship. The timeline for publishing SEE results, delays in receiving the bank account details of eligible students on time and students applying and selected for PSS opting out of studying science has led to delay in distribution of scholarships.

48. **Year 4 and Year 5 – DLIs 7.4: Increase in GER for secondary education:** Based on the status report of FY 2018/2019, the target of GER for girls of 61.6 percent and GER for boys of 61.8 have been achieved. The mission requested the government to expedite the process of submitting the achievement report for DLI 7.4 by February 28, 2020.

DLI 8 – Provision of adequate Disaster Risk Reduction (DRR) resilient safe school facilities at all levels.

49. **Year 3 – DLI 8.3a: Retrofitting of 120 additional school blocks in non-affected areas.** Budget provisions have been made to retrofit 122 additional school blocks in non-earthquake affected districts. However, progress reporting is still ongoing. The mission requested the government to expedite the process of submitting the achievement report by March 2020 and independent verification report by April 2020.

50. **Year 3 – DLI 8.3b: Thematic study conducted to inform SSDP mid-term review.** The thematic study was conducted and reflected in the SSDP mid-term review report. The study report was further updated based on review and comments by the CSS TWG members.

51. **Year 4 and Year 5 – DLIs 8.4a and 8.5: School blocks retrofitted.** It was agreed that the JFP and the Government will have a meeting to agree on the reporting of the DLI targets.

52. **Year 4 – DLI 8.4b: Establishment of public database with all planned/ongoing/completed reconstruction and retrofitting of schools.** The Government will look into how the mapping exercise to document CSOs work in the areas of the CSS Minimum Package can be updated and how this can be owned by the Government and meet the requirements of the public database. For this, it was agreed to hold a technical meeting between the CLIPU and MOEST EMIS team to discuss and agree which indicators from the minimum package are critical to be reported against and what is also feasible within EMIS. The Structural Integrity Assessment that was planned in over 27,000 schools, using the CSS minimum package indicators has been put on hold.

DLI 9 – Improved governance and strengthened fiduciary management.

53. **Year 2 – DLI 9.2a: Grant Management System operational at district level.** MOEST/CEHRD have submitted the DLI Report on “Grant Management System” as achieved at the DEO levels in the Year 2 of SSDP. Continuity of the GMS at LG level is critical in federal set up given that all the responsibilities of grant release to schools including conditional grants lies on individual LGs. The GMS together with the internal control mechanism at LGs would help them to address the issues of ineligible expenses in their Audited Financial Statement in subsequent years. Therefore, the JFPs communicated that the claim “GMS” would be considered achieved once its continuity at LGs levels has been assured. The MOEST with support from TA team and in coordination with MOFAGA is preparing a model guideline to establish a GMS and internal control system at LGs. The mission agreed that the LGs will be consulted through their National Associations to finalize the Model

Guideline. The Guideline will be an integral part of Financial Regulations of the LGs. The protocol for assurance will be worked on in further discussions while finalizing the restructuring of the DLI.

54. **Year 2 and Year 5– DLIs 9.2c and 9.5c: Performance-based grants to schools.** Budget for performance grant was provisioned in the FY 2017/18 ASIP/AWPB for 3,000 community schools. Till date, CERHD has been able to compile a list of 1,217 community schools which have received the performance grant. For Year 5, as per the recommendation from the MTR mission, wording, verification protocol and financing formula will be revised to align with the changed implementation structure.

55. **Year 3 – DLI 9.3c: Program support facility.** NPR 731,532,000 (equivalent to US \$ 6.4 million) was allocated in ASIP/AWPB for FY 2018/19 for program support facility (PSF). Almost 70% of the PSF budget is allocated to the LGs. According to the draft Status Report for FY 2018/19, 73.56% of the allocated budget has been spent. However, at the time of preparing the Status Report, actual expenditure reporting on conditional grants from LGs was available only for 145 LGs. The consolidated financial progress presented in the Status Report takes allocation as expenditure for the remaining 608 LGs. The MOEST was advised to submit a revised achievement report for this DLI based on actual expenditure.

56. **Year 3 and Year 5– DLIs 9.3a, 9.3b and 9.5b: e-GP system and CGAS implementation.** The MTR has recommended revising indicators related to e-GP system and CGAS implementation. Accordingly, JFPs are closely working with the MOEST to finalize the revision to these indicators.

57. **Year 4 – DLI 9.4c: Block grants to unaided schools.** Budget has been allocated in the ASIP/AWPB for FY 2019/20 for 500 unaided schools to receive block grant this year. No change is proposed for this DLI's Year 4 target as there is provision of rollover and scalability for this target.

58. **Year 4 – DLI 9.4b: Implementation of revised needs and performance-based grants.** The MTR has recommended changing the indicator "Revised needs and performance-based school grant system implemented in all 75 DEOs". JFPs and MOEST are working to finalize the proposed changes.

59. **Year 5 – DLI 9.5a: Reduction in audit observation.** The MTR has recommended changing the indicator on "percentage of recurring audit observations of SSDP no more than 4% of total non-salary grants to schools" to "reduction of the ineligible expenditure of LGs is in decreasing trend" starting FY 2018/19.

DLI 10 – Enhanced reliability and transparency of EMIS data, including school level data.

60. **Year 3 – DLI 10.3a: Web-based EMIS operational.** The government has submitted the achievement report. The progress stated that wide array of data pertaining to students (enrolment, attendance, achievement), teachers (qualification, subject being taught) and school infrastructure (WASH facilities) from schools. Schools either directly enter data into the web-based system or go to the nearest place having internet facility for uploading the information entered in the excel sheet by them. These data are consolidated into Flash I and Flash II reports. Further, technical assessment carried out in October 2019 with the help of an international EMIS expert confirmed that the web-based EMIS system that has been developed is indeed functional. The JFPs verified the progress and found it to be satisfactory.

61. **Year 3 and Year 4 - DLIs 10.3b and 10.4b: EMIS data verification.** The IVA conducted the nationally representative sample-based EMIS verification in 1,644 schools (208 institutional schools and 1,436 community schools) across 17 districts. This represents more than 5 percent of schools. In cases where the total figure is less than what was reported in EMIS, the difference is less than four percent. The report submitted by the IVA confirms the achievement of the DLI.

62. **Year 4 – DLI 10.4a: Annual sector performance report.** The MTR has recommended dropping the indicator related to preparation of annual sector performance report. Annual consolidated report of school education is already prepared by CEHRD. The preparation of analytical report utilizing the information received from schools will be supported through technical assistance.

63. **Year 5 – DLI 10.5: School profile cards.** The MTR has proposed to change the target “District and school profiles from EMIS used in school social audits nationwide as a tool to improve school performance” to School profiles from EMIS generated and used in social audits annually to improve school performance.

64. The table 2 below presents expected disbursement, conditional on independent verification by the IVA⁷, for Year two and three DLIs for which achievement report has been submitted by the MOEST. The total expected disbursement is US \$ 48.85 million.

Table 2: Expected Disbursement for Year 2 and 3 DLIs in FY 2019/20

DLI	DLI title	Expected disbursement
1.3	NEGRP minimum package rolled out in 20 fully covered districts reaching all community schools. (<i>Partial achievement</i>)	EU: € 1.6 million ⁸ (US \$ 1.76 mil)
3.3a	1,000 basic and 500 secondary schools have full complement of mathematics, science and English subject teachers	ADB: US \$ 4 million
4.3a	Single subject certification policy for Grades 11 and 12 implemented	WB: US \$ 6 million
5.3a	Implementation of approved school-specific multi-year quality improvement plans in additional 100 model schools initiated. (<i>Partial achievement</i>)	ADB: US \$ 3 million
7.2i	PPTS in grades 9 and 11 and PSS in grade 11 implemented in 25 districts	WB: US \$ 6 million
7.3	PPTS in grades 9, 10, 11 and 12 and PSS in grades 11 and 12 implemented in 50 additional districts	WB: US \$ 6 million
8.3b	DRR to be included as a priority area and thematic study for informing the SSDP MTR and review of School guidelines for DRR Standards for school construction, retrofitting and SDM, based on SSDP MTR recommendation	EU: € 0.08 million (US \$ 0.088 million)
9.2a	Grant Management System (GMS) operational	WB: US \$ 6 million
9.3c	Satisfactory completion of capacity strengthening AWPB on key	WB: US \$ 6 million

⁷ Not all DLIs require independent verification.

⁸ Exchange rate 1 Euro = 1.10 USD (November 24, 2019)

	Program support facility (PSF) activities	
10.3a	Web-based EMIS, with disaggregated data for gender and social groups operational in all 75 DEOs and in 30% of all schools	ADB: US \$ 2 million
10.3b	4 percentage points improvement in teacher and student data accuracy compared to discrepancy in sample verification survey carried out in year one, or 95% accuracy in the sample verification survey carried out in year three	WB: US \$ 6 million
10.4b	Second round of sample-based independent verification of EMIS completed with at least 95% accuracy of student and teacher data	ADB: US \$ 2 million

65. The actual and expected disbursement under program-based support for this FY is US\$ 0.3 million and US\$ 9.57 million, respectively. The expected disbursement is based on assessment of performance of the SSDP.

Table 3: Expected disbursement under program-based approach for FY 2019/2020

Joint Financing Partners	Target	Actual disbursement	Expected Disbursement
European Union	€ 2.42 million ⁹		€ 2.42 million (\$ 2.662 million)
Finland	€ 3.6 million		€ 3.6 million (\$ 3.96 million)
JICA	¥ 300 million		¥ 300 million (\$ 2.75 million)
NORWAY	Tentative ¹⁰ NOK 57 000 000		Tentative NOK 57 000 000
UNICEF	\$ 0.5 million	\$ 0.3 million	\$ 0.2 million

66. The table below presents the commitment from JFPs for FY 2020/21 based on for Year three and four DLIs and satisfactory performance of the SSDP, including meeting the global covenants. For Norway and JICA, their bilateral agreements for the remaining SSDP period is under the process of being renewed and commitment will be confirmed by January 2020 and by BRM, respectively.

Table 4: Tentative commitment from JFPs for FY 2020/2021

Joint Financing Partners	Type	Commitment
ADB	DLI	US\$ 35 million (remaining from Year 3 is US \$ 18 million and the DLI value for Year 4 is US \$ 17 million)
European Union	Fixed and DLI	€2.42 million + €7.3 million
Finland	Fixed and DLI	€3.75 million + €1.29 million ¹¹

⁹ Only for fixed tranche. The maximum amount of variable tranche is €7.3 million depending of the performance of DLI

¹⁰ Conditional upon continuation of bilateral agreement past 2019

¹¹ These figures might change with the revision to the DLIs.

GPE	DLI	US\$ 18.979 million
UNICEF	Fixed	US\$ 0.5 million
World Bank	DLI	US\$ 31 million
USAID	DLI	US\$ 2.5 million

D. Progress against Program Action Plan, Safeguards, and Fiduciary Management

67. **Program Action Plan (PAP).** The progress on implementation of the PAP was noted. In particular, the long pending issue related to temporary teachers has been resolved. A total of 27,000 permanent teachers have been recruited and deployed across the country. The share of newly recruited teachers who belong to disadvantaged groups (women, *Janjati*, *Dalit*, disabled, remote) is 68.5 percent. Some of the activities have been revised to accommodate the MTR findings, revision in the PRF and the DLIs. The update on PAP is presented in **Annex 5**.

68. **Social and Environment Safeguards.** The review team noted the progress made in updating the Environment Management Framework (EMF) and the Social Management Framework (SMF) in line with the new federal structure to reflect the changed institutional arrangements for their implementation, monitoring and reporting. Both EMF and SMF have been uploaded to the CEHRD website. The CEHRD conducted dissemination program to officials of federal government, PG and Education Development and Coordination Unit (EDCU) to ensure that there will not be any adverse impact on the environment and indigenous people's culture and practices. However, the information on how the screening checklist have been administered and provisions in EMF and SMF have been practiced in the schools is missing. The mission was informed of the incorporation of grievance redress mechanism in both EMF and SMF so that the school administration can collect and settle the grievances received in schools. However, the information on how grievances are managed and documented is missing. Thus, the review team agreed to share the revised report to JFPs on the environmental and social action plan and budget and Social and Environment Safeguards documenting the implementation of provisions in SMF and EMF in the agreed format by 28 December 2019. The JRM also noted the issue of land-ownership certificate or land use right with some schools. It was agreed that the DPs and MOEST/CEHRD will discuss further and resolve the issue by January 15, 2019.

69. **Fiduciary Management.** It was informed that the total budget execution for SSDP period i.e. for 2016/17, 2017/18 and 2018/19 was around 92.3%, 84.9% and 97/9% respectively. It was also informed that cumulative expenditure of SSDP under recurrent head was 92% (NRs.241.95 billion against NRs.263.11 billion) whereas under capital head it was 84% (NRs.17.62 billion against 20.86 billion) till 2018/19. Further, the mission was informed that there was a total receipt of US\$ 178.81 million from different DPs in the FCA account or transferred to the national treasury. The bank statements will be appended to the final unaudited project accounts for 2018/19 so that the figures of individual DPs can be verified.

70. The review team was informed about the provisional unaudited project account for 2018/19 and that the account so far has been prepared based on actual disbursement to schools by 145 LGs and on disbursement to LGs for the remaining 608. It was also informed that the FCGO has already collected financial reports from more than 700 LGs and hence the final unaudited account will be prepared based on information collected by FCGO. Similarly, the mission was informed that SUTRA has been fully functional in more than 700 LGs and hence FMRs as well as other financial reports for

the current fiscal year will be prepared based on actual disbursement of LGs to schools. It was also informed that the comments from DPs for quality of unaudited accounts will be considered while preparing the final unaudited project accounts for 2018/19. This is expected to be submitted to DPs by January 15, 2020.

71. **Ineligible Expenditure:** A meeting chaired by the MOEST Secretary was held on November 28, 2019 and an agreement was reached on a time-bound action plan for settling the issue of ineligible expenses relating to SSRP work completion by the end of FY 2019/20. The MOEST will form a high-level team headed by the Secretary to closely monitor the progress and coordinate and guide the settlement process and will update the progress in PFM committee joint meeting every two months.

72. The government informed that the status of work completion report covering most of the information has been collected from 50 districts and detailed information from the additional 25 districts and any remaining information from the 50 districts will be collected by February 28, 2020. Subsequently, the MOEST will mobilize dedicated technical team to settle the issues of work completion on a case by case basis between February 15, 2020 and May 31, 2020. The MOEST, in parallel, will also work with the Office of the Auditor General (OAG) (i) for audit certification of the completed work completion report to be included in the SSDP Audited Program Account for FY 2018/19 which is due by April 15, 2020 and (ii) for interim audit certification of the further completed work completion report by July 15, 2020. The MOEST will send a formal letter to the JFPs with details of settled expenses and the information on the unsettled amount for the SSRP period by July 25, 2020. Based on the letter, the JFPs will send a formal request for a refund of the unsettled amount based on each JFPs pro-rata share by August 15, 2020. GON will refund or adjust the proportionate amount to the individual JFPs by September 30, 2020.

73. **Fiduciary Management Action Plan (FMAP).** Status of 49 activities in the revised FMAP was presented in the review meeting, where three activities were said to be fully completed and the rest are either in the process of implementation or not started yet. It was also informed that there are certain activities that are not relevant and although some of the activities listed were completed by now, they may need continuation in the changed context of federal system. It has been discussed and agreed that the implementation of FMAP needs to be followed up rigorously to strengthen internal controls at all levels, streamline reporting mechanism and capacity development. The review team recognized that there are several cross-cutting issues where the MOEST may not have sole responsibilities or control, hence a regular and close collaboration with other relevant authorities like MOF, MOFAGA, FCGO and agencies of the local governments is critical for enhancing PFM.

74. **Status on agreed actions from BRM 2019:** The program shows progress in implementing agreed actions from BRM 2019. The status of agreed actions from BRM 2019 is attached as **Annex 6**. Some of the actions that are ongoing and not complied with have been carried forward as revised actions for this JRM.

E. Proposed revision to the SSDP and SSDP restructuring timeline

75. The MOEST has completed the restructuring of the SSDP document, including its implementation arrangements and PRF to align with the federal structure and its targets have been updated based on the review against the midline status. The MOEST has shared the updated SSDP document and a justification of the revisions and updates with the development partners' focal point. It was agreed that the JFPs will review and endorse the proposed revisions to the SSDP document by December 10, 2019. The MOEST has also requested the MoF to send a letter to all JFPs to invite them for the revisions in their bilateral agreements as per their requirements. In this regard, it was noted that Norway's bilateral agreement runs out in December 2019 and that an appraisal of the changes to the SSDP will be undertaken to facilitate the timely consideration of a new bilateral agreement.

F. Other observations, presentations and meetings

76. **Field Visit.** The review team was informed by three field visits to Province 1, Sudurpashchim Province and the Kathmandu Valley. The full report is included in **Annex 6**. The visits observed that there is a strong ownership and commitment to the education sector among LGs, however, limited human resources are impacting on their capacity to deliver the SSDP, particularly with regard to classroom monitoring and teacher supervision. All stakeholders highlighted that the delay in the Federal Education Acts was contributing to the lack of clarity concerning roles and responsibilities across the three tiers of government. Similarly, the field visits observed high levels of duplication and inefficiencies. For instance, many of the LGs interacted with had developed their own Local Education Act and Procedures and were proactive in the area of teacher management and redeployment – an area also managed by EDCUs and occasionally PGs. Communication and coordination between EDCUs, PGs and LGs is an area for further improvement. In this regard, the absence of linkage between SUTRA (being used by all LGs visited) and LMBIS was noted as a concern. Recommendations included: (i) synergizing the expenditure module of SUTRA with the budget module in LMBIS; (ii) harmonizing the reporting format through consultations between FCGO, OAG and line ministries; and (iii) reviewing the conditional grant modality to increase needs-based planning, possibly through a performance indicator system. Meanwhile, school visits noted discrepancies in reported iEMIS data, calling for further orientation of LGs and schools to strengthen ownership of their iEMIS data and use this in planning and budgeting processes. Schools and local government highlighted the lack of teacher training, the ineffectiveness of teacher training to be translated into classroom practice, and the lack of a teacher coaching and supervision structure.

77. **Progress update on milestones of Transitional Plan.** The review team recognized the efforts undertaken by the MOEST and CEHRD in facilitating the decentralization of planning and implementation of SSDP activities by the provincial and local governments. The development of several guidelines and the SSDP resource library are good examples of strengthening institutional capacity at the local level, which is crucial for the remaining SSDP implementation timeline. However, ensuring systematic communication and coordination of the local governments upwards, including reporting on expenditure and progress is in need of further strengthening. It was proposed to form a joint task team that could look at alternative ways and strategies to support this element of the decentralized sector planning and implementation. It was also agreed to review the proposed timelines for key activities in terms of ensuring that these can inform the planning and budgeting process of the final year (FY 20/21) and feed into the relevant processes.

78. **Post SSDP education sector plan development timeline.** The review team appreciated the presentation by the MOEST on the joint ToR that specifies the timeline, institutional arrangements and proposed activities for the sector analysis and planning processes to develop the post-SSDP education sector plan. The sector plan is envisioned to be a long-term plan to succeed the SSDP in 2021 up to 2030, in line with the SDG timeline. The ToR presents the envisioned activities under the

three pillars of (i) ensuring institutional and operational readiness within the sector, (ii) ensuring evidence-based planning through sector analysis and (iii) development of a plan that is fully aligned with the federal structure. It was agreed to ensure the pillar one activities are reflected in the SSDP Transitional Plan and Roadmap (see previous paragraph) to avoid duplication and strengthen the focus of the ToR. A Technical Committee has been established under the leadership of the Secretary and chaired by the Joint Secretary of the MOEST Planning Division for the management and coordination of the education sector analysis and planning process this regard. The MOEST DACS will serve as the post-SSDP ESP Secretariat, supported by the Technical Support Unit. It was agreed that a communication for development (C4D) plan should be developed to ensure meaningful engagement of all Government tiers and relevant stakeholder representatives from the initial phase in the conceptualization, analysis and planning process to ensure ownership. It was also agreed to cost the proposed activities and specify which of these are yet to be funded to allow the development partners to mobilize their technical assistance accordingly. A draft revised based on the initial comments of the development partners and a proposed C4D plan will be shared by December 6. The mission agreed on the revised timeline and activities of the utilization of the GPE ESPDG to facilitate this process, based on which the MOEST will update the GPE.

79. **Institutional Capacity Assessment.** The review team was informed that Capacity and Institutional Assessment (CIA) is divided into (i) methods and approaches used for CIA processes, and (ii) findings and recommendations for MOEST, CEHRD and LGs and schools in key thematic areas such as curriculum, assessment and examination, continuous professional development, IEMIS, communication and, environment and social safeguards. The analysis is presented around six dimensions of policy, strategy and plans; structure, staff and management, systems and tools, skills and awareness, external and internal relations, and innovation and incentives. The review team suggested strengthening the report by analyzing the relevant documents of LGs such as the TORs developed by them and by holding interactions with representatives from associations of both rural and urban LGs. The SSDP TA Team is in the process of revising the CIA incorporating comments received. The revised CIA and the capacity development plan (CDP) will be shared by 15 December 2019. The implementation of TA activities will then be carried out as planned in CDP. The mission noted the need for the SSDP TA team to expedite the implementation of the CDP.

80. **Civil Society Organizations' engagement in the SWAp:** The review team took stock from the sharing by the civil society platforms and representatives in the Nepal SWAp. Both presentations reiterated the commitment to supporting the Government in meeting its SDG 4 commitments. The analysis undertaken by NCE-Nepal showed that there remain issues in terms of equitable financing, with for example province 2 allocating only 0.3% of its provincial budget to education versus an average of 2.9% across all 7 provinces, while at the same time having the lowest education outcomes. The advocacy with parliamentarians and local governments by NCE on the adequate resourcing of education and the support to 44 LGs in the development of education policies and plans by the AIN-EWG members provides a possible avenue for further systematic engagement by the SWAp in informing these processes.

81. **Meeting with the Minister of Education, Science and Technology.** The Heads of JFPs met with the Minister to reflect on the proceeding and findings of the JRM. Reiterating their continued commitment to support the sector and acknowledging the progress made, particularly in improving access to education, the following concerns were raised: (i) delay in enactment of the Federal Education Acts; (ii) settlement of the SSRP ineligible expenditure; (iii) need for adequate human resource and capacity development support at all levels to implement SSDP; (iv) need for corrective measures for KPIs that are lagging behind; (v) ensuring timely implementation of DLI activities. The Heads of JFPs also raised the concern over the low access and participation of children with disability and lack of improvement in learning outcomes.

82. The Honorable Minister appreciated the continued support of all the JFPs to the sector. He informed that the Cabinet has approved the Education Policy which will provide the basis for drafting the Federal Education Acts. Three separated acts are planned (General Education, Technical Education and Higher Education) and three teams have been formed for the drafting of the Acts. He expressed his commitment to table the Bills in the Federal Parliament in the upcoming winter session. Emphasizing on the need to focus on quality education, he recognized that a drastic shift is needed to change the teaching learning process.

83. **Meeting with the Ministry of Finance.** The JFPs met with the Joint Secretary of the MOF to reflect on the JRM proceedings, priorities and challenges. The main issues highlighted by the JFPs were (i) need for increased public funding in the education sector as envisioned in the SSDP, (ii) settlement of ineligible expenditures from SSRP period, (iii) SSDP restructuring and the need for a restructuring request letter from MOF to initiate revisions to the JFPs respective bilateral agreements. and (iv) request for a letter from MOF to facilitate process of a new agreement for Norway as the current agreement comes to end at the end of December 2019.

84. The Joint Secretary emphasized that education is a high priority sector for the government. Acknowledging the funding gap in the sector, the Joint Secretary committed that at the minimum education budget will increase in the same proportion as the increase in the national budget. He urged the JFPs to also consider increasing their funding to the sector. Finally, he highlighted the lack of improvement in the quality of education in the public education and encouraged the MOEST and the JFPs to come up with positive interventions and innovative ideas that can attain robust results in terms of improving the overall quality of education.

G. Key Issues identified and discussed

85. **Federal School Education Act:** During JRM, all parties agreed that the delay in the federal school education act was hampering the ability to support local governments in implementing the SSDP targets and activities of SSDP. Absence of clear demarcation of roles and responsibilities between these governments could result in risk of different interpretation of their authority and creates confusion and duplication of efforts. The clear demarcation of roles and responsibilities will be possible through timely enactment of the new Federal School Education Act and with the issuance of by-laws and regulations to help all Local Governments in delivering their constitutionally mandated functions. The recently passed Education Policy will be shared as soon as possible.

86. **Delays in SSDP Year Three DLIs.** The delayed achievement and verification of year 3 DLIs is hampering the planned disbursement for JFPs. During the JRM, it was agreed to develop agreed upon actions to accelerate achievement of delayed DLIs and to and accelerate the verification process through soon to be hired IVA for those DLIs that have been achieved.

87. **Teacher Professional Development and Support Mechanisms.** Previously, teacher professional development and support mechanism was conducted through education training centers (ETCs) and resource centers (RC) which have since been dismantled in the aftermath of federal restructuring. In their place, a single ETC has been established in each Province, and no further new mechanisms have been instituted in place of the RCs/RPs. This is seriously jeopardizing teacher professional development function of the SSDP. Therefore, the mission emphasized the MOEST to immediately prioritize the development of teacher professional development and support mechanism(s) and come up with different options to manage teacher support.

H. Conclusion and follow up actions

88. Based on the sessions and deliberations, the joint review team has agreed on the following actions (Table 5). The mission agreed that the SSDP TWGs and the LEDPG focal point will closely monitor the progress under agreed actions.

Table 5: Agreed actions

SN	Action	Deadline	Responsibility
1.	Mobilize Independent Verification Agency for verification of DLIs	December 6, 2019	MOEST, CEHRD
2.	Independent verification of DLIs by the IVA to be completed before the end of academic year 2019/20	March 2020	MOEST, CEHRD, IVA
3.	Prepare matrix of timelines and actions for the remaining Year 2 and Year 3 DLIs	December 15, 2019	MOEST, CEHRD
4.	MOEST to designate focal point for each DLI	December 15, 2019	MOEST, CEHRD
5.	Share SDG4 framework (final draft version) in Nepali and English	December 6, 2019	MOEST
6.	Send request letter through MOF for revisions in bilateral agreement and JFA	December 6, 2019	MOEST
7.	Share revised ToR on the post-SSDP ESP development (including a matrix with list of activities envisioned with source of funding)	December 15, 2019	MOEST, supported by ESPDG TA
8.	Endorse proposed changes to SSDP document including the PRF and DLIs by JFPs as recommended by the MTR	December 10, 2019	JFPs
9.	Submit revised unaudited FMR based on expenditure from LGs on conditional grants	January 15, 2020	MOEST/CEHRD
10.	Submit revised/final draft of Flash Reports and Status Report to DPs	December 15, 2019	CEHRD
11.	Share revised Capacity and Institutional Assessment (CIA) and Capacity Development Plan	December 15, 2019	SSDP TA team
12.	Share revised report on Social and Environment Safeguards documenting the implementation of provisions in SMF and EMF in the agreed format to JFPs	December 28, 2019	CEHRD
13.	Annual action plan and budget for the implementation of environmental and social safeguards activities	January 31, 2020	CEHRD

SN	Action	Deadline	Responsibility
14.	Technical meeting to discuss different options, as an interim arrangement, to support critical SSDP core activities: teacher performance, training and support, and school monitoring, supervision and reporting.	December 31, 2019	MOEST, CEHRD, JFPs, SSDP TA team, relevant TWG members
15.	Providing further comments on the Grant Management Committee ToR	December 31, 2019	MOEST, CEHRD, JFPs
16.	Prepare strategies and actions to be included in the FY20/21 ASIP/AWPB to accelerate achievement of KPIs that are lagging behind	January 31, 2020	MOEST, CEHRD
17.	SSRP ineligible expenditure i. Complete collection of detailed information on work completion ii. Mobilize technical team to settle the issue of work completion	February 28, 2020 Feb-May 2020	CEHRD
18.	Share final Institutional Communication Strategy	December 31, 2019	MoEST, SSDP TA team
19.	Completion of pre-testing of standardized test items in English Math and Science subjects for Grade 10	February 28, 2020	NEB/CEHRD
20.	DLI 1.3 Resubmission of the achievement report for the 20 districts where NEGRP has been implemented	December 31, 2019	MOEST, CEHRD
21.	DLI 1.4 Sharing of an updated implementation plan that includes actions of CEHRD, CDC and ERO to achieve Year 4 DLI 1 targets	January 31, 2020	CEHRD, CDC, ERO
22.	DLI 2 <ul style="list-style-type: none"> ➤ Submission of achievement report (including list of 1,000 basic schools provided with activity-based kits for mathematics, science, and English language) ➤ Submission of independent verification report 	<ul style="list-style-type: none"> ➤ April 30, 2020 ➤ June 15, 2020 	CEHRD
23.	DLI 3 Share achievement report on time-spent-teaching covering at least 15% of the community schools (4300 schools)	February 14, 2020	CEHRD
24.	DLI 3 Submit list of 4,500 subject teachers for science, mathematics and English trained in new subject-wise training	July 15, 2020	CEHRD
25.	DLI 3 Redeployment and rationalization of teacher position as per the Cabinet approved Teacher rationalization plan	April 2020	MOEST, CERHD
26.	DLI 4 Development of National Standardized Examination Framework for Grade 8	February 28, 2020	NEB

SN	Action		Deadline	Responsibility
27.	DLI 5	Share the Master Plans of 40 additional schools, confirming the provision of full-time HT and subject teachers endorsed by the PSC	March 30, 2020	CEHRD
28.	DLI 5	Submit implementation of Master Plan of 100 schools selected in 2017 in relation with science and ICT labs, libraries, e-resources and mathematics, science and English language kits	May 2020	CERHD
29.	DLI 6.3	Submit baseline data and achievement report on reduction in OOSC in the 15 most disadvantaged districts	January 31, 2020	CERHD
30.	DLI 7.3	Disburse PPTS and PSS scholarship amount to remaining beneficiary students	February 28, 2020	CEHRD, SFAFDB
31.	DLI 7.4	Submit achievement report for increase in GER at secondary level	February 28, 2020	MOEST, CEHRD
32.	DLI 8	Share achievement report on the 120 school blocks retrofitted	March 31, 2020	MOEST
33.	DLI 9	Resubmission of achievement report for DLI 9.3c (PSF) based on the updated status report	December 31, 2019	CEHRD

Annexes:

Core Annexes:

- Annex 1: 2019 JRM ToR
- Annex 2: List of participants during the 2019 JRM
- Annex 3: Status of Program Results Framework
- Annex 4: DLI Matrix
- Annex 5: Status on Program Action Plan
- Annex 6: Status of the BRM Agreed Actions
- Annex 7: Field visit report
- Annex 8: Proposed revision to the SSDP document
- Annex 9: Proposed revision to the SSDP Program Results Framework

Supplementary Annexes:

- Presentations Day 1
- Presentations Day 2
- Presentations Day 3