



IN.174-19  
23 July 2019

## Performance Evaluation Report School Sector Program (Nepal) (Grants 0272 and 0289)

The attached report is circulated at the request of the Director General, Independent Evaluation Department. The report is also being made publicly available.

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Performance  
Evaluation  
Report

# Nepal: School Sector Program



Independent  
Evaluation



*Raising development impact through evaluation*

# Performance Evaluation Report

July 2019

## Nepal: School Sector Program

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Program Number: 35174-082  
Grant Numbers: 0272 and 0289  
Independent Evaluation: PE-816



*Raising development impact through evaluation*

## NOTES

- (i) The fiscal year of the Government of Nepal ends on 30 June.
- (ii) In this report, "\$" refers to United States dollars.
- (iii) For an explanation of rating descriptions used in Asian Development Bank evaluation reports, see Asian Development Bank. 2016. *Guidelines for the Evaluation of Public Sector Operations*. Manila.

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# Abbreviations

ADB	–	Asian Development Bank
ASIP	–	Annual Strategic Implementation Plan
AWPB	–	Annual Work Plan and Budget
DMF	–	design and monitoring framework
DEO	–	District Education Office
DOE	–	Department of Education
ECED	–	early childhood education and development
EMIS	–	education management information system
ESP	–	Education Sector Program
GER	–	gross enrollment rate
GPI	–	gender parity index
GVCAP	–	Gender and Vulnerability Communities Action Plan
IED	–	Independent Evaluation Department
JFA	–	joint financing agreement
MOE	–	Ministry of Education
NASA	–	National Assessment of Student Achievement
NER	–	net enrollment rate
OOSC	–	out-of-school children
PCR	–	project completion report
PMEC	–	priority minimum enabling conditions
PPER	–	program performance evaluation report
SSDP	–	School Sector Development Program
SSP	–	School Sector Program
SSRP	–	School Sector Reform Plan
SWAp	–	sector-wide approach
TA	–	technical assistance

# Currency Equivalents

		<b>At Approval</b> (15 October 2011)	<b>At Completion</b> (31 December 2014)	<b>At Independent Evaluation</b> (25 April 2019)
NRs1.00	=	\$0.01278	\$0.00983	\$0.00893
\$1.00	=	NRs78.20	NRs101.72	NRs111.92

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# Acknowledgments

This evaluation was led by a team from the Independent Evaluation Department (IED). The final report was prepared by team leaders, Tania Rajadel (until 7 June 2019) and Ma. Juana Dimayuga, Senior Evaluation Officer, with Ed Alfred Alvinez, Evaluation Assistant (until November 2018), initiated the evaluation with support from Raikhan Sabirova, consultant, who prepared a background paper for the report. Ms. Dimayuga and Ms. Sabirova led an evaluation mission to Nepal in July 2018. Christine Grace Marvilla, Evaluation Assistant, helped finalize the report. The team received valuable comments from Brahm Prakash (peer reviewer) and Farzana Ahmed, Lead Evaluation Specialist, IED.

The report was prepared under the guidance of Marvin Taylor-Dormond, Director General, and Walter Kolkma, Director, Thematic and Country Division.

The team would like to thank stakeholders, government officials, development partners, and staff from the Asian Development Bank (ADB) interviewed in the Nepal Resident Mission and in ADB headquarters for their time and sharing their opinions.

IED retains full responsibility for this report.

# Basic Data

## Nepal: School Sector Program (Program Number: 35174-082, Grants 0272 and 0289)

Safeguard classification:

Environment B  
Involuntary Resettlement C  
Indigenous Peoples B

Sector classification:

Education

Strategic Agenda:

Environmentally sustainable growth  
Inclusive economic growth

Key Program Data	Asian Development Bank Grant Documents (\$ million)	Actual (\$ million)
Total program cost		
Foreign exchange cost	n/a	n/a
Local Currency Cost		
Recipient Financed	2,100.000	2,100.000
Asian Development Bank Financed	65.000	65.000
Australia Financed	3.465	3.300
<b>Total</b>	<b>2,168.465</b>	<b>2,168.300</b>
Foreign exchange cost	n/a	n/a

n/a = not applicable

Key Dates	Grant 0272	Grant 0289
Appraisal	15 Apr–18 May 2011	
Grants Negotiations	13 Oct 2011	
Board's Grant Approval	22 Nov 2011	28 Mar 2012
Grant Agreement	13 Feb 2012	8 Jun 2012
Grant Effectiveness	26 Mar 2012	6 Aug 2012
Grant Closing	15 Jan 2015	19 Feb 2015

**Borrower:**

The Government of Nepal

**Executing Agency:**

Ministry of Education

### Missions Data

Type of Mission	Number of Missions	No. of Person-Days
Midterm Review	1	14
Joint Consultation Missions <sup>a</sup>	1	20
Joint Annual Missions	1	14

<sup>a</sup> Desk review

Source: Asian Development Bank



# Executive Summary

This program performance evaluation report was undertaken to assess the performance of the School Sector Program (SSP) in Nepal.

Using a policy-based lending modality, the SSP was designed to support a broad education sector reform program, under a sector wide approach. Its overarching objective was the enhancement of educational attainments and livelihoods in Nepal, particularly for girls and disadvantaged groups.

This evaluation assesses the SSP *successful*, although it did not fully meet the ambitious targets it had set. The program led to some important achievements in the education sector, the establishment of a national student assessment system, the development of school safety initiatives, and the introduction of improved financial management mechanisms. It would have benefitted from ensuring deeper policy actions to foster greater structural change in the system. The decision to opt for a policy-based lending modality was reasonable at the time of approval, as it was the most adequate modality available then. In future sector-wide approach interventions, consideration could be given to results-based lending as a modality.

## Background

Investing in human capital has long been recognized as an important priority in Nepal. In recent decades, several programs have been implemented to improve the country's education system and align with the global and domestic agendas of the Education for All initiative and the Millennium Development Goals. Some progress was made—particularly in expanding access to basic education—despite a 10-year civil conflict during 1996–2006. By 2008, net enrollment rates (NER) in primary education had reached 92%, up from 81% in 2001. Girls' access to education also improved, as reflected in the gender parity index (GPI) of the NER, which rose from 0.87 in 2003 to 0.97 in 2008. However, quality of education remained a major concern and an estimated 25% of children aged 5 to 12 were still out-of-school in 2008.

The government adopted a new School Sector Reform Plan (SSRP) in 2009. It had three broad objectives: (i) improving school access, equity and inclusiveness; (ii) enhancing the quality of education; and (iii) strengthening institutions and governance. The plan intended to restructure the sector into a well-articulated 12-year system

including basic education (grades 1 to 8) and secondary education (grades 9 to 12). But it retained a strong emphasis on basic education to consolidate prior achievements. The SSRP was designed after extensive policy dialogue between the government and development partners, many of whom, including the Asian Development Bank (ADB), had supported previous reforms. It was implemented under a sector wide approach (SWAp) with pooled funding from the government, development partners, and ADB. A joint financing arrangement outlined the roles and responsibilities of the government and development partners, as well as funding mechanisms, procurement, reporting, monitoring and auditing, and other administrative requirements.

The School Sector Program (SSP), which was approved by ADB in November 2011, aimed to support the implementation of the last 4 years of the SSRP. It was envisaged as a continuation of ADB's support to Nepal's education sector reforms. Under the Education Sector Program, Subprograms I and II (ESP I–II), ADB had contributed to the Education for All agenda (2004–2009) and to the design of the SSRP. ESP III was subsequently approved to help initiate the first set of reforms under the plan. When it closed,

the government requested ADB to provide continued assistance to the SSRP through the SSP. The SSP used a policy-based lending modality. It included 23 policy actions organized into three disbursement tranches. The program, which totaled \$68.47 million, was financed through Asian development Fund concessional resources (\$65 million) and a grant from the Government of Australia (\$3.47 million). Attached technical assistance (TA) was provided in the amount of \$1.025 million to support the implementation of the SSP. The Ministry of Education (MOE) was the executing agency and the Department of Education was the implementing agency.

## Overall Assessment

Overall, the SSP program is assessed *successful*. The performance review concluded that it had been *relevant*, *efficient*, and *sustainable* in several key respects, though *less than effective* in achieving its direct objectives.

**Relevance.** The SSP is assessed *relevant*, despite some weaknesses at the design stage. It was designed specifically to support the government-led SSRP and was thus fully aligned with the country's development strategy and education sector priorities. The SWAp matured over years of collaboration between development partners, and ADB's decision to continue participating in it was sound. The choice of a policy-based lending modality was appropriate at the time, particularly as the results-based lending modality was not yet available at ADB.

The SSP's focus areas were relevant to address main challenges in the education sector and support its restructuring into a 12-year system. The policy actions identified at the design stage were for the most part appropriate. Many were envisaged as a continuation of interventions supported under previous reform programs and were adequately sequenced. The number of policy actions was excessive, however, particularly given the limited capacity of the MOE and local institutions. Some policy actions lacked specificity, while others called for targeted interventions instead of institutional reforms. The SSP would have benefited from being more selective and reducing the number of policy actions, which would have helped emphasize long-term structural changes in the education system.

The policy matrix and the design and monitoring framework (DMF) should also have been better linked. In many instances, the DMF indicators were not aligned with the policy actions described in the policy matrix. The DMF should also have been tailored to the SSP's objectives, instead of simply reflecting the broader SSRP goals.

**Effectiveness.** The SSP is assessed *less than effective*. The envisaged outcome was only partially achieved, as some progress was reached in expanding access to education, but no improvement was recorded in learning outcomes. In 2014, NERs for grades 1–8 increased to 88%, and for grades 9–12 to 35%. The share of out-of-school children aged 5 to 12 dropped from 27% in 2008 to 12% in 2014. The GPI of the NER for grades 1–8 and grades 9–12 reached 1.0 in 2014. However, the SSP's ambitious objective of decreasing repetition rates in grade 1 and grade 5 to 2% was not met; in 2014 the repetition rate in grade 1 was 15%, and 5% in grade 5. The percentage of students attaining grade-level competency in grades 3, 5, and 8 did not improve. As assessed by the national assessment of student achievement, learning outcomes actually declined during 2012–2015 for grades 3, 5, and 8 in both mathematics and Nepali. The pass rate of the School Leaving Certificate examination did not increase as intended.

The SSP contributed to raising awareness around disaster risk management in the education sector. Under the pilot program, 165 schools were retrofitted (below the target of 260 schools) and all withstood the 2015 earthquake. Teachers and students received earthquake safety awareness training, while masons and engineers were trained in retrofitting technology and vulnerability assessment. The MOE also adopted a budgeted comprehensive school safety action plan.

Progress in enhancing teacher management and development was mixed. In 2014 the share of certified teachers, at both basic and secondary education levels, increased to 99%, but the share of female teachers in primary (38%) and secondary (14%) education remained markedly below the DMF targets. Five out of the seven DMF performance targets related to the management of governance risks in the education sector were achieved. As most of the targets under this output lacked a baseline and a numerical target, the

extent to which this reflects actual improvements in fiduciary practices is unclear.

Importantly, progress observed under the SSP was not always directly attributable to the policy actions it supported. For instance, policy actions under output 1 focused on out-of-school children aged 5–12 and were implemented in fiscal year 2014. It is thus unlikely that they contributed in the improvement of the indicators at the secondary education level. Similarly, a set of policy actions under output 2 focused on schools meeting five priority minimum enabling conditions to improve the teaching and learning environment and to introduce some standardization of schooling conditions. It was, however, a piecemeal approach, and the focus was far too narrow to affect learning outcomes or repetition rates. The delay in approving key amendments to the Education Act resulted in the teacher management strategy developed under the SSP being significantly curtailed; implementation did not begin until the end of the SSP, thus limiting its impact on the DMF performance targets for teacher management and development.

The opportunity was not taken to revise the DMF at the midterm review and improve its articulation with the policy matrix. All policy actions were complied with, as they were linked to tranche disbursements. However, many lacked the depth required to bring about significant change. This evaluation notes that, despite these shortcomings, the SSP did contribute to some important accomplishments, such as launching a national assessment of student achievement, mainstreaming school safety, introducing simplified accounting systems in schools, and expanding the payment of teachers through bank transfers. However, as a policy-based grant, it aimed to bring about more structural changes in the education system.

**Efficiency.** The SSP is assessed *efficient*. It was implemented within its initially planned timeframe, despite some delay in tranche disbursements. Some efficiency gains were achieved through strong development partner coordination, which helped during SSP design and implementation. The TA project would have benefited from being better tailored to the MOE's capacity and to the pace of reforms in the sector

but did help to deepen some policy actions supported under the SSP. Unused resources were also mobilized quickly and effectively after the 2015 earthquake.

**Sustainability.** This evaluation assesses the SSP outcomes *likely sustainable*. The government has demonstrated continued commitment to the reform agenda in the education sector. Development partners have also remained engaged and are supporting the follow-on School Sector Development Program. Overall, reforms undertaken under the SSRP, with support from ADB's SSP, have been maintained and advanced. Institutions to support these reforms have been established and capacity is gradually increasing. The shift towards a federal system will pose new challenges, however, and will require institutional changes and substantial capacity building, particularly at the local government and school levels.

**Effect of the on-going federalization process.** The recently approved shift towards a federal government system requires the decentralization of social services, including education delivery. As of June 2019, a new Education Act was under preparation to set the framework required for the full decentralization of the education system. Clarifying the institutional set up is an essential first step. However, provincial and local governments lack the capacity to deliver education services, and substantial capacity building will be needed to support the transition. Some interventions supported under the SSP will be helpful (e.g., simplified accounting systems in schools), but more broad-reaching support will be needed in the medium to long term to accompany the transition. In addition to governance structures, the teacher management system will be strongly affected by the ongoing decentralization; given its instrumental role in improving education quality, continued development partner involvement will be required to consolidate achievements under the SSRP.

## Lessons and Recommendations

**Lesson 1.** The intensive involvement of the Nepal Resident Mission is crucial to the successful implementation of a program supporting a SWAp. Close coordination with development partners and regular consultations with government

counterparts take on greater importance in a SWAp, as was illustrated under the SSP. Appointing a focal person at the resident mission can help to address issues as they emerge, and to participate continuously in policy dialogue and joint review meetings.

**Lesson 2.** Results-based lending (RBL) might be more suitable than policy-based lending for SWApS, as they require a broad range of step-by-step interventions with appropriate incentives. When the SSP was approved, results-based lending was not yet available at ADB. The decision to opt for a policy-based lending modality was adequate, as it was the most suitable modality available at the time. However, the SSRP involved different types of initiatives, ranging from policy reforms to specific ground-level interventions. As a result, some policy actions identified under the SSP lacked depth, as they were not geared toward promoting structural change and could not be followed up step-by-step.

**Lesson 3.** A policy-based loan needs a clearly articulated policy matrix and performance indicators with direct linkages to the DMF, to allow results to be attributed to policy actions. In many instances, it was difficult to attribute reported achievements to policy actions supported by the SSP, making it difficult to assess the SSP's actual effectiveness. The results chain of a policy-based loan should be explicitly presented in the project documents and the DMF indicators should fully reflect intended outcomes of the selected policy actions.

**Lesson 4.** Limiting the number of policy actions and reform areas could help to tighten future policy-based loans and adopt deeper policy actions. It would also allow time to effectively implement the attached TA, further strengthening potential impact. The SSP included many policy actions, spread over five different reform areas, and some of its policy actions lacked the depth required to bring about structural change. TA was attached to the program to support the implementation of the policy actions. However, given capacity constraints at the MOE and Department of Education, government counterparts were strained.

**Recommendations.** The report offers the following recommendations for operations involving a SWAp arrangement:

- (i) Ensure the resident mission is able to play an active role in the SWAp. The resident mission must have the staff required to take part in the SWAp. It must also be closely involved in the design phase, to better prepare for implementation, when operation is delegated to the country team.
- (ii) In future SWApS, consider the RBL instead of PBL, which would allow for different types of interventions to be pursued sequentially, set clear incentives, provide intermediate awards, and is consistent with modalities used by other development partners.

# Introduction

## A. Evaluation Purposes and Process

1. The Government of Nepal has been engaged in education sector reforms for several decades. Following a series of interventions undertaken under the Nepal Education for All program in the 1990s, the country developed a comprehensive School Sector Reform Plan (SSRP), which it implemented from 2009 to 2016. The Asian Development Bank (ADB) supported the first 3 years of the SSRP through its Education Sector Plan's third subprogram (ESP III).<sup>1</sup> The School Sector Program (SSP) was approved subsequently to support the last 4 years of the SSRP.<sup>2</sup>

2. This program performance evaluation report (PPER) focuses on the SSP.<sup>3</sup> The program completion report (PCR) for the SSP was circulated on 29 June 2017. It assessed the program *successful*, after appraising it *relevant, less than effective, efficient, and likely sustainable*.<sup>4</sup> The PCR recommended that the Independent Evaluation Department (IED) conduct a PPER of the SSP, as the midterm review of Nepal's current education sector program, the School Sector Development Plan (SSDP), which runs from 2017–2023, is underway.<sup>5</sup>

3. The preparation of this PPER followed IED's 2016 Guidelines for the Evaluation of Public Sector Operations.<sup>6</sup> Because the SSP used a policy-based grant modality, the PPER built on findings and recommendations outlined in IED's 2018 corporate evaluation on policy-based lending.<sup>7</sup> It assessed the depth of policy actions supported by the program using a framework developed by the Inter-American Development Bank in its evaluation approach to policy-based loans.<sup>8</sup> The PPER also looked into the articulation between the design and monitoring framework (DMF) in Appendix 1 and the policy matrix, as this was highlighted as a weakness in many policy-based loans in IED's corporate evaluation. IED used various methods to collect and analyze data, including: (i) a desk review of project documents and related materials; (ii) the preparation of the evaluation approach paper;<sup>9</sup> (iii) the fielding of an evaluation mission to collect stakeholders' feedback and additional data;<sup>10</sup> and (iv) discussions with ADB staff in the Nepal

<sup>1</sup> ADB. 2009. *Report and Recommendation of the President to the Board of Directors: Proposed Asian Development Grant and Loan for Subprogram III to Nepal for the Education Sector Program*. Manila.

<sup>2</sup> ADB. 2011. *Report and Recommendation of the President to the Board of Directors (including Corrigendum): Proposed Policy-Based Grant and Technical Assistance Grant to the Government of Nepal for the School Sector Program*. Manila.

<sup>3</sup> The self-evaluation of the Education Sector Program Subprogram III (ESP III) was conducted in conjunction with subprograms I and II. The program completion report was published in July 2016 and assessed the overall ESP *successful*, evaluating it *relevant, less than effective, efficient, and likely sustainable*—ADB. 2016. *Completion Report: Education Sector Program (Subprograms I–III) in Nepal*. Manila. The Independent Evaluation Department (IED) published the program validation report in December 2017 and evaluated the ESP cluster (subprograms I–III) *less than successful*. It was assessed *relevant, less than effective, less than efficient, and less than likely sustainable*. IED. 2017. *Validation Report: Nepal Education Sector Program (Subprogram I–III)*. Manila.

<sup>4</sup> ADB. 2017. *Completion Report: School Sector Program in Nepal*. Manila.

<sup>5</sup> Government of Nepal. 2016. *School Sector Development Plan 2017–2023*. Kathmandu.

<sup>6</sup> IED. 2016. *Guidelines for the Evaluation of Public Sector Operations*. Manila: ADB.

<sup>7</sup> IED. 2018. *Corporate Evaluation. Policy-Based Lending 2008–2017: Performance, Results, and Issues of Design*. Manila.

<sup>8</sup> Inter-American Development Bank, Office of Evaluation and Oversight. 2016. *Design and Use of Policy-Based Loans at the Inter-American Development Bank*. Washington, D. C.

<sup>9</sup> IED. 2018. *Evaluation Approach Paper: Project Performance Evaluation Report: School Sector Program in Nepal*. Manila: ADB. <https://www.adb.org/sites/default/files/evaluation-document/434776/files/eap-pper-school-sector-program-nepal.pdf>

<sup>10</sup> The mission to Nepal took place on 18–26 July 2018 and comprised Ma. Juana Dimayuga (Senior Evaluation Officer) and Raikhan Sabirova (Consultant).

Resident Mission and at ADB headquarters. The evaluation mission visited Kathmandu from 18 to 26 July 2018 to meet with development partners, government officials, and stakeholders. The evaluation mission visited schools in the Kathmandu Valley, Kavre, and Nuwakot.

## B. Summary of Expected Impact, Outcome, and Outputs

4. At appraisal, the expected impact based on the report and recommendation of the President to the Board of Directors (footnote 2) was enhanced educational attainment and livelihoods, particularly for girls and disadvantaged groups. The SSP's expected outcome was increased access to and improved quality of school education, particularly basic education (grades 1–8), especially for girls and children from disadvantaged groups.

5. The SSP was structured in three tranches and included 23 policy actions: 5 under the first tranche, 11 under the second tranche, and 7 under the third tranche. They were structured along the program's five program outputs: (i) more equitable access to quality education (two policy actions), (ii) enhanced student learning (five policy actions), (iii) safer schools (three policy actions), (iv) enhanced teacher management and development (four policy actions), and (v) better management of governance risks in the education sector (nine policy actions).

6. Technical assistance (TA) was attached to the SSP to achieve the planned policy actions. Support was to be provided in the following areas: (i) data analysis, (ii) student learning, (iii) teacher development, (iv) institutional capacity enhancement, and (v) program management. Additional TA support for output 3 related to safer schools was provided through a cofinancing arrangement with the Government of Australia.

# Design and Implementation

## A. Rationale

7. The importance of investing in human capital has long been recognized by Nepal. The country committed to the Education for All agenda in the 1990s and the Millennium Development Goals in the early 2000s.<sup>11</sup> Several programs were implemented since 1999 to achieve these global and domestic education objectives (Figure 1). Throughout the civil conflict (1996–2006), the country sought to uphold education reforms and the system did not collapse entirely due to continued support to the sector.

8. Despite the insurgency, progress was made, particularly in improving access to basic education. By 2008, net enrollment rates (NER) in primary education had reached 92%,<sup>12</sup> up from 81% in 2001.<sup>13</sup> Gender parity indices (GPIs) were also improving. The GPI of the NER, for example, was 0.97 in 2008, compared to 0.87 in 2003. However, an estimated 25% of children aged 5 to 12 were still out of school in 2008, many of them belonging to the *Dalit* (untouchable caste) and *Janajati* (indigenous peoples) communities and other vulnerable groups. Transition from primary to secondary education was also low, contributing further to the education system's low internal efficiency. Although access to education was improving, quality remained a major concern, as little progress in learning outcomes had been achieved (footnote 12).

9. A new School Sector Reform Plan (SSRP) was adopted in 2009, in line with the Interim and Eleventh Plan (2008–2012).<sup>14</sup> The post-conflict recovery period was marked by many political, social, and institutional changes. The SSRP aimed to support the country's economic development strategy and efforts to reduce inequalities, the latter being particularly important in the aftermath of the insurgency. Building on achievements attained under the Education for All core program and the Secondary Education Support Program, the new plan took a more comprehensive approach than previous reforms, as it sought to develop an integrated grades 1 to 12 education system.

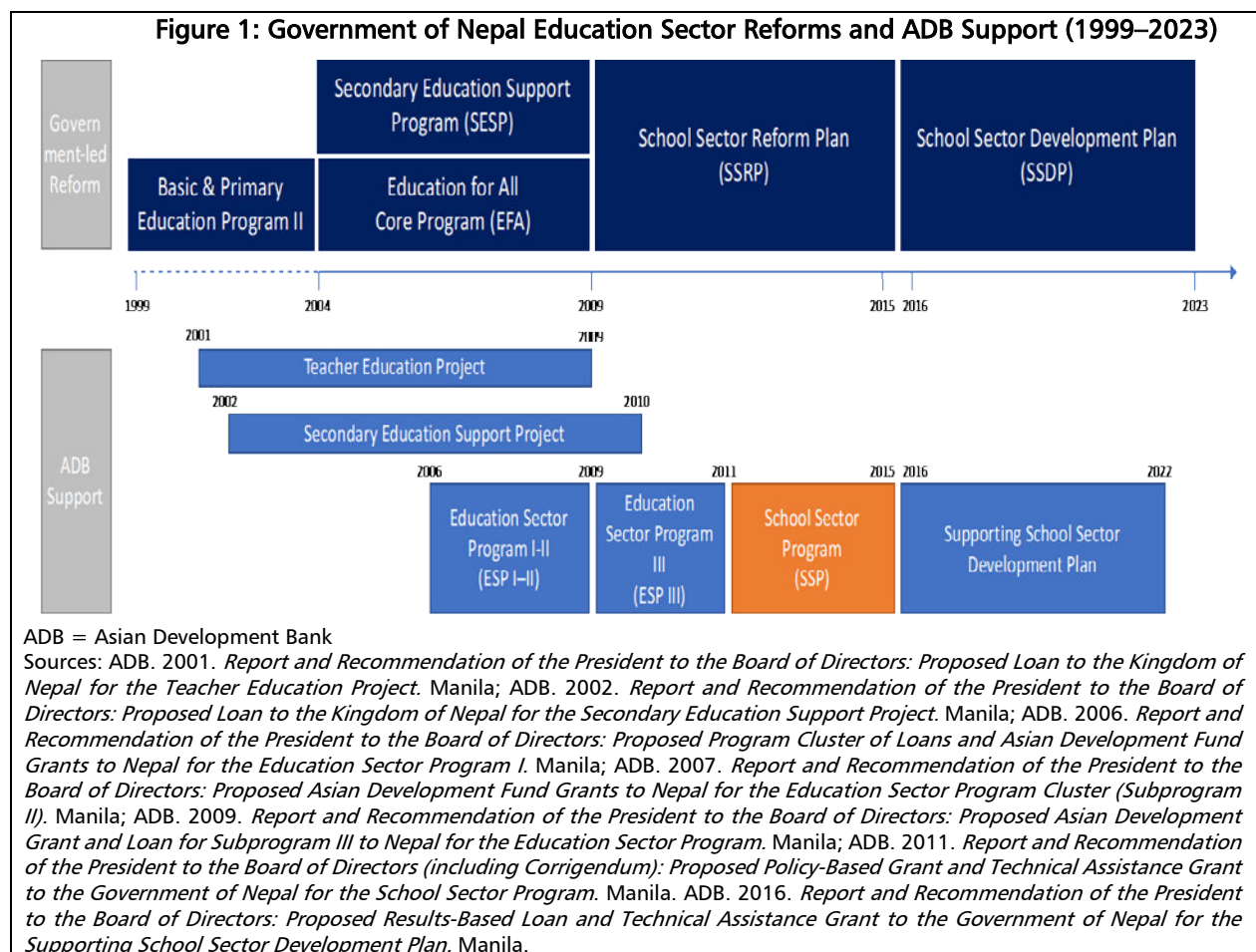
<sup>11</sup> Government of Nepal. National Planning Commission. 2016. *Nepal and the Millennium Development Goals. Final Status Report 2000–2015*. Kathmandu.

<sup>12</sup> The NER is the total number of children in the theoretical age group for a given level of education who are enrolled in that level, expressed as a percentage of the total number of children in that age group. The GPI is the level of access to education of girls compared to that of boys. It is calculated by dividing the female gross enrollment ratio by the male gross enrollment ratio. The GER is total number of children enrolled in a given level of education, regardless of age, expressed as a percentage of the total number of children in the theoretical age group for that level of education.

<sup>13</sup> Norwegian Agency for Development Cooperation. 2009. *Joint Evaluation of Nepal's Education for All 2004–2009 Programme*. Oslo.

<sup>14</sup> Government of Nepal. Ministry of Education. 2009. *School Sector Reform Plan (2009–2015)*. Kathmandu; Government of Nepal. National Planning Commission. 2011. *Three-Year Interim Plan (FY2011–FY2013)*. Kathmandu.





10. The SSRP had three broad objectives: (i) improving access to, equity and inclusiveness of Nepal's school system; (ii) enhancing the quality of education to enable students to meet grade-level competencies; and (iii) strengthening the system's institutions and governance to improve efficiency and prepare for the upcoming shift toward a federal government system.<sup>15</sup> While the plan aimed to restructure the sector into a well-articulated 12-year system including basic education (grades 1–8) and secondary education (grades 9–12), it retained a strong emphasis on basic education to consolidate prior achievements.<sup>16</sup> The SSRP included a wide range of interventions, such as upgrading school facilities; supporting targeted scholarship programs; modernizing curricula and instructional materials; improving human resources in the education sector (including teachers, school leadership, local government, and communities); establishing a reliable national assessment system; and reforming governance and fiduciary structures.

11. The SSRP was designed after extensive policy dialogue between the government and development partners, many of whom, including ADB, had supported the previous Education for All reforms. It was implemented under a Sector Wide Approach (SWAp) with pooled funding from the

<sup>15</sup> At the time of appraisal, Nepal did not have a decentralized government system in place. The interim Constitution adopted in 2007 indicated an intention to shift towards a federal government system, but the process was delayed. The new Constitution was finally adopted in 2015, with a three-tier government system, and responsibilities under the new Constitution for the education service provision divided between central, provincial, and local governments.

<sup>16</sup> Basic education includes primary education (grades 1 to 5) and lower secondary education (grades 6 to 8). Grades 9 to 12 constitute upper secondary education.



government and development partners, including ADB.<sup>17</sup> Country systems and harmonized procedures were used. A Joint Financing Arrangement (JFA) outlined the roles and responsibilities of the government and development partners, as well as funding mechanisms, procurement, reporting, monitoring and auditing, and other administrative requirements.<sup>18</sup>

12. The SSP was envisaged as a continuation of ADB's support to Nepal's education sector reforms. ADB had contributed to the Education for All reforms through several operations, including the Education Sector Program, Subprograms I and II (ESP I–II).<sup>19</sup> Under ESP II, ADB participated in the design of the SSRP. ESP III was approved subsequently to help initiate the first set of reforms under the plan. When it ended, the government requested ADB to continue its support to the SSRP.

13. The SSP was approved in November 2011 to support the last 4 years of the SSRP. It was expected to help: (i) address obstacles preventing out-of-school children from joining and staying in the education system; (ii) improve student learning outcomes; (iii) ensure greater school building safety, especially to withstand natural disasters; (iv) strengthen teacher quality through better human resource management; and (v) enhance financial management, and monitoring and evaluation systems.

## B. Time, Cost, Financing, and Executing Arrangements

14. The SSP, supported by ADB and the Government of Australia as a cofinancier, provided \$68.47 million to the government and used a policy-based lending modality. ADB financed \$65.0 million from the Asian Development Fund (ADF) concessional resources (grant 0272-NEP). The Government of Australia provided \$3.47 million in grant financing (grant 0289-NEP). Grant 0272-NEP was approved on 22 November 2011 and and cofinanced grant 0289-NEP on 28 March 2012. Grant 0272-NEP became effective on 26 March 2012. The cofinanced grant 0289-NEP of \$3.47 million became effective on 6 August 2012. The final disbursement of grant 0272-NEP was on 24 November 2014, and it was closed on 15 January 2015. The final disbursement of grant 0289-NEP was on 17 December 2014, and it was closed on 19 February 2015.

15. The ADF grant 0272-NEP was disbursed in three tranches: (i) the first tranche of \$10 million was disbursed in May 2012, (ii) the second tranche of \$35 million was disbursed in October 2013, and (iii) the third tranche of \$20 million was disbursed in November 2014. The SSP included 23 policy actions for tranche release conditions, and all conditions were complied with. The SSP did not require an extension.

16. Grant 0289-NEP cofinanced by the Government of Australia was disbursed in two tranches in accordance with the procedures outlined in the Grant Agreement. The first tranche of \$3.23 million was released on 5 October 2012 and the second (final) tranche of \$0.074 million was disbursed on 17 December 2014.

17. The executing agency for the SSP was the Ministry of Education (MOE),<sup>20</sup> and the implementing agency was the Department of Education (DOE).

<sup>17</sup> In addition to ADB, the following development partners pooled funds to support the first 5 years of the SSRP: Australia, Denmark, the European Union, Finland, Norway, the United Kingdom, the United Nations Children's Fund (UNICEF), and the World Bank (including funds from the Education for All Fast Track Initiative and the Global Partnership for Education). Denmark and the United Kingdom exited the arrangement in 2013–2014. The Japan International Cooperation Agency joined the pooling arrangement in 2014.

<sup>18</sup> The Government of Nepal. 2011. *The Joint Financing Arrangement for the School Sector Reform Plan*. Kathmandu.

<sup>19</sup> ADB. 2006. *Report and Recommendation of the President to the Board of Directors: Proposed Program Cluster of Loans and Asian Development Fund Grants Education Sector Program I in Nepal*. Manila; ADB. 2007. *Report and Recommendation of the President to the Board of Directors: Proposed Asian Development Fund Grant Education Sector Program Cluster (Subprogram II) to Nepal*. Manila.

<sup>20</sup> The Ministry of Education has been renamed Ministry of Education, Science, and Technology.

## C. Technical Assistance

18. TA was attached to the SSP to help with the implementation of the policy actions. ADB approved the TA on 22 November 2011, as a \$500,000 grant from ADB's Technical Assistance Special Fund (TASF-IV).<sup>21</sup> The TA was to focus on the following areas: (i) data analysis; (ii) student learning; (iii) teacher development; (iv) institutional capacity development for financial management, public expenditure tracking surveys, procurement, institutional analysis, and social accountability mechanisms; and (v) program management. On 30 April 2012, ADB approved an additional TA grant in the amount of \$525,000, which was cofinanced by the Government of Australia, to support the implementation of Output 3 on safer schools.<sup>22</sup>

19. Overall, TA funds amounted \$1,025,000. The program utilized \$812,798 of the TA resources, leaving \$212,202 undisbursed.<sup>23</sup> The TA was extended twice for a cumulative period of 20 months to allow more time for the implementation of the teacher management and development output, and the school safety component. TA resources were also tapped following the April 2015 earthquake. TA activities were completed in March 2016 and the account was closed in June 2016. Minor changes in scope and implementation arrangements were approved in order to conduct a post-earthquake damage assessment of school buildings, a reverification and site consultation of retrofitted schools, and an institutional analysis of the SSRP.

## D. Procurement, Consultants, and Scheduling

20. The SSP included no procurement of goods or services, as it used a policy-based lending modality.

21. The Capacity Development for School Sector Program Implementation TASF-IV grant resources financed 7.5 person-months of international consultants and 64 person-months of national consultants, while the Government of Australia's TA resources provided financing for 8 person-months of international consultants and 69 person-months of national consultants. The consultants were recruited in a timely manner and in accordance with ADB's Guidelines on the Use of Consultants.<sup>24</sup> Under the TA, the following office equipment was purchased: a printer, and several laptops, and multimedia projectors. Upon the close of the TA, they were all turned over to the DOE.

**Table 1: Use of the Technical Assistance Funds under the School Sector Program**  
(\$)

Category	Allocation	Contract Awards	Disbursement	%	Uncommitted
Consultants	615,000	586,985	586,985	95%	28,015
Equipment	15,000	14,536	14,536	97%	464
Training and Seminars	210,000	166,998	166,998	80%	43,002
Studies	48,000	44,055	44,055	92%	3,945
Miscellaneous	110,000	224	224	0%	109,776
TA administration					
Contingency	27,000			n.a.	27,000
<b>Total</b>	<b>1,025,000</b>	<b>812,798</b>	<b>812,798</b>	<b>79%</b>	<b>212,202</b>

n.a. = , TA = technical assistance

Source: Asian Development Bank Technical Assistance Information System

<sup>21</sup> ADB. 2011. *Capacity Development for School Sector Program Implementation*. Manila.

<sup>22</sup> ADB. 2011. *Capacity Development for School Sector Program Implementation*. Manila.

<sup>23</sup> Contract awards under the TASF-IV funds totaled \$387,901, with \$112,098 undisbursed. Contract awards under the Government of Australia's grants totaled \$424,896, with \$100,104 undisbursed.

<sup>24</sup> ADB. 2013. *Guidelines on the Use of Consultants*. Manila.

## E. Safeguard Arrangements and Gender Action Plan

22. **Environment.** The SSP was classified as category B for environment safeguards. Under the output on safer schools, the MOE complied with the National Environmental Guidelines for School Improvement and Facility Management,<sup>25</sup> and the National Building Code for site selection, design, and monitoring of school building retrofitting and construction of sanitation facilities.<sup>26</sup> Under the SSRP, the government prepared and implemented an environmental management framework that included (i) an environmental assessment; (ii) policy, legal and institutional frameworks; (iii) a policy for upgrading school facilities; and (iv) a review of safeguard measures and environmental issues.<sup>27</sup>

23. **Involuntary resettlement.** The SSP was classified as category C for involuntary resettlement safeguards. There was no involuntary land acquisition or resettlement under the SSP. The government's land acquisition framework established voluntary donation and buyer–seller procedures, including record keeping of the process and public disclosure of information. These procedures required the government to follow the approach transparently. They also required land titles to be transferred in the name of the relevant school or district education office.

24. **Gender and development.** The SSP was categorized as addressing the theme of Gender Equity (GEN). A Gender and Vulnerable Communities Action Plan (GVCAP) was jointly prepared by the government and development partners under the SSRP. The government reported progress on the action plan annually. The GVCAP comprised a large number of activities to promote greater inclusion of girls and children from vulnerable communities in the education system, such as the provision of scholarships and school feeding programs; the prioritization of areas with a large proportion of vulnerable groups and/or ethnic minorities for the construction or rehabilitation of schools and the development of early childhood education and development programs; curriculum development in local subjects and mother tongue languages; and the collection of data disaggregated by sex, caste, and ethnic group in the Education Management and Information System (EMIS). The GVCAP activities were fully implemented. ADB closely monitored the implementation of the GVCAP, and achievements were assessed at completion of the SSP.

25. **Indigenous peoples.** The SSP was classified as category B for indigenous peoples safeguards. Indigenous communities were consulted at program appraisal and the GVCAP included provisions to ensure that indigenous peoples, and most disadvantaged and marginalized groups, would benefit from the program. The SSP sought to improve the inclusion of indigenous peoples through a range of interventions, such as affirmative action in teacher recruitment, scholarships programs targeting *Dalit* and *Janajati* children, multilingual education, and the provision of early childhood education and development.

## F. Design Changes

26. The SSP required no change in design or scope.

## G. Grant Covenants, Monitoring, and Reporting Requirements

27. Three tranches under the SSP were linked to 23 policy actions. All policy action release conditions were complied with. The SSP Grant Agreement covenants were complied with for the most part. Schedule 4 of the Grant Agreement included 21 assurances. Seventeen assurances were fully complied with in a

<sup>25</sup> The Government of Nepal. 2004. *National Environmental Guidelines for School Improvement and Facility Management in Nepal*. Kathmandu.

<sup>26</sup> The Government of Nepal. 1998. *The Building Act, 2055*. Kathmandu.

<sup>27</sup> ADB. 2016. *Program Safeguard Systems Assessment. Nepal: Supporting School Sector Development Plan*. Manila.

timely manner. Three covenants under Schedule 4 were partially complied with, and one was complied late.

28. The three covenants that were partially complied with were (i) the submission of safeguard monitoring reports to development partners every 6 months, (ii) the update of the performance indicators and targets set out in the SSRP 60 days after the midterm review, and (iii) adequate staffing for technical and financial management. The evaluation mission was informed that focal persons on safeguard monitoring did not have the terms of reference and training to perform their functions and consequently did not submit the safeguard monitoring reports. Performance indicators and targets remained unchanged following the SSRP midterm review and the DOE's focus at that time was on pursuing compliance with amendments to the Education Act; as a result, less attention was given to the covenant related to performance indicators. Technical and financial management functions were understaffed because of a lack of engineers at the DOE and of sub-engineers and accountants at the district level during the SSRP period.

29. The covenant under Schedule 4 related to the eighth amendment to the Education Act was complied with late, as it was approved in June 2016 after the SSP was closed. The amendment brought about several structural changes. It provided the legal basis for categorizing schools into basic level (grades 1–8) and secondary level (grades 9–12). This had many implications for the education system, including for teacher management. The amendment reformed the examination and assessment system, transforming the Higher Secondary Education Board into a National Education Board responsible for conducting national-level examinations (at grades 8, 10, and 12). The amendment also addressed a sensitive issue linked to temporary teachers, allowing them to compete for a reserved number of vacancies in the school system or receive severance pay based on their seniority. The adoption of the amendment was delayed, initially as a result of the dissolution of Parliament in 2013, and subsequently because of the difficulty in building consensus among stakeholders, especially on changes related to service contracts for permanent and temporary teachers (footnote 4, p. 8).

30. The SSP DMF and policy matrix were used to monitor and report progress on the program and tranche release conditions. The MOE submitted all data and information to development partners, including ADB, in time for the preparation of the tranche release reports. The MOE, in coordination with schools, regularly collected flash card reports for the EMIS database. The midterm review of the SSP was conducted jointly by the government and the development partners in March 2012. The midterm review report highlighted progress achieved based on the targets outlined in the DMF, along with key implementation issues. The Office of the Auditor General conducted the audit and presented the audited financial statements along with the auditor's report to the MOE and development partners.

# Performance Assessment

31. This Chapter assesses the SSP's performance based on four core evaluation criteria: (i) its relevance to the Government of Nepal's development strategy and its alignment with ADB corporate priorities, and the adequacy of its design; (ii) its effectiveness in achieving intended outcomes; (iii) its efficiency in utilizing resources; and (iv) the sustainability of the reforms it supported. These core evaluation criteria are weighted equally to establish the overall assessment of the policy-based grant, in accordance with IED's Guidelines for Evaluation of Public Sector Operations (footnote 6).

## A. Relevance

32. The SSP was fully aligned with Nepal's development priorities. It was designed to support the implementation of the SSRP, the government's education sector reform plan, which was prepared in close collaboration with development partners, including ADB. The objectives of the SSP and the SSRP were in line with the country's Three-Year Interim Plan, 2011–2013, which stressed the important role of education to advance Nepal's economic and social transformation.<sup>28</sup> The plan was also linked to the Millennium Development Goal targets on enhancing the quality of education for all children, especially for girls and disadvantaged groups. The SSRP's overall structure and the main reforms are intended to implement with support from the SSP built on past progress and on lessons from previous programs, including the Education for All agenda. The plan focused on improving access to schools, especially for marginalized groups, and on enhancing quality of education, with emphasis on strengthening teacher capacity.

33. However, the SSP, driven by the SSRP's sweeping goals, was ambitious. Under the Education for All program, the focus of the reforms was on primary education, with a separate reform program for secondary education. The SSRP took a more comprehensive approach, as it aimed to develop an integrated grades 1–12 system. This shift was consistent with the education sector's overall objectives and with the steadily increasing demand for secondary education. However, development partners expressed some concern regarding the government's capacity to conduct reforms simultaneously at the primary and secondary education levels. This was compounded by the fact that many interventions under the SSRP fell under the responsibility of local governments, schools, and school management committees (e.g. scholarship programs, teacher recruitment and payment, construction and rehabilitation of schools to meet minimum enabling conditions). The government and development partners agreed to prioritize basic education (grades 1–8), with more targeted interventions at the upper secondary level (grades 9–12). As a result, the SSP's interventions were geared towards basic education, but several of the reforms it supported had a broader reach (e.g., national student assessment system, financial management, and governance).

34. The SSP was designed as a continuation of ADB's support to Nepal's education sector reforms. It was aligned with ADB's Country Partnership Strategy for Nepal, 2010–2012 and with ADB's corporate priorities, particularly in the areas of education and gender equity.<sup>29</sup> It aimed to follow through on activities initiated under ESP III during the first 3 years of the SSRP. As such, it focused primarily on basic

<sup>28</sup> The Government of Nepal. National Planning Commission. 2001. *Three-Year Interim Plan (Fiscal Years 2011–2013)*. Kathmandu.

<sup>29</sup> ADB. 2009. *Country Partnership Strategy: Nepal, 2010–2012*. Manila.

education. At the time the SSP was prepared, neither the self-evaluation report for ESP III nor the program validation report were available (footnote 3). IED conducted a country assistance performance evaluation (CAPE) in 2009.<sup>30</sup> The CAPE assessed ADB's assistance to education in Nepal *successful* and underscored the importance of improving the quality of education, alongside access. It noted that the use of SWAPs had contributed to major achievements in the sector. The SSP was in line with these recommendations. Observing the relatively weak capacity of local education authorities and schools, the CAPE also emphasized "the need for greater functional clarity and accountability between districts and schools to ensure effective education service provision in the newly decentralized system" (footnote 30, p. 33). This was highly dependent on the approval of key amendments to the Education Act. The project team considered including amendment of the Education Act as a policy action, but as this was beyond the control of the MOE, it was decided to include it as a loan covenant instead (para. 29). This somewhat weakened the impetus to adopt these amendments.

35. At the time of approval, the decision to use a multitranche policy-based lending modality for the SSP was appropriate. The government and development partners had agreed to pool resources, under a SWAP, to finance the SSRP.<sup>31</sup> The JFA they signed in July 2011 stipulated the roles and responsibilities of each party, along with funding mechanisms.<sup>32</sup> ADB was the second-largest financier of the SSRP after the World Bank.<sup>33</sup> The European Commission, the Government of Finland, and the Government of Norway provided direct budget support to the SSRP under the JFA. The results-based lending modality was not available at that time at ADB, and thus opting for a policy-based lending modality to support sector reforms was sound.<sup>34</sup> The inclusion of three disbursement tranches aimed to allow for proper sequencing of the policy actions.

36. The DMF could have been better thought out at the design stage. It was based on the SSRP goals, when it should have captured more closely the specific objectives of the SSP. The updated DMF for the SSP is provided in Appendix 1. The impact—enhanced educational attainment and livelihood, particularly for girls and disadvantaged groups—was both ambitious and too broad, particularly in its reference to livelihood, which would have required interventions going beyond primary and secondary education. The emphasis on educational attainment (i.e., years of schooling) overlooked the SSP's intent to improve the quality of education. This was reflected in the selected indicator—mean years of schooling—which was not clearly defined. The reference age group was not indicated, and it lacked baseline data on girls and disadvantaged groups.

37. The outcome and output statements should have been better articulated and the results chain made clearer. The outcome—increased access to and improved quality of school education, particularly basic education (grades 1–8), especially for girls and children from disadvantaged groups—read as a combination of output 1 (more equitable access to quality education) and output 2 (enhanced student learning). This conflation between the intended outcome and the first two outputs led to some overlap in indicators as well. For example, one outcome indicator—percentage of students attaining grade-level competency improved (no baseline)—was repeated in output 2, this time specifying specific grade levels. In addition, some indicators were not aligned. The NER and GPI outcome indicators focused on grades 1–8, while the gross enrollment rate (GER) and GPI output 1 indicators focused on grades 9–12. Some indicators were also overly ambitious. For instance, a decline in repetition rates in grade 1 from 28% in

<sup>30</sup> IED. 2009. *Country Assistance Program Evaluation: Nepal—Delivering Assistance in a Challenging Environment*. Manila.

<sup>31</sup> Over the 7-year period, the total cost of the SSRP was estimated at \$4.04 billion, of which \$704 million was financed by development partners. The Government of Nepal was responsible for about 83% of the total cost of the reform plan.

<sup>32</sup> Under the JFA, each pooling partner, including ADB, deposited funds to the Government of Nepal's foreign currency account, which were earmarked to be used exclusively to finance the SSRP. Each year, pooling partners and the Government of Nepal reviewed and agreed on annual strategic implementation plan and work plan and budget, with funds disbursed accordingly.

<sup>33</sup> The World Bank initially used a project-based approach, through a sector investment loan, to support the SSRP. This required the MOE to submit statements of expenses for funds to be disbursed. According to World Bank staff met by the evaluation mission, this approach was not optimal, particularly as the main objective was to support education sector reforms. Subsequently, the World Bank opted to support the follow-on reform program, the SSDP, through a results-based lending modality.

<sup>34</sup> Results-based lending was introduced at ADB in 2013.

2008 to 2% in 2014 was unrealistic and could have generated adverse effects (e.g., schools simply prohibiting repetition in grade 1). In addition, many indicators were vague. Two indicators for output 4 referred to “teachers with required qualifications” without specifying what these qualifications should have been at the basic and secondary education levels. Many indicators, particularly for output 5, included no baseline and no quantified targets.

38. The SSP included 23 policy actions; these were aligned with the education reform agenda, but were excessive in number, especially considering capacity constraints. The policy actions supported key reform areas identified by the government and development partners under the SSRP. They were organized into three disbursement tranches and were structured around the program’s five outputs. For the most part, they were a continuation of policy actions supported by ADB under ESP III. A review of the policy actions is provided in Appendix 2. They were selected based on policy dialogue, lessons from implementing prior reforms, and some sector analyses produced under previous reform programs. More detailed analytical work that focused on identifying critical interventions and providing more contextual information, especially regarding local implementation, could have helped reduce the number while increasing the impact of policy actions.<sup>35</sup>

39. **Output 1: More equitable access to quality education.** The two policy actions under this output focused on reducing the number of out-of-school children at the basic education level, which was essential to improve inclusiveness. However, the policy actions could have been more ambitious. They only required the MOE to approve a budgeted action plan, and to start implementing it in fiscal year (FY) 2014. As the SSP was approved 2 years into the SSRP, several interventions supported by other development partners and targeting out-of-school children were already underway (e.g., scholarship programs and school meals). Developing an action plan was useful to better coordinate initiatives, but the policy actions could have been sharpened to bring about more structural change. Finally, some of the performance targets provided in the DMF were not consistent with the policy actions selected under output 1.<sup>36</sup>

40. **Output 2: Enhanced student learning.** Two sets of policy actions were included in output 2. The first related to the implementation of Nepal’s National Assessment of Student Achievement (NASA) and was a continuation of ESP III. The policy actions required the MOE to complete NASA at first at grade 8, and subsequently at grades 3 and 5; publicly disseminate the results; and approve a strategy and action plan to undertake systemic reforms based on analysis of the NASA results. Developing a national assessment system is an essential step to provide the education system with the information it needs to improve quality. The policy actions were thus highly relevant. They also sought to ensure that findings from NASA would be used to guide institutional changes. The second series of policy actions related to the improvement of school conditions and aimed to ensure that more schools met priority minimum enabling conditions (PMECs). They required MOE to issue a circular, establish a baseline of school conditions, and allocate adequate funding to upgrade 20% of basic education schools failing to meet three of the five PMEC criteria in FY2013 and a further 20% of schools in FY2014. The PMECS had been identified under ESP III but were somewhat diluted during policy dialogue.<sup>37</sup> The approach was rudimentary, as it took a very narrow perspective on improving quality of education. Other important factors (e.g., school leadership or governance) were overlooked. The SSP also missed an opportunity under this set of policy actions to start building the systems and capacity required for school maintenance and operations, especially as the country was preparing for decentralization. Overall, these policy actions

<sup>35</sup> IED’s recent evaluation of policy-based lending (footnote 7, above) noted the importance of underpinning policy actions with solid analysis.

<sup>36</sup> MOE was expected to start implementing its action plan to bring out-of-school children into basic education in December 2013. This could therefore not contribute to increasing GER for grades 9–12 from 40% in 2008 to 66% in 2014, and the GPI of GER for grades 9–12 from 0.97 in 2008 to 0.99 in 2014.

<sup>37</sup> The five PMECS related to (i) classrooms, (ii) separate bathrooms for boys and girls, (iii) provision of textbooks, (iv) provision of learning materials and/or book corners; and (v) provision of teachers. Development partners had initially selected over 20 conditions; given limited funds for school upgrading and capacity constraints, they agreed to these 5 PMECS.

lacked depth. Linkages with DMF indicators under output 2 were also weak. Introducing a national assessment system and improving school conditions as approached through the PMECs were unlikely to directly lead to increases in early childhood education and development (ECED) uptake, reduction of repetition rates, or higher School Leaving Certificate pass rates. In addition, some targets were unrealistic. The DMF would have benefited from aligning more closely with the policy actions supported under the SSP and selecting indicators directly linked to the implementation of NASA and/or the improvement of school facilities (although it should be noted that the literature is not conclusive when it comes to the effect of the school facility upgrading on learning outcomes).<sup>38</sup>

41. **Output 3: Safer schools.** This output included three sequenced policy actions aimed at shifting practices and mindsets around school safety. The first two policy actions intended to support the development and implementation of a pilot school safety action plan. To address risks related to earthquakes and other hazards, it involved the retrofitting of schools; teacher and student awareness building; and training for masons, engineers, and sub-engineers. The last policy action aimed to institutionalize school safety. These policy actions were innovative and highly relevant in the context of Nepal and were well articulated with each other and with the DMF performance indicators.

42. **Output 4: Enhancing teacher management and development.** Two sets of policy actions were linked to output 4. The first set comprised two process-oriented policy actions targeting teacher qualifications, requiring teachers at the basic education level to acquire minimum academic qualifications; although these may help to raise standards, such requirements do not guarantee an improvement in teacher quality. The second set of policy actions sought to bring about more structural changes in teacher management and deployment. The MOE was required to develop a comprehensive teacher management strategy based on a needs assessment study and then implement the strategy in a phased manner. This built on solid analytical work and was an important step towards improving quality of education. The DMF was for the most part aligned with the policy actions, although it did include some targets for secondary school teachers for policy actions focused on basic education.

43. **Output 5: Better management of governance risks in the education sector.** Output 5 included nine policy actions. This was an important reform area, particularly given fiduciary and governance challenges encountered under previous reform programs. The SSP could have tightened its focus, however, and reduced the number of policy actions under this output. They were broad-reaching and included actions very different in nature, e.g., establishing a team to investigate complaints regarding financial irregularities, introducing payment of teacher salaries through bank accounts, approving amendments to the 2007 Public Procurement Regulations, providing procurement training to regional education directorates and district education offices, implementing the SSRP's midterm recommendations on social accountability mechanisms, and strengthening the SSRP's implementation arrangements and EMIS. While many of these actions were necessary, they targeted multiple levels of the education system with different types of interventions. A more coherent approach at the design stage would have strengthened the SSP. Additional analytical work would have been required to prioritize key interventions needed to improve the education sector's governance systems. The performance indicators provided in the DMF were in line with a subset of policy actions under output 5 but were weak. They were somewhat ad hoc and lacked baselines and clear targets.

44. At the design stage, it became evident that TA was needed to provide continuous capacity building for the implementation of the sector reforms and to support further analysis. TA can play an important role in ensuring the successful implementation of policy-based loans, particularly in challenging environments. The design of the TA project was linked to the actions outlined in the policy matrix and to the SSP outputs. Its planned areas of emphasis were in line with the SSP objectives (e.g., data analysis to establish baseline information on out-of-school children and PMECs, support to the implementation of school safety initiatives, and a study on teacher management and development).

<sup>38</sup> For example, separate toilets for girls and boys have been shown to improve school attendance for girls, which is imperative, but the impact on girls' learning outcomes is not clear.



45. The SSP was categorized as a Gender Equity theme operation. It adopted the GVCAP developed jointly by the government and development partners as its own gender action plan. While this made sense in the context of the SWAp, it somewhat weakened the gender focus of the SSP. Many actions supported in the GVCAP targeted vulnerable groups, and as such were essential, but they were not systematically aimed at girls and women (e.g., selection of sites for new schools, multilingual education, and training of masons for school retrofitting). The DMF included gender disaggregated indicators and required the implementation of the GVCAP (under output 1). But none of the policy actions explicitly sought to promote gender equity (beyond separate toilets for girls and boys in school). For example, the policy actions linked to the improvement of the teacher management system or to the payment of teacher salaries through bank accounts could have included gender-related interventions. This would have contributed to strengthening the gender focus of the SSP, particularly as the targets and indicators set in the GVCAP were at times very input-oriented, with limited attention to actual outcomes.

46. **Rating.** The SSP was well aligned with Nepal's development strategy and education sector priorities, as it aimed to support the SSRP. As a major development partner in Nepal, ADB's continued assistance was important to promote key reforms to the education system. The SSP's focus areas were relevant to address the main challenges in the education sector and support its restructuring into a 12-year system. The choice of a policy-based lending modality was appropriate in the context of the SWAp and the JFA signed between development partners. The policy actions identified at the design stage were for the most part sound, although they sometimes lacked depth. The SSP would have benefited from being more selective and reducing the number of policy actions, which would have helped increase the emphasis on long-term structural changes in the education system. The policy matrix and the DMF should also have been better linked with one another. The DMF in particular should have been tailored to the SSP's objectives, instead of simply reflecting the broader SSRP goals. The team missed an opportunity at the midterm review to revise the DMF. The SSP is thus assessed *relevant*, despite some weaknesses at the design stage.

## B. Effectiveness

47. **Outcome: Increased access to and improved quality of education, particularly basic education (grades 1 to 8), especially for girls and disadvantaged groups.** The envisaged outcome was only partially achieved, as some progress was reached in expanding access to education, but no improvement was recorded in learning outcomes. The updated DMF for the SSP is in Appendix 1, and key performance indicators of the SSRP are provided in Appendix 3. The target to increase NER for grades 1–8 from 77% in 2008 to 85% in 2014 was exceeded, as it reached 88% in 2014. It was not met, however, for grades 1–5, as the NER stood at 96% in 2014, below the target of 99%. Progress in achieving gender parity was mixed (Appendix 4). The GPI of the NER for basic education rose to 1.00 in 2014, above the target of 0.95. The GPI in the literacy rate of the 15 to 24 age group also increased from 0.90 in 2008 to 0.94 in 2014 but did not reach the target of 0.96. The SSP's objective of improving learning outcomes was not met. Two rounds of NASA were conducted in 2011 and 2013 for grade 8, and 2012 and 2015 for grades 3 and 5;<sup>39</sup> there was an overall decrease in learning outcomes for grades 3, 5, and 8 in both mathematics and Nepali.

48. **Output 1: More equitable access to quality education.** Performance targets under output 1 were partially met but could only be partially attributed to policy actions supported by the program. These policy actions required the MOE to approve and start implementing an action plan to reduce the number of out-of-school children. The action plan included a broad range of activities, including outreach campaigns, scholarship programs, and provision of meals in targeted districts, in addition to making basic education free and compulsory. Interventions also involved the expansion of ECED centers in areas with a high incidence of out-of-school children. Some progress was achieved, as reflected by the

<sup>39</sup> Government of Nepal. Ministry of Education, Science and Technology, Education Review Office. 2016. *National Assessment of Student Achievement 2015*. Bhaktapur.

performance indicators for output 1. For instance, the percentage of 4-year-old children enrolled in ECED rose from 63% in 2008 to 78% in 2014, although it did not meet the expected target of 87% set at appraisal. The share of out-of-school children aged 5 to 12 fell from 27% in 2008 to 12% in 2014, exceeding the objective of dropping to 15%. These achievements are attributable in part to the policy actions supported under output 1. However, as the action plan was only implemented in FY2014, the progress observed most likely resulted from implementation of these interventions by development partners and nongovernmental organizations prior to their being formalized in MOE's action plan. The policy actions had merit, however, in terms of improving coordination and initiating the institutionalization of some of these interventions.

49. The GVCAP was implemented in conjunction with policy actions under output 1. All activities were carried out as outlined in the plan, including (i) the provision of scholarships to girls; children from the *Dalit, Janajati, Mukta, Kamaiya, Badi, Haliya*, and *Charuwa (marginal groups)* communities; and disabled students; (ii) the implementation of school feeding programs; and (iii) the establishment of community learning centers for women. The attached TA financed the development of an overall equity strategy of the SSRP. This was the first time the government was able to estimate with some precision the number of out-of-school children based on the 2011 population census. This helped to set the foundations for the establishment of an equity index tool, which the MOE is now using to monitor disparities in access and learning outcomes across districts.<sup>40</sup>

50. Some progress was achieved on output 1 indicators that were not directly linked to policy actions supported under the SSP. The GER target of 66% for grades 9–12 was not met, as it stood at 52% in 2014. But the NER target of 27% for grades 9–12 was exceeded, reaching 35% in 2014. The GPI indicators both exceeded envisaged targets at appraisal. The GPI of the GER for grades 9–12 increased from 0.97 in 2008 to 1.01 in 2014, and the GPI of the NER for grades 9–12 increased from 0.94 in 2008 to 1.0 in 2014. These achievements are not directly attributable to policy actions supported under output 1, however, as the action plan implemented in FY2014 focused on out-of-school children aged 5 to 12.

51. **Output 2: Enhanced student learning.** Of the four performance indicators set for output 2, only one was partially met. While some progress was achieved, it is unclear whether policy actions supported under output 2 contributed to these results. The first set of policy actions entailed the completion of NASA for grades 3, 5, and 8; the public dissemination of results; and the approval of a budgeted action plan for improving learning outcomes based on the NASA findings. These policy actions were fully complied with and TA resources were used to build the capacity (in particular for data analysis) of the Education Review Office, which was responsible for NASA. The TA also helped the MOE to prepare an action plan. It remained relatively basic and mostly included interventions linked to the PMEC initiative, as well as a few others, such as the development of mechanisms to support poorly performing schools and students. The requirement did ensure the data was analyzed and that some attention was given to translating findings into concrete interventions, even if these were very simple initially. These were important first steps towards improving learning outcomes. This is a long-term process, however, and these actions alone were unlikely to contribute to achieving the ambitious targets set in the DMF.

52. The second set of policy actions focused on PMECs in basic education schools. As required, the MOE issued a circular and established a baseline on PMECs. It also allocated funds to upgrade 20% of basic education schools failing to meet at least three of the five PMECs in FY2013, with a further 20% upgraded in FY2014. In FY2013, the MOE identified 8,340 such schools, and upgraded 2,498 (30%) in 2013 and 2,800 (33%) in 2014. The attached TA supported data collection and analysis to assess schooling conditions against the five PMEC indicators, related to classroom, separate bathrooms for girls, textbooks, a book corner, and teachers (footnote 39). The DOE analyzed the data to establish a baseline PMEC in schools and a mechanism for budget review, preparation, and allocation of resources to schools based on their needs. The objective of output 2 policy actions was to improve the teaching and learning

<sup>40</sup> The equity index was launched in 2017, with support from the UNICEF, the World Bank and the Global Partnership for Education.

environment and to introduce some standardization of schooling conditions. It was a piecemeal approach, with a focus that was far too narrow to affect learning outcomes but did succeed in starting a conversation on what constitutes an adequate learning environment. The subsequent reform program, the SSDP, moved away from PMECs with a “model schools” approach, which emphasizes a broader set of elements affecting learning outcomes and how they are interconnected (e.g., linking school infrastructure, pedagogy, and school leadership and governance).

53. Performance targets were generally not met under output 2. Some progress was observed with regards to certain indicators, but it was not directly attributable to the SSP’s policy actions. The percentage of new entrants in grade 1 with ECED increased from 36% in 2008 to 60% in 2014, below the 64% target. The SSP’s ambitious objective of decreasing repetition rates in grade 1 and in grade 5 to 2% was not met. Repetition rates in grade 1 dropped from 28% in 2008 to 15% in 2014, which was significant, while repetition rates for grade 5 fell from 7% in 2008 to 5% in 2014. As assessed by NASA, learning outcomes declined between 2012 and 2014 (para. 47), and the percentage of students attaining grade-level competency in grades 3, 5, and 8 did not improve. Finally, the School Leaving Certificate examination pass rate (44% in 2014) did not increase from 62% in 2008 to 71% in 2014 as intended.<sup>41</sup> The High School Leaving Certificate pass rate met the DMF target, rising from 25% in 2008 to 44% in 2014, with a 45% average between 2009 and 2014.

54. The GVCAP activities under output 2 were fully implemented. They included the instigation of multilingual education in over 5,000 schools, along with the production of textbooks and related learning material in 21 local languages.

55. **Output 3: Safer schools.** The SSP significantly contributed to raising awareness around disaster risk management in the education sector. It supported a pilot initiative to retrofit school buildings and provided capacity building to teachers, students, communities, and engineers. During the SSP implementation period, 165 school buildings were retrofitted, which was below the target of 260 schools. Capacity constraints at the local level, compounded by the difficulty of finding contractors willing and able to work in remote areas, slowed the startup of the retrofitting activities. The pilot program did enable the MOE to develop, with support from the attached TA, a budgeted comprehensive school safety action plan. The TA, which was cofinanced by the Government of Australia, also helped to train 5,046 teachers and 50,166 students in earthquake safety awareness, as well as 1,007 masons and 186 engineers and sub-engineers in retrofitting technology and vulnerability assessment. This allowed the SSP to meet the targets set in the DMF. The TA facilitated policy discussions between the government and development partners on mainstreaming school safety and established a basis for the coordination and implementation of initiatives on school safety. The policy actions under output 3 directly contributed to the achievement of performance indicators set in the DMF, which were all met, with the exception of the number of retrofitted schools. Importantly, all schools retrofitted under the program withstood the 2015 earthquake.

56. **Output 4: Enhancing teacher management and development.** The DMF included six performance targets under output 4, three of which were met. The policy actions and attached TA partially contributed to the achievement of these targets. The first set of policy actions required the MOE to increase the number of basic education teachers meeting a minimum level of qualifications (3,000 in tranche 2 and 4,000 in tranche 3). A bridging course was provided to teachers who did not meet the minimum qualification requirements. The MOE reported that, under the SSP, 10,220 basic education teachers completed the Higher Secondary Education Board special course. This course was designed for teachers having previously completed a 10-month training program, which had been developed under the ADB-supported Teacher Education Project (Figure 1). Completing the 10-month training program and the Higher Secondary Education Board special course allowed teachers to meet the minimum education requirements set under the SSRP. Compliance with the first set of policy actions is likely to have

<sup>41</sup> The School Leaving Certificate pass rate fluctuated from year to year and averaged 50% between 2009 and 2014.

contributed to a rise in the percentage of basic education teachers with the required qualifications (from 66% in 2008 to 91% in 2014, above the target of 88%). The share of secondary education teachers with required qualifications also increased—from 77% in 2008 to 90% in 2014—but remained below the expected 93%. The share of certified teachers, at both basic and secondary education levels, increased from 91% to 99% (above the 97% target).

57. The second set of policy actions under output 4 required the MOE to conduct an institutional analysis of the country's teacher management system, and then develop and start to implement a comprehensive teacher management strategy. The attached TA provided support to the MOE to undertake the study and prepare the strategy.<sup>42</sup> This was an important step to improve the quality of education delivery. However, the significant delay in approving key amendments to the Education Act reduced the strategy's impact. It prevented the formalization of the new basic and secondary education structure and the resolution of issues regarding the status of temporary teachers (para. 29). As a result, the teacher management action plan was limited to a set of relatively narrow interventions, instead of supporting broader structural change. The implementation of the strategy began at the end of the SSP, limiting its impact on performance targets identified in the DMF for output 4.

58. The GVCAP aimed to introduce special provisions for women and affirmative action measures targeting disadvantaged groups to increase the number of female and minority teachers.<sup>43</sup> This contributed only marginally to an increase in the share of female teachers in primary education, from 35% in 2008 to 38% in 2014, which remained below the 50% target set at appraisal. Progress was slower at the secondary education level and did not fully reach the DMF targets. The proportion of female teachers in secondary education stood at 14% in 2014, a very slight increase from 13% in 2008, but markedly below the 25% objective. The DMF includes a target that 10% of head teachers should be women by 2014 (no baseline was provided); this was surpassed, as 12% of head teachers were female in 2014.

59. **Output 5: Better management of governance risks in the education sector.** Under output 5, five out of the seven DMF performance targets were achieved, with progress on one not possible to track.<sup>44</sup> Most of the targets under this output lacked a baseline and a numerical target, and therefore the extent to which achievement of the targets reflects actual improvements in fiduciary practices is unclear. Improving governance and financial management in the education sector was a major reform area, which would have benefited from a dedicated program given its complexity. Output 5 included nine policy actions that were linked to the DMF indicators. One of the main achievements of the policy actions under output 5 was to expand the payment of teacher salaries through bank accounts. By 2014, 66% of all permanent and *Rahat*<sup>45</sup> teachers in all 75 districts were receiving their salaries through bank accounts. Although no baseline was provided in the DMF, anecdotal evidence suggests that this was uncommon at the time of appraisal, and that a major shift in mindsets and practices occurred under the program. Another important accomplishment was the introduction of simplified accounting systems in schools. By 2014, key staff had been trained in 98% of the schools, which was above the DMF target of 90%. Amendments to the 2007 Public Procurement Regulations were approved, and training was provided to 92 officials in 5 regional education directorates and 75 district education offices, which is now provided routinely to incoming staff. Policy actions supported under output 5 contributed to some targeted

<sup>42</sup> The study outlined recommendations in three strategic areas, which were subsequently incorporated in the strategy: (i) teacher management (e.g. teacher recruitment and deployment, establishment of a Teacher Management Information System); (ii) teacher career development and retirement (e.g., job description, performance review and promotion, retirement schemes); and (iii) teacher qualification and professional development (e.g., qualifications upgrading, professional standards, certification requirements, licensing mechanisms, mentoring).

<sup>43</sup> A reservation policy regulation, Rule 11a (similar to that in the Civil Service Act) was incorporated into the Teacher Service Commission Regulations. It requires 45% of vacant positions to be exclusively reserved for women and pre-identified groups (33% for women, 27% for indigenous groups, 22% for Madhesi, 9% for Dalit, 5% for disabled, and 4% for lagging regions).

<sup>44</sup> According to the PCR (footnote 4, above), one performance target—improving the timely submission of financial management reports—remained an issue at the close of the SSP (Appendix 1, page 18).

<sup>45</sup> *Rahat* are teachers hired by the School Management Committee on a fixed-term government position.

progress in governance and financial management in the education sector. In the subsequent education reform program, the SSDP (footnote 5), the development partners (and Norway in particular) opted to establish dedicated TA in order to have a more systemic impact on fiduciary aspects.

60. Under output 5, the attached TA supported multiple interventions, including the delivery of training on the 2007 Public Procurement Regulations, and the implementation of social accountability mechanisms (e.g. social and school audits). The TA also financed work on a tracking survey of school fund flows to identify gaps in the fund flow mechanisms from the central to district and school levels. The TA supported the training of officials from the regional education directorates on fund flow tracking and reporting. It played a key role in helping to monitor the implementation of the SSRP's financial management action plan, a policy action under output 5.

61. Overall, the attached TA helped the government to carry out policy actions planned under the SSP. TA resources were adequately used to support the policy-based grant and improve its effectiveness. Some activities supported under the TA contributed to improving internal efficiency in the education sector. TA resources were used to develop a fund-flow tracking system and train staff in regional education directorates in its use. The introduction of a simplified accounting system for schools was also an important achievement under the SSP. While TA resources were not fully used because the MOE and DOE were strained during SSRP implementation, this resulted in TA resources being available following the April 2015 earthquake; this enabled (i) rapid mobilization to carry out a post-disaster needs assessment for the education sector, (ii) a structural assessment of damage in school buildings in the Kathmandu valley, (iii) prioritization of schools to rebuild, and (iv) adaptation of retrofitting plans to ensure disaster resilience.

62. Targets set in the DMF were only partially achieved and progress observed under the SSP was not always directly attributable to the policy actions it supported. The opportunity to revise the DMF during the midterm review and improve its articulation with the policy matrix was missed. All policy actions were complied with, as they were linked to tranche disbursements. However, many lacked the depth required to bring about significant change. This evaluation notes that, despite these shortcomings, the SSP did contribute to some important accomplishments, such as launching NASA, mainstreaming school safety, introducing simplified accounting systems in schools, and expanding the payment of teachers through bank transfers. As a policy-based grant, however, it aimed to bring about more structural changes in the education system. The SSP is assessed *less than effective*.

## C. Efficiency

63. The SSP was implemented within the initially planned timeframe. The first tranche was disbursed upon grant effectiveness in May 2012. The project team undertook a special program administration mission in July 2012 to assess progress on the second tranche release policy conditions. It recommended a revision of the release dates initially set in the report and recommendation of the President (footnote 2) for the second tranche (from December 2012 to March 2013) and third tranche (from December 2013 to March 2014).<sup>46</sup> The second tranche was disbursed in October 2013 and the third in November 2014. The delays did not significantly affect the SSP, which closed as scheduled on 31 December 2014 and required no extension. The additional financing provided by the Government of Australia was disbursed in two tranches, in October 2012 and in December 2014.

64. The SSP was implemented in accordance with the JFA signed by the government and pooling partners participating in the SWAp. ADB coordinated closely with other development partners, and conducted joint due diligence assessments, joint annual and quarterly review missions, and joint consultative meetings for policy dialogue with the government. Overall, this contributed to improving the efficiency of support from ADB and other development partners. The ADB project team found that

<sup>46</sup> ADB. 2013. *Nepal: School Sector Program (Second Tranche). Progress Report on Tranche Release*. Manila.

at times bilateral meetings were required to emphasize interventions specifically related to the SSP and keep the ADB program on track. The resident mission played an important role, both in ensuring continuous coordination with other development partners, and in prompting counterparts to press forward on specific activities when required.

65. About 80% of the allocated TA budget was disbursed (para. 21, Table 1). This resulted in part from a slow initial uptake of the TA. Capacity at the MOE and DOE was limited, with staff managing and implementing multiple programs and TA projects.<sup>47</sup> Compliance with policy actions was sometimes prioritized over TA activities. In addition, some consulting contracts that were budgeted for international consultants were instead awarded to national consultants, resulting in savings on contracting services. For example, a major contract on school safety was awarded to a domestic firm, although international consulting services had been budgeted.

66. The TA was extended twice. The first extension was approved to prolong the TA implementation period for 12 months, from its initial closing date on 31 July 2014 to 31 July 2015. This was due in part to the slow start of the school safety activities, which proved somewhat challenging to set up in the initial stages of the SSP. In addition, because the amendment to the Education Act was delayed, it was anticipated that reform of the teacher management system would require more time. The second extension was approved to further prolong the TA until 31 March 2016. TA resources had not been fully utilized were tapped following the April 2015 earthquake to help prepare ADB's emergency loan to Nepal. These two extensions allowed ADB to follow through with some activities in important reform areas, particularly school safety and teacher management systems, after the close of the SSP.

67. The SSP was implemented within the initially planned timeframe, despite some delay in tranche disbursements. Some efficiency gains were achieved through strong development partner coordination, which helped at the design and implementation stage of the SSP. Development partners conducted joint review missions and streamlined reporting requirements, so the government no longer needed to submit different progress reports to different partners. The TA would have benefited from being better tailored to the MOE's capacity and to the pace of reforms in the sector but helped deepen some policy actions supported under the SSP. Unused resources were also mobilized quickly and effectively after the 2015 earthquake. This evaluation assesses the SSP *efficient*.<sup>48</sup>

## D. Sustainability

68. The SSP was undertaken as part of a SWAp, which has continued under the follow-on SSDP reform plan. The Government of Nepal has remained committed to implementing reforms in the education sector. The SSDP is a direct continuation of the SSRP, building on achievements and lessons from the previous plan. Overall, the SWAp has worked well, and the main development partners who supported the SSRP have remained as joint financing partners under the SSDP. Similar arrangements, such as a JFA, have been put in place. According to the MOE, development partners committed to finance

<sup>47</sup> The MOE was also the executing agency for ADB. 2013. *Technical Assistance to Nepal for Supporting Education and Skills Development*. Manila, approved in December 2013. It aimed to strengthen the capacity of the MOE and its agencies in policy formulation and coordination, and monitoring of policy implementation, and to conduct capacity development activities at the national and sub-national levels. It was intended to support the completion of the SSRP and the preparation of the SSDP. The TA project also included a technical and vocational education and training (TVET) component to strengthen the TVET Sector Development Unit of the MOE.

<sup>48</sup> The PCR referred to an estimated economic internal rate of return (EIRR) for the SSRP. However, computing an EIRR is inadequate to estimate the SSP's efficiency. Assessing an EIRR for a broad sector reform program is ambitious, as benefits are likely to materialize over the long term and may be hard to quantify, given the lack of baseline information. It is also extremely difficult to isolate the specific costs and benefits of the SSP from those of the overall SSRP. In such instances, IED Guidelines for the Evaluation of Public Sector Operations (footnote 6, above) recommend using other methods to assess the efficiency of policy-based loans (para. 47).

about 7%–8% of the \$6.4 billion the SSDP was expected to cost. On 1 August 2018, ADB's Nepal Resident Mission undertook a lead coordination role in the SWAp.

69. Programs targeting out-of-school children, which the SSP helped to expand, have been continued under the SSDP. This includes initiatives such as scholarship programs, the provision of midday meals, and flexible learning schemes. The collection and analysis of census data under the SSP to identify out-of-school children provided the foundations for the development of an equity index.<sup>49</sup> It is now used to prioritize support to districts with the highest prevalence of out-of-school children.

70. The initiative related to PMECs was discontinued under the SSDP, as the approach was too narrow to affect the quality of education. Selected schools benefited from some upgrading of facilities, as a result of which, they were able to comply with three out of the five PMEC indicators. The government and development partners recognized the limitations of these interventions and the need to develop a more comprehensive approach to tackle quality issues. The SSDP introduced a model schools initiative, which seeks to address a broader range of factors, including school leadership, teachers, governance, facilities, and disaster risk mitigation.

71. The SSP paved the way for institutional improvements in the education sector. Establishing NASA was an important milestone. Capacity building is still required, in particular to strengthen the analytical skills of staff working at the NASA office and to further improve the assessments, but overall the system is functional.<sup>50</sup> Another significant achievement under the SSP was mainstreaming school safety into school upgrading and construction programs. ADB, as a founding member of the Nepal Risk Reduction Consortium, is continuing to support the Government of Nepal's efforts to develop and implement a long-term disaster risk reduction strategy in the education sector. Under the follow-on SSDP, both the World Bank and the Japan International Cooperation Agency allocated funds to safer school initiatives, and the European Union included school retrofitting targets as part of its disbursement-linked indicators. The capacity of local governments, particularly engineers, to maintain and monitor the quality of school buildings will require strengthening. Community in-kind and financial contributions will also be required for the sustainability of school safety programs.

72. The recently approved shift to a federal government system under which local governments are responsible for education service delivery has created new challenges, in particular for teacher management. Under the SSP, the MOE conducted a comprehensive assessment of its teacher management system and developed a new action plan, which it started to implement. Several interventions have been implemented under the SSDP, such as the strengthening of the Teacher Service Commission, which is responsible for administering examinations for teacher licenses and recruitment. Similarly, initiatives linked to teacher rationalization and subject teachers are ongoing.<sup>51</sup> However, the transition to federalism will bring about significant changes in responsibilities at central, provincial, and local levels.<sup>52</sup> This will require new structures and capacity development, particularly at provincial and local levels, to ensure they can carry out these functions, including for teacher management and development.

73. The new federal system will also have important implications for the education sector's financial management and governance systems. The SSP supported important actions, which have since been institutionalized, such as the payment of teachers through bank transfers, the revision of Public

<sup>49</sup> With support from the World Bank and the Global Partnership for Education, along with the European Union and Finland.

<sup>50</sup> In 2018, the Education Review Office released a report on the NASA conducted in 2017 for grade 8 in mathematics, Nepali, and science; Education Review Office. *2018 Student Assessment (NASA) Report*. Kathmandu.

<sup>51</sup> The SSDP is seeking to optimize the number of teachers and to improve their deployment to reduce staffing imbalance (overstaffing in some schools and understaffing in others). Recruiting and training subject teachers is another priority intervention of the SSDP, which was initiated under the SSRP with support from the SSP.

<sup>52</sup> For example, the SSDP is expected to develop performance-based management and resourcing at the school level. District-level education training centers are to provide in-service professional development training for teachers at the provincial and district levels.

Procurement Regulations, and the adoption of a simplified accounting system for schools. The fiduciary management action plan adopted under the SSRP was broad and included a range of interventions that were not always clearly articulated with each other. To sustain and expand the progress made under the SSP, the capacity of local governments and schools will need to be strengthened in order to improve budget planning, financial management, procurement, and accountability mechanisms. In light of the ongoing decentralization process, and based on lessons from the SSRP, ADB and other development partners have committed substantial TA resources for financial management and governance under a joint TA framework.

74. The government has demonstrated continued commitment to the reform agenda in the education sector (paras. 68–71). Development partners have also remained engaged and are supporting the follow-on SSDP. Overall, reforms undertaken under the SSRP, with support from ADB, have been maintained and advanced. Institutions to support these reforms have been established and capacity is gradually increasing. This section highlighted some special achievements that promote sustainability, although more structural reforms had been expected overall. The shift towards a federal system will pose new challenges to sustainability, and will require institutional changes and substantial capacity building, particularly at the local government and school levels. This evaluation assesses the SSP *likely sustainable*.



## Other Assessments

75. Assessments of SSP's development impact, and the performance of ADB and the Government of Nepal, are considered non-core in accordance with IED's 2016 guidelines (footnote 6). As such they do not contribute to the overall SSP performance assessment but provide additional depth to the evaluation.

### A. Development Impact

76. The SSP sought to increase educational attainment and to improve livelihoods in Nepal, particularly for girls and disadvantaged groups. Significant progress was made in increasing educational attainment under the SSP (paras. 47–48). For example, requiring that an action plan be developed to reduce the number of out-of-school children helped bring more students into basic education, especially girls and children from vulnerable communities. The analysis of the census data enabled establishment of an equity index, which is helping to better target interventions aimed at out-of-school children. Ensuring that a greater proportion of teachers are women and/or members of the *Dalit* and *Janajati* communities was important in increasing the educational attainment of disadvantaged groups (para. 58). The SSP's targets for NER and GPI at the basic education level were met, and the share of out-of-school children aged 5 to 12 was reduced. The SSP's potential impact on livelihoods was more tenuous, especially as it emphasized policy actions targeting basic education.

77. The SSP's impact on the quality of education has been modest. Several policy actions sought to foster an environment more conducive to learning, such as increasing qualification requirements for teachers and promoting PMECs. Their impact was limited, however, because they were not included in a broader and more comprehensive approach to improving quality. These interventions did not immediately lead to improved learning outcomes, as shown by results from the two rounds of NASA (para. 47). Nevertheless, the SSP laid important foundations for certain quality improvements, in particular through the establishment of NASA. Acknowledging the limitations of the SSRP's focus on PMEC also enabled the government and development partners to agree on a new set of interventions under the SSDP, including a model school approach.

78. The initiative on retrofitting schools was an innovative approach introduced by the SSP. It was successful in raising awareness on school safety and demonstrating how to improve infrastructure to promote disaster-resilient schools. Importantly, school buildings retrofitted with support from the SSP withstood the 2015 earthquake. The approach is now being expanded under the SSDP.

79. ADB's support to the SSRP contributed to strengthening the SWAp in Nepal's education sector and improving development partner coordination. Various development partners mentioned to the evaluation mission that the SWAp had matured under the SSRP. They raised critical issues together during discussions with the government, conducted joint review missions, and reduced a number of the government's reporting requirements. Under the follow-on SSDP, development partners participating in the SWAp are using a common results framework and disbursement linked indicators. They have also harmonized financing instruments, using similar lending or grant modalities.

80. Progress achieved under the SSP needs to be sustained and fostered under the newly adopted federal system. Key amendments to the Education Act were approved in 2016 after the SSP was closed. However, under the current setting, some of these amendments are no longer relevant. The transition to

a federal system is also posing new challenges to the education sector. A proper delineation of roles and responsibilities of provincial and local governments, along with adequate capacity building, will be required. The government is currently preparing a new Education Act to address these issues.

81. Overall, the SSP contributed to fostering greater inclusiveness at the basic education level and promoting gender equality in schools. It was also the main driving force towards promoting school safety in Nepal, which is now being mainstreamed. This evaluation assesses the SSP's development impact *satisfactory*.

## B. ADB Performance

82. The SSP was prepared following extensive policy dialogue with the government and solid collaboration with other development partners. The choice of a policy-based lending modality in the context of the matured SWAp was appropriate. However, the DMF performance indicators and targets were overly ambitious and not always adequately articulated with the policy matrix. Several policy actions could also have been better formulated to ensure they had more depth. ADB missed an opportunity at the midterm review to request an update of the DMF performance indicators and targets.

83. The implementation of the SSP was successfully delegated to the resident mission. It liaised closely with the government and participated actively in all development partners' meetings. The resident mission also played an important role in pursuing the approval of amendments to the Education Act, which were needed to expedite reforms on teacher recruitment and development. It was instrumental in ensuring that TA activities were completed, especially with regards to outputs linked to teacher management, and school safety. Following the 2015 earthquake, it helped to mobilize TA resources for the preparation of ADB's emergency loan.

84. ADB played a very active role in the SWAp. The project team was fully involved in all joint annual consultations, review missions, and quarterly review meetings. It led the joint midterm review mission in July 2012 as the focal point agency on behalf of all development partners. ADB participated more closely with development partners in thematic groups on quality, equity, and public financial management. ADB's staff contributions to policy discussions were greatly appreciated by the government and development partners. This evaluation assesses ADB's performance *satisfactory*.

85. The Government of Australia, as a cofinancier of the SSP, provided a valuable contribution to the school safety initiative and TA resources. The Government of Australia did not have separate reporting requirements.

## C. Recipient and Executing Agency Performance

86. The government was committed to the SSRP reforms, and fully supported the implementation of the SSP. The MOE ensured proper coordination with development partners under the SWAp. It made itself available as needed for policy discussions and regular reviews of the SSRP, despite an uncertain political environment, and the drafting of the new Constitution. It made sure that all requirements for grant effectiveness were met, made timely releases of counterpart funding, and ensured compliance with grant tranche conditions, covenants, and safeguard requirements. The annual work plan budget and the annual strategic implementation plan were regularly prepared by the DOE.

87. ADB staff and development partners emphasized to the evaluation mission the important capacity building efforts they undertook at the MOE, DOE, National Center for Education Development, and other agencies in education planning, financial management, procurement, and monitoring and evaluation. However, persistently high turnover of the MOE and DOE staff coupled with low capacity affected implementation, particularly of the TA. This evaluation assesses the performance of the recipient, executing agency (MOE), and implementing agency (DOE) *satisfactory*.

# Overall Assessment, Issues, Lessons and Recommendations

## A. Overall Assessment

88. Overall, the SSP program is assessed *successful* despite shortcomings. Table 2 summarizes the findings of the PCR and this report. The SSP was aligned with country development objectives and the major reform program undertaken in the education sector. It involved close coordination with development partners engaged in the SWAp and in the joint financing arrangement. The choice of a policy-based lending modality with three tranches was reasonable, particularly as the results-based lending modality was not yet available at ADB.

89. Despite emphasizing important reform areas, some of the SSP's policy actions lacked the depth required to support long-lasting structural change (Appendix 3). Some policy actions were vague, while others called for targeted interventions instead of institutional reforms (paras. 38–43). The number of policy actions was also too large, given the limited capacity of the MOE and local institutions, and the policy matrix and DMF were at times insufficiently linked. This hampered the SSP's ability to pursue some of the ambitious targets set in the DMF, particularly with regards to improving learning outcomes. Greater attention to gender equity at the design stage could also have helped to strengthen gender-related outcomes.

90. The program was implemented efficiently, within the set timeframe. Some delays occurred but did not require a program extension. The attached TA was extended twice because of a slow start and capacity constraints at the MOE and DOE but played an important role in supporting policy actions set in the SSP, particularly for teacher management reforms, school safety, and data analysis.

91. Despite being *less than effective* in reaching targets set in the DMF, the SSP did support interventions that were for the most part sustainable and have been promoted further under the subsequent education reform agenda. Some notable achievements include the establishment of the NASA, the development of school safety initiatives, and steps towards improving financial management and accountability (e.g., payment of teacher salaries through bank transfers, simplified accounting system at the school level).

**Table 2: Overall Assessment of Program Performance**

Evaluation Criteria	PCR	PPER	Comments
Relevance	Relevant	Relevant	
Effectiveness	Less than effective	Less than effective	Targets, particularly regarding quality of education, were not fully achieved. The policy actions and indicators set in the DMF were not systematically linked to one another. Some policy actions also lacked the depth required to promote structural change.
Efficiency	Efficient	Efficient	
Sustainability	Likely sustainable	Likely sustainable	
<b>Overall Assessment</b>	<b>Successful</b>	<b>Successful</b>	
Preliminary Assessment of Impact	Significant	Satisfactory	
Performance of Recipient and Executing Agency	Satisfactory	Satisfactory	
Performance of ADB	Satisfactory	Satisfactory	

ADB = Asian Development Bank, DMF = design and monitoring framework, PCR = program completion report, PPER = program performance evaluation report.

Source: Independent Evaluation Department

## B. Issues

92. The recently approved shift towards a federal government system requires the decentralization of social services, including education delivery. As of June 2019, a new Education Act was under preparation to set the framework required for the full decentralization of the education system. At present, the government is developing regulations to clarify the roles and responsibilities of the central, provincial, and local governments. This will have major implications across a wide range of functions, including financial management and planning, project implementation, and monitoring and evaluation. Clarifying the institutional set up is an essential first step. However, provincial and local governments also lack the capacity to deliver education services. Out-posting of staff from the central government to the provincial and local governments has begun. The reallocation of human resources is still in transition, however, and may be insufficient. Substantial capacity building will be needed to support the transition, as local governments will be required to perform a variety of functions for which they are ill-prepared (e.g., preparing and managing school budget plans, financial reporting, managing scholarship grants, and teacher management and development). Some interventions supported under output 5 (better management of governance risks in the education sector) will be helpful (e.g., simplified accounting systems in schools), but broader-reaching support will be needed in the medium-to-long-term to accompany the transition. In addition to governance structures, the teacher management system will be strongly affected by the ongoing decentralization. Given its instrumental role in improving education quality, this area will require continued development partner involvement to consolidate achievements reached under the SSRP.

## C. Lessons and Recommendations

93. **Lesson 1.** The intensive involvement of the resident mission is crucial to the successful implementation of a program supporting a SWAp. Close coordination with development partners and

regular consultations with government counterparts take on greater importance in a SWAp, as was illustrated under the SSP. Appointing a focal person at the resident mission can help in addressing issues as they emerge, and in ensuring ongoing participation in policy dialogue and joint review meetings.

94. **Lesson 2.** Results-based lending may be more suitable than policy-based lending for SWAps, as they require a broad range of interventions implemented step by step and with appropriate incentives. When the SSP was approved, results-based lending was not yet available at ADB. The decision to opt for a policy-based lending modality was adequate, as it was the most suitable modality available at the time. However, the SSRP involved different types of initiatives, ranging from policy reforms to specific ground-level interventions. As a result, some policy actions identified under the SSP lacked depth, as they were not geared towards promoting structural change and could not be followed up step by step.

95. **Lesson 3.** A policy-based loan needs a clearly articulated policy matrix and performance indicators with direct linkages to the DMF to allow results to be attributed to policy actions. In many instances, it was difficult to attribute reported achievements to policy actions supported by the SSP. This affected the understanding of the SSP's effectiveness. The results chain of a policy-based loan should be explicitly presented in the project documents and the DMF indicators should fully reflect intended outcomes of the selected policy actions.

96. **Lesson 4.** Limiting the number of policy actions and reform areas could help to tighten future policy-based loans and adopt deeper policy actions. It would also allow sufficient time to implement the attached TA effectively, further strengthening potential impact. The SSP included a large number of policy actions, spread over five different reform areas, and some of its policy actions lacked the depth required to bring about structural change. TA was attached to the program to support the implementation of the policy actions, but government counterparts were strained by the capacity constraints at the MOE and DOE.

97. **Recommendations.** The report offers the following recommendations for operations involving a SWAp arrangement:

- (i) Ensure the resident mission is in a position to play an active role in the SWAp. The resident mission must have the staff required to take part in the SWAp. It must also be closely involved in the design phase, so as to better prepare for implementation, when operation is delegated to the country team.
- (ii) In future SWAps, consider the RBL instead of PBL, which would allow for different types of interventions to be pursued sequentially, set clear incentives, provide intermediate awards, and is consistent with modalities used by other development partners.

# Appendixes

## APPENDIX 1: DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators	Achievement as of December 2014	Achievement as of 2018
<b>Impact</b> Enhanced educational attainment and livelihood, particularly for girls and disadvantaged groups	Mean years of schooling increased from 8.1 (2011) to 8.7 (2017)	Mean years of schooling has been improving. The mean years of schooling for those who have attended school in the past is 7.5 years based on the NLSS, 2003–2004 and 8.1 years based on the NLSS 2010–2011. If there is the same improvement trajectory, the target of 8.5 mean years of schooling might be met by 2017.	The survey for the next NLSS round has not yet been fielded. It is not possible to update this information. However, the target of mean years of schooling of 8.7 is likely to be met.
<b>Outcome</b> Increased access to and improved quality of school education, particularly basic education (grades 1–8), especially for girls and children from disadvantaged groups	<p>NER for basic (grade 1-8) education increased from 77% (2008) to 85% (2014)</p> <p>NER for primary (grade 1-5) education increased from 92% (2008) to 99% (2014)</p> <p>GPI in NER for basic education increased from 0.95 (2008) to 0.98 (2014)</p> <p>Percentage of students attaining grade-level competency improved (no baseline)</p>	<p>NER for primary (grades 1–5): 96.2% (male: 96.6; and female: 95.7)</p> <p>NER for basic (grades 1–8): 87.6% (male: 87.7; and female: 87.6)</p> <p>GPI of the NER for basic education: 1.00</p> <p>Grade 5 average achievement: math: 48, Nepali: 46, English: 47; and grade 3 average achievement: math: 45%, Nepali: 52%.</p>	<p>NER for primary grade (grades 1-5): 97.2 (male: 97.4, female: 97.1) (Source: DOE- 2018)</p> <p>NER for basic (grades 1–8): 92.3% (male: 93.0; and female: 91.7) (Source: DOE- 2018)</p> <p>GPI of the NER for basic education: 0.99. (Source: DOE- 2018)</p> <p>The Education Review Office conducted NASA for grade 8 in mathematics, Nepali and science applying IRT in 2017 and published a report in 2018. Students were classified into six proficiency levels based on the transformed ability score, with 500 as the national mean and 50 as the standard deviation. The average score of each province for each of the three subjects is also calculated and compared with the national mean.</p>

Design Summary	Performance Targets and Indicators	Achievement as of December 2014	Achievement as of 2018
			<p>In mathematics: students' achievement in provinces 2, 3, 4, and 5 were above the mean score of 500, whereas provinces 1, 6 and 7 were below.</p> <p>In science: students' achievement in province 3 and 4 were above the mean score of 500 whereas the others were below. Similarly, in Nepali: students' achievement in provinces 3, 4, and 5 were above the mean score of 500. (Source: ERO, NASA report 2018)</p>
	GPI in literacy rate of 15 to 24 age group increased from 0.90 (2008) to 0.96 (2014)	GPI in literacy of 15 to 24 age group: 0.94	
<b>Outputs</b> 1. More equitable access to quality education	Percentage of 4-year-old children enrolled in ECED increased from 63% (2008) to 87% (2014), and GPI in ECED enrollment increased from 0.89 (2008) to 0.95(2014)	Percentage of 4-year-old children enrolled in ECED: 77.7% (male: 78.1% and female: 77.3%); GPI of ECED enrollment: 0.99	Percentage of 4-year-old children enrolled in ECED: 84.1% (male: 84.5% and female: 83.7%); GPI of ECED enrollment: 0.89 (Source: DOE- 2018)
	GER for grades 9–12 increased from 40% (2008) to 66% (2014), and NER increased from 21% (2008) to 27% (2014)	GER for grades 9–12: 51.6% (male: 51.4%; and female: 51.9%); NER for grades 9–12: 34.7% (male: 34.6; and female: 34.7)	GER for grades 9–12: 60.6% (male: 61.3%; and female: 60.0%); NER for grades 9–12: 43.9% (male: 44.1; and female: 43.7) (Source: DOE- 2018)
	GPI in GER for grades 9–12 increased from 0.97 (2008) to 0.99 (2014); and in NER increased from 0.94 (2008) to 0.96 (2014)	GPI of the GER for grades 9–12: 1.01; GPI of the NER for grades 9–12: 1.00	GPI of the GER for grades 9–12: 0.98; GPI of the NER for grades 9–12: 0.99. (Source: DOE- 2018)
	Share of out-of-school children aged 5–12 reduced from 27% (2008) to 15% (2014)	Share of out-of-school children aged 5–12: 12.4% (male: 12.3%; and female: 12.4%)	Share of out-of-school children aged 5–12: 12.4% (male: 12.3%; and female: 12.4%) (Source: DOE- 2018)



Design Summary	Performance Targets and Indicators	Achievement as of December 2014	Achievement as of 2018
	Integrated action plan for gender and vulnerable communities implemented	Gender and vulnerable communities action plan implemented	Gender and vulnerable community action plan implemented. Equity strategy paper have been developed and implemented. (Source: Consolidated equity strategy-DOE-2014)
2. Enhanced student learning	Percentage of new entrants in grade 1 with ECED increased from 36% (2008) to 64% (2014)	Percentage of new entrants in grade 1 with ECED: 59.6% (boys: 59.1%, girls: 60.0%)	Percentage of new entrants in grade 1 with ECED: 66.3% (boys: 66.6%, girls: 65.9%)
	Repetition rates in grade 1 decreased from 28% (2008) to 2% (2014), and in grade 5 from 7% (2008) to 2% (2014)	Repetition rate in grade 1: 15.2% (male: 15.4% and female: 15.0%); and repetition rate in grade 5: 5.3% (male: 5.4%; and female: 5.3%)	Repetition rate in grade 1: 13.9% (male: 14.1% and female: 13.7%); and repetition rate in grade 5: 4.1% (male: 4.3%; and female: 3.9%)
	Percentage of students attaining grade-level competency in Grades 3, 5, and 8 improved (No baseline)	<p>First round of NASA for grades 8, 5 and 3 completed in 2012</p> <p>(i) Grade 8 average achievement: math: 43, Nepali: 49, social studies: 49;</p> <p>(ii) Grade 5 average achievement: math: 53, Nepali: 60, English: 54;</p> <p>(iii) Grade 3 average achievement: math: 60, Nepali: 63.</p> <p>The second round of NASA for grades 8, 5, and 3 completed in 2016</p> <p>(i) Grade 8 average achievement: math: 35, Nepali: 48;</p> <p>(ii) Grade 5 average achievement: math: 48, Nepali: 46, English: 47; and</p> <p>(iii) Grade 3 average achievement: math: 45%, Nepali: 52%.</p>	Current status of the student achievement is mentioned above.
	SLC pass rate increased from 62% (2008) to 71% (2014), and HSLC pass rate increased from 25% (2008) to 41% (2014)	SLC pass rate: 43.9% (average from 2009–2014 is 50%; HSLC pass rate: 44.3% (average from 2009–2014 is 45%)	The government recently implemented a Grade Point System in the SLC examination, currently known as the SEE. Among 454,562

Design Summary	Performance Targets and Indicators	Achievement as of December 2014	Achievement as of 2018
			SEE examinees in 2018, 18,435 students completed SEE with a GPA of 3.61 to 4.00; 48,941 students completed with a GPA of 3.21 to 3.60; 51,105 students completed with a GPA of 2.81 to 3.20; 70,864 students completed with a GPA of 2.41 to 2.80; and 90,005 students completed with a GPA of 2.10 to 2.40. (Source: NEB Secondary Education Examination Results 2018).
3. Safer schools	<p>Retrofitting of 260 school buildings by 2014</p> <p>Training provided to 4,000 teachers and 50,000 students in both public and private schools in school safety best practices by 2014</p> <p>Training provided to 1,000 masons and advanced training to 140 engineers and sub-engineers by 2014</p>	<p>Retrofitting completed of 165 school buildings</p> <p>Training provided to 5,046 teachers and to 50,166 students in earthquake safety</p> <p>Training on retrofitting technology provided to 1,007 masons, and 186 engineers and sub-engineers</p>	<p>Retrofitting completed of 82 school buildings in the FY2017. (Source: DOE Program allocation 2017/18)</p> <p>Disaster risk reduction component is included in the SIP. SIP preparation is mandatory with lump sum grants in all schools. (Source: DOE – PIM 2018)</p> <p>No training was provided on retrofitting in FY2017.</p>
4. Enhanced teacher management and development	<p>Percentage of certified teachers (basic and secondary) increased from 91% (2008) to 97% (2014)</p> <p>Percentage of teachers with required qualifications (basic) increased from 66% (2008) to 88% (2014)</p> <p>Percentage of teachers with required qualifications (secondary) increased from 77% (2008) to 93% (2014)</p>	<p>Percentage of certified teachers increased to 98.6% (basic) and 98.9% (secondary)</p> <p>Percentage of teachers with required qualifications (basic): 91.4%</p> <p>Percentage of teachers with required qualifications (secondary grades 9–10): 90.4%</p>	<p>No data</p> <p>Percentage of teachers with required qualifications (basic): 92.7%</p> <p>Percentage of teachers with required qualifications (secondary grades 9–10): 94.0%</p>

Design Summary	Performance Targets and Indicators	Achievement as of December 2014	Achievement as of 2018
	<p>Share of female teachers in primary education increased from 35% (2008) to 50% (2014)</p> <p>Share of female teachers in secondary education increased from 13% (2008) to 25% (2014), with 10% female head teachers (2014)</p> <p>Share of <i>Dalit</i> and <i>Janajati</i> teachers increased (No baseline)</p>	<p>Share of female teachers in primary education: 38.2%</p> <p>Share of female teachers in secondary education (grades 9–10): 13.9%, with estimated 12% female head teachers (derived from EMIS data)</p> <p>Shares of <i>Dalit</i> and <i>Janajati</i> teachers increased steadily during the SSP and reached 5.1% <i>Dalit</i> and 30.4% <i>Janajati</i> in primary; and 4.4% <i>Dalit</i> and 18.3% <i>Janajati</i> in secondary</p>	<p>Share of female teachers in primary education: 45.4%</p> <p>Share of female teachers in secondary education (grades 9–10): 15.9%, with estimated 12% female head teachers (derived from EMIS data)</p> <p>Shares of <i>Dalit</i> and <i>Janajati</i> teachers increased steadily during the SSDP and reached 5.6% <i>Dalit</i> and 32.8% <i>Janajati</i> in primary; and 5.4% <i>Dalit</i> and 19.5% <i>Janajati</i> in secondary</p>
5. Better management of governance risks in the education sector	<p>Number of schools disbursing teachers' salaries through bank accounts increased</p> <p>Procurement training provided to five REDs and 75 DEOs</p> <p>Percentage of schools with trained staff in accounting increased to more than 90%</p> <p>Number of schools conducting social and financial audits increased</p> <p>Number of DEOs publicly displaying information on disbursement to the schools increased</p>	<p>66.4% of all permanent and <i>Rahat</i> teachers in all 75 districts received salaries through bank accounts</p> <p>Training provided to 92 officials from five REDs and 75 DEOs by July 2013; procurement training has been regularized.</p> <p>Training provided to about 98% of all schools</p> <p>About 92.8% of all community schools conducted social and financial audits</p> <p>Since 2012, all DEOs publicly disclose all funds and quotas distributed to schools, both in the DEO office as well as on the respective DEO websites.</p>	<p>Data yet to be produced. A bank branch has been established in every local unit since FY2018, and teachers have a high chance of receiving their salary through their bank account. 20,716 teachers with head masters, SMC members were trained in FY2017.</p> <p>No additional data.</p> <p>It has been established as a mandatory provision for all schools to conduct social and financial audit</p> <p>All DEOs publicly disclose all funds and quotas distributed to schools with the process of expenditure as mentioned in the PIM, both in the DEO office as well as on the</p>

Design Summary	Performance Targets and Indicators	Achievement as of December 2014	Achievement as of 2018
			respective DEO websites. (PIM 2017)
	Timely submission of financial management reports improved	There has been gradual progress in the submission of financial management reports and audit reports. There was a 93-day delay in submission of the audited report for FY2010. This was reduced to 68 days for FY2013, but this was further delayed for FY2014 due to the earthquake of 2015.	Submission of financial and audit report has been regularized. (PIM 2017)
	Number of schools that receive scholarships, per capita funding, relief teacher salaries, and non-salary grants in the first trimester increased.	This indicator is not measurable. MOE and DOE are continuously working to improve the process of budget release to minimize delays at the school level.	Ministry of Education prepared the total education budget and Ministry of Finance released the annual budget directly to the local level, which minimized the delays.

DEO = District Education Office, DOE = Department of Education, ECED = early childhood education and development, EMIS = , ERO = Education Review Office, FY = Fiscal Year, GPA = grade point average , GPI = gender parity index, HSLC = high school leaving certificate, IRT= item response theory, NASA = National Assessment of Student Achievement, NEB = National Examination Board, NER = net enrollment rate, NLSS = National Living Standard Survey, PIM = Program Implementation Manual, RED = regional education directorate, SEE = Secondary Education Examination, SIP = School Improvement Plan, SLC = school leaving certificate, SMC = school management committee  
 Sources: Asian Development Bank database, Government of Nepal, Central Bureau of Statistics; Government of Nepal, Ministry of Education, and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

## APPENDIX 2: REVIEW OF THE DEPTH OF POLICY ACTIONS

1. The Independent Evaluation Department's corporate evaluation on policy-based lending recommends limiting the use of process-oriented policy actions, and articulating policy actions as more substantive outputs.<sup>1</sup> A review of the depth of the School Sector Program (SSP) policy actions was undertaken in the context of this Project Performance Evaluation Report to assess the extent to which they contributed to trigger long-lasting policy and institutional changes. The framework for assessing the depth of the policy actions is based on the Inter-American Development Bank's evaluation approach to policy-based loans.<sup>2</sup> The depth of policy actions was evaluated in three categories: low, medium, and high, as outlined in Table A2.1.

**Table A2.1: Level of Depth of Policy Actions**

<b>Low</b>	Process oriented and administrative, and usually involving development of processes, procedures, and tools; preparation of action plans; or strategies and announcements. These actions by themselves would not bring about any significant policy and/or institutional changes.
<b>Medium</b>	Policy actions that have immediate and possibly significant effects but need to be followed up to achieve long-lasting policy and institutional changes. For example, institutional mechanisms set in place or organizational changes are substantive actions, but are considered medium in depth, because the actions by themselves do not trigger long-lasting effects.
<b>High</b>	Policy actions that by themselves trigger long-lasting changes in policy and the institutional environment. For example, enactment of laws or actions critical to completion of a reform process is categorized as high in depth.

Source: Inter-American Development Bank, Office of Evaluation and Oversight. 2016. *Design and Use of Policy-Based Loans*. Washington, DC.

2. The SSP included 23 policy actions, of which 5 were assessed as having low depth, 10 as having medium depth, and 8 as having high depth. Table A2.2 shows the depth assessment for each policy action.

3. Overall, the policy actions were linked to important reform areas. Many were envisaged as a continuation of interventions supported under previous reform programs and were adequately sequenced over two or three disbursement tranches. The number of policy actions was excessive, however, particularly given the limited capacity of the Ministry of Education and local institutions. Some policy actions lacked specificity, while others called for targeted interventions instead of institutional reforms.

4. The five low-depth policy actions included approving action plans and issuing circulars, which did not clearly initiate structural changes in the education sector. As an example, the initiative on Priority Minimum Enabling Conditions did not significantly contribute to improving learning environments and was discontinued after the close of the School Sector Reform Plan.<sup>3</sup>

5. Ten policy actions were assessed as having medium depth. For the most part, they involved the implementation of an action plan or specific intervention. While they were successful in doing so, they did not trigger long-lasting structural changes, either because other policy reforms were needed or because they were too limited in scope. The impact of the teacher management system was hampered

<sup>1</sup> IED. 2018. *Corporate Evaluation. Policy-Based Lending 2008–2017: Performance, Results, and Issues of Design*. Manila: ADB.

<sup>2</sup> Inter-American Bank, Office of Evaluation and Oversight. 2016. *Design and Use of Policy-Based Loans at the Inter-American Development Bank*. Washington, DC.

<sup>3</sup> Government of Nepal, Ministry of Education. 2009. *School Sector Reform Plan (2009–2015)*. Kathmandu

by the delayed adoption of amendments to the Education Act (approved in 2016) and then by the shift towards federalism. Policy actions related to output 5 would have benefited from being better articulated with one another and more clearly formulated.

6. Eight policy actions were assessed as having high depth. These were well-sequenced actions, based on solid prior analysis, and succeeded in improving system practices, while remaining sustainable. The school safety initiative started with a pilot program, which was then scaled up and has now been mainstreamed. The payment of teachers through bank transfers is also an important step towards improved governance and financial management. The development of a National Assessment of Student Achievement built on work initiated under the Subprogram III of the Education Sector Program and was institutionalized under the School Sector Program.<sup>4</sup>

**Table A2.2: Assessment of Depth of the Policy Actions**

Output 1: More Equitable Access to Quality Education	Depth Assessment	Remarks
<b>Policy area: Identification and implementation of policy interventions for out-of-school children aged 5 to 12 years old</b>		
<b>Tranche 1</b> No policy action		
<b>Tranche 2</b> MOE shall have approved a budgeted phased action plan to implement strategic interventions to enroll all out-of-school children identified through the Population Census 2011 in BESs.	Low	Approving an action plan was a modest objective, especially as the SSP was approved more than 2 years after the start of the SSRP. Several development partners were already supporting interventions aimed at reducing the incidence of out-of-school children. The action plan did bring together the MOE and development partners to identify the best strategies and prioritize regions and beneficiaries (e.g., for the development of early childhood education and development centers, and the provision of midday meals).
<b>Tranche 3</b> MOE shall have begun to implement the budgeted action plan of out of school children as part of the ASIP and AWPB for FY2014.	Medium	The policy action was modest in its formulation. It would have been strengthened had it requested the institutionalization of some interventions, or at least some longer-term commitment to implementing key interventions, beyond FY2014.  The implementation of the action plan did provide the impetus to identify with some precision the number of out-of-school children of basic education school age (data was segregated by village development committee, municipality, age, and gender based on 2011 Population Census data), which was an important step and laid the foundations for the development of an equity index. The latter was launched in 2017 with support from UNICEF and other development partners and is now being used to monitor disparities in access and learning outcomes across districts.

<sup>4</sup> ADB. 2016. *Completion Report: Education Sector Program (Subprograms I–III) in Nepal*. Manila.

Output 2: Enhanced Student Learning	Depth Assessment	Remarks
<b>Policy Area 1: Implementation of the National Assessment of Student Achievement</b>		
<b>Tranche 1</b> No policy action		
<b>Tranche 2</b> MOE shall have completed NASA for Grade 8, and publicly disseminated a report on NASA for Grade 8.	High	The policy action aimed to implement NASA for the first time following groundwork undertaken under ESP III. <sup>a</sup> It was a significant step to provide feedback on learning outcomes and inform policy making to improve quality of education. The report was uploaded on the website of the Education Review Office and was widely disseminated to education stakeholders at the national, regional, and district levels.
<b>Tranche 3</b> MOE will have (a) completed NASA for Grades 3 and 5, and publicly disseminated a report on NASA for Grades 3 and 5; and (b) approved a strategy and budgeted action plan to implement systemic reforms based on the analysis of NASA for Grades 3, 5, and 8.	High	The policy action aimed to expand the implementation of NASA to grades 3 and 5, and to support its institutionalization. It also sought to ensure that findings would be analyzed and used by policy makers. There was thus a strong focus on promoting structural changes. The broad dissemination of results from the two rounds of NASA triggered a nationwide discussion on the quality of education, involving government officials, education stakeholders and the general public. While capacity building is still needed, and the assessments can be further improved, these policy actions helped to institutionalize NASA.
<b>Policy Area 2: Implementation of priority minimum enabling conditions to improve quality of schools</b>		
<b>Tranche 1</b> The MOE shall have issued a circular and commenced a rapid assessment to establish a baseline, and identify and support, on a prioritized basis, those BESs that do not meet at least three of PMECs relating to (a) classrooms, (b) separate toilets for girls, (c) provision of textbooks, (d) provision of learning materials and/or book corners, and (d) provision of teachers.	Low	This policy action was intended to enhance quality of education. However, it took a piecemeal approach, focusing on a narrow set of indicators. The policy action would have gained depth had it tackled the issue more comprehensively and addressed other equally important factors, such as school leadership and governance. This policy action focused on basic schooling conditions. PMECs had been identified previously, under ESP III, but development partners initially proposed a broader list of over 20 conditions. The limited funds and capacity for school upgrading led to an agreement to select only five PMECs. This further diluted the potential impact of this initiative. The circular was issued and the baseline was established. In FY2013, the government identified 8,340 schools that did not meet at least three of the five PMECs, based on an analysis of EMIS data.
<b>Tranche 2</b> MOE shall have allocated adequate funding in the ASIP and AWPB for FY2013 to implement the PMECs in at least 20% of BESs that fail to meet at least three of the five PMECs.	Low	The policy action aimed to ensure sufficient funds were set aside to support the upgrading of school facilities in FY2013. The same year 2,498 schools were upgraded to ensure they met at least three of the five PMECs. The policy action was complied with. But its impact was limited, as enhancements were often conducted in an ad hoc manner without accounting for other factors affecting the schooling environment.

Output 2: Enhanced Student Learning	Depth Assessment	Remarks
<p><b>Tranche 3</b> MOE shall have allocated adequate funding in the ASIP and AWPB for FY2014 to implement the PMECs in a further 20% of BESs that fail to meet at least three of the five PMECs.</p>	Low	<p>The policy action aimed to ensure sufficient funds were set aside to support the upgrading of school facilities in fiscal year 2014. An additional 2,800 schools were upgraded that year to ensure they met at least three of the five PMECs.</p> <p>The policy action was complied with. But its impact was limited, as enhancements were often conducted in an ad hoc manner without accounting for other factors affecting the schooling environment.</p> <p>The MOE continued to support the initiative throughout the SSRP (i.e., until FY2016). However, at the close of the SSRP both the government and development partners acknowledged that the PMEC approach had not significantly contributed to improving quality of education. Another, more comprehensive, approach was adopted around "model schools" under the SSDP.<sup>b</sup></p>
Output 3: Safer Schools	Depth Assessment	Remarks
<p><b>Tranche 1</b> The MOE shall have approved a budgeted time bound pilot school safety action plan which should include at minimum (a) retrofitting 260 school buildings, (b) providing training around 4,000 school teachers and 50,000 students in school safety best practices, and (c) training around 1,000 masons and 140 engineers and/or sub-engineers in school safety construction measures to address earthquakes and other hazards.</p>	High	<p>These three policy actions aimed to raise awareness around disaster risk management in the education sector and support a pilot initiative to promote school safety. This was highly relevant in the context of Nepal and the policy actions were adequately sequenced to promote the gradual mainstreaming of school safety in the education sector.</p>
<p><b>Tranche 2</b> MOE shall have commenced implementation of the time-bound actions specified in the pilot school safety action plan.</p>	High	<p>The MOE initiated the implementation of its pilot school safety action plan. Training programs and school retrofitting were conducted as planned, despite a slow start due to weak capacity at the local level.</p> <p>All schools retrofitted under the pilot program withstood the April 2015 earthquake.</p>
<p><b>Tranche 3</b> MOE shall have approved a budgeted comprehensive school safety action plan to scale up the activities related to improving safety in schools.</p>	High	<p>Building on lessons from the initial phases of the pilot program, the MOE prepared a comprehensive action plan in 2013 to scale up school safety activities and gradually mainstream disaster resilience in all schools in Nepal.</p> <p>School safety is an integral part of the SSDP and is supported by several development partners, including ADB.</p>

Output 4: Enhancing Teacher Management and Development	Depth Assessment	Remarks
<b>Policy Area 1: Qualification upgrading of teachers</b>		



Output 4: Enhancing Teacher Management and Development	Depth Assessment	Remarks
<b>Tranche 1</b> No policy action		
<b>Tranche 2</b> MOE shall have confirmed that from February 2012 an additional 3,000 existing teachers in BES have acquired the minimum academic qualifications set out in the SSRP for BES teachers.	Medium	This policy action was designed as a continuation of the Teacher Education Project. Teachers who did not meet the minimum qualification requirements were offered a bridging course to upgrade their credentials. Raising qualification requirements for teachers is an important step towards improving quality of education delivery. The policy action would have had more depth if it had been included in a broader set of interventions to strengthen teacher quality and/or the overall learning environment. Its impact was therefore limited.
<b>Tranche 3</b> MOE shall have confirmed that a further 4,000 existing teachers in BES have acquired the minimum academic qualifications set out in the SSRP.	Medium	See above.
<b>Policy Area 2: Strengthening teacher management and development</b>		
<b>Tranche 1</b> No policy action		
<b>Tranche 2</b> MOE shall have (a) completed a study to design a comprehensive teacher management system covering: (i) recruitment (with special focus on increasing the overall percentage of women and other disadvantaged groups employed as teachers), (ii) deployment of teachers, and (iii) review of various career development options (including retirement) for all types of teachers; and (b) developed a comprehensive teacher management strategy to implement the study's findings.	Medium	Developing a comprehensive teacher management system was essential to improve education delivery in Nepal, particularly as the system was being restructured into basic and secondary education levels. The policy action included a much-needed in-depth analysis of existing practices and institutions, and the design of an integrated strategy, from recruitment to career development. However, the approval of key amendments to the Education Act was necessary for the successful implementation of the strategy. As this was beyond the control of the MOE, it was decided not to include it in the policy actions. It was included as a loan covenant instead (and was complied with late).
<b>Tranche 3</b> MOE shall have implemented the comprehensive teacher management strategy in a phased manner.	Medium	The MOE approved a new teacher management and development strategy in June 2013 and implemented short-term interventions envisioned in the strategy. These included for example a requirement that the Teacher Service Commission administer examinations for teacher licenses and recruitment, starting in FY2014. Affirmative action measures were also introduced, and 45% of new teaching positions were reserved for women, <i>Dalit</i> , <i>Janajati</i> , and Madhesi candidates. The Department of Education issued a directive to request all District Education Offices to undertake and manage all teacher transfers themselves. These reforms were important, and several interventions implemented under the SSP have been taken forward under the SSDP (e.g., strengthening the Teacher Service Commission, rationalizing teacher positions, and

Output 4: Enhancing Teacher Management and Development	Depth Assessment	Remarks
		expanding the number of subject teachers). But the significant delay in approving necessary amendments to the Education Act limited the scope of the new teacher management strategy. In addition, the recently approved shift towards a federal system has created new challenges for the education sector, particularly with regard to teacher management. The roles and responsibilities of the central, provincial and local institutions will need to be revisited.
Output 5: Better Management of Governance Risks in the Education Sector	Depth Assessment	Remarks
<b>Policy Area 1: Improving financial management and procurement</b> <b>Set of Actions 1</b>		
<b>Tranche 1</b> The MOE shall have (a) established a team to lodge and investigate complaints relating to any financial irregularities and monitor compliance at the national, regional, district, and school level with existing financial rules and regulations; (b) piloted a payroll system for the payment of teacher salaries through bank accounts in selected municipalities; and (c) instructed all schools about punitive actions from submission of any false data and information.	(a) Medium (b) High (c) Low	These interventions aimed at supporting specific initiatives to improve financial management in the education sector. They were, however, a mixture of very different interventions and did not constitute a policy action per se. (a) A team was needed to support the Secretary's office of the MOE to lodge and investigate complaints. However, setting up this team, whose independence was unclear, was not a guarantee that there would be any follow up based on the findings of potential investigations. (b) The pilot payroll system was an important initiative (see below). (c) Informing schools of sanctions for submitting erroneous data was not a substantive policy action.
<b>Tranche 2</b> MOE shall have (a) investigated the audit observations, if any, related to school construction, textbooks, and per capita funding of the audited financial statements for FY2011 issued by the Office of the Auditor General, and taken appropriate remedial actions, including those to recover any misappropriated funds; (b) scaled up the payroll system of 58 municipalities for payment of teacher salaries through bank accounts; and (c) undertaken a tracking survey to check flow of funds to schools for textbooks, per capita funds, scholarships, and disseminated the results of the survey to the general public.	(a) Medium (b) High (c) High	(a) The MOE investigated audit observations made for FY2011. It was concluded that no misappropriation of funds occurred, and these inconsistencies were due to procedural lapses and erroneous excess releases of funds to schools. Amounts were refunded. (b) The pilot program to pay teacher salaries through bank transfers was successful and was subsequently scaled up. This has now been institutionalized. (c) The fund flow tracking survey was conducted with support from the attached TA. Key findings were publicly disseminated, and recommendations were implemented. Standardized tools and software were developed, and training was provided to the staff of all five Regional Education Directorates. The fund flow tracking mechanism is now institutionalized and being strengthened under the follow-on SSDP.
<b>Tranche 3</b> No policy action		
<b>Policy Area 1: Improving financial management and procurement</b> <b>Set of Actions 2</b>		

Output 4: Enhancing Teacher Management and Development	Depth Assessment	Remarks
<b>Tranche 1</b> The Recipient shall have amended the Public Procurement Regulations, 2007 to permit the development of framework agreements for public procurement of goods and services.	Medium	The amendment was needed to improve procurement regulations, but this policy action was administrative in nature.
<b>Tranche 2</b> MOE shall have provided training to the staff of Regional Education Directorates and District Education Offices responsible for procurement activities on procurement-related regulations, processes, and best practices.	Medium	The Department of Education conducted two orientation training programs on public procurement for 46 relevant officials from central-level agencies and 92 officials from the 5 Regional Education Directorates and 75 District Education Offices.
<b>Tranche 3</b> No policy action		
<b>Policy Area 1: Improving financial management and procurement</b> <b>Set of Actions 3</b>		
<b>Tranche 1</b> The MOE shall have approved a simplified accounting manual (with training module) to be used at the school level to record, maintain, and report financial information.	High	The policy action aimed to improve the financial management and accountability at the school level, where capacity is low.
<b>Tranche 2</b> MOE shall have (a) provided accounting training to at least one teacher and/or staff member (responsible for school accounting) in all the schools; and (b) implemented simplified accounting procedures described in the simplified accounting manual in all schools.	High	Establishing a simplified accounting system at the school level and ensuring it was used was a major achievement. Field visits conducted by the independent evaluation mission confirmed that the system was in place and utilized by school staff. District Education Offices provided training to school staff. Overall, by the end of FY2012, nearly 28,000 teachers and staff had received some orientation training on the new accounting system. Refresher courses were also being provided and District Education Offices were reported as being responsive and helping schools to troubleshoot when needed.
<b>Tranche 3</b> No policy action		
<b>Policy Area 2: Strengthened performance monitoring and evaluation</b> <b>Set of Actions 1</b>		
<b>Tranche 1</b> No policy action		
<b>Tranche 2</b> MOE shall have implemented the recommendations of the SSRP midterm review on social accountability mechanisms (including social audits and school audits).	Low	Establishing solid social accountability mechanisms is essential to strengthen school management and to involve local communities and parents, particularly in the context of a decentralization system. However, the policy action lacked specificity and was in part redundant, given other policy actions (e.g. introducing simplified accounting systems at the school level).

Output 4: Enhancing Teacher Management and Development	Depth Assessment	Remarks
		The SSRP's midterm review mission of March 2012 agreed on two actions related to strengthening social accountability mechanisms: (i) a sample review of the school social audits by Regional Education Directorates, and (ii) an independent review of the school financial audits. The reviews were conducted and led to several recommendations, such as the simplification of the Social and Financial Audit Manual and of school accounting procedures. The latter was undertaken under a separate policy action (see above). The impact of initiatives to improve social audits is unclear.
<b>Tranche 3</b> No policy action		
<b>Policy Area 2: Strengthened performance monitoring and evaluation</b> <b>Set of Actions 2</b>		
<b>Tranche 1</b> No policy action		
<b>Tranche 2</b> MOE shall have approved a budgeted action plan to (a) further strengthen the SSRP's (i) implementation arrangements; and (ii) monitoring and evaluation, educational management information system (including data validation and analytical reporting), and financial management information system; and (b) establish an incentive scheme to promote and reward good SSRP practices in schools.	Medium	This requirement was administrative nature and meant to support the implementation of the SSRP. Following an institutional analysis, the MOE approved a budgeted action plan to support the implementation of the SSRP. It was a broad plan, which covered a wide range of areas, from policymaking and development partner coordination to planning and budgeting at the regional, and district levels.
<b>Tranche 3</b> MOE shall have implemented the approved budgeted action plan to strengthen SSRP implementation.	Medium	The MOE began implementing the action plan, as required. The MOE formed an intra-ministerial change management team, which aimed to prioritize activities and oversee the overall implementation of the action plan. As it included a wide range of interventions, involving different institutions and different functions, its long-term impact remains unclear. Under the follow-on SSDP, dedicated TA was set up to support financial management and governance reforms in the education sector in a comprehensive and well-coordinated manner.

ADB = Asian Development Bank, ASIP = Annual Strategic Implementation Plan, AWPB = Annual Work Plan and Budget, BES = Basic Education School, EMIS = education management information system, ESP III = Education Sector Program (subcomponent 3), FY = fiscal year, MOE = Ministry of Education, NASA = National Assessment of Student Achievement, PMEC = priority minimum enabling conditions, SSP = School Sector Program, SSDP = School Sector Development Program, SSRP = School Sector Reform Program, TA = technical assistance, UNICEF = United Nations Children's Fund.

<sup>a</sup> ADB. 2016. *Completion Report: Education Sector Program (Subprograms I–III) in Nepal*. Manila.

<sup>b</sup> Government of Nepal. 2016. *School Sector Development Plan 2017–2023*. Kathmandu.

Source: Independent Evaluation Department.

## APPENDIX 3: KEY PERFORMANCE INDICATORS

[illegible]

Goals and Performance Targets		Benchmark FY2009	Status FY2010	Status FY2011	Status FY2012	Status FY2013	Status FY2014	Status FY2015	Target	Status FY2016	Status FY2017
9	8.2.1 Basic Education (%)	66.00	75.00	79.30	91.10	91.90	92.50	93.70	95.00	95.50	95.7
	8.2.2 Grades 9–10 (%)	77.00	84.80	87.90	90.10	91.50	92.20	93.00	95.00	95.30	95.5
	8.2.3 Secondary Education (%)	77.00	73.90	75.30	80.30	82.00	82.80	84.20	91.00	91.20	85.5
9	<b>Teachers with required Certification</b>										
	9.1 Basic Education (%)	91.00	...	...	...	96.90	98.10	98.60	100.00	98.80	...
10	9.2 Secondary Education (%)	91.00	...	...	...	98.00	98.70	98.90	100.00	99.30	...
	<b>Share of Female Teachers</b>										
	10.1 Primary Education (%)	35.00	34.50	37.50	37.50	37.80	37.90	38.20	39.00	38.40	40.3
10	10.2 Basic Education (%)	...	31.20	33.70	33.90	34.10	34.30	34.50	36.00	34.80	...
	10.3 Secondary Education (%)	13.00	7.80	13.30	14.30	14.70	14.80	13.90	16.00	14.10	14.8
11	<b>Pupil–Teacher Ratio</b>										
	<b>11.1 For community schools based on approved teacher positions</b>										
11	11.1.1 Primary	...	42.00	43.00	40.00	38.00	37.00	36.00	35.00	35.00	34
	11.1.2 Basic Education, ratio	43.00	44.00	46.00	44.00	42.00	41.00	41.00	35.00	40.00	39
	11.1.3 Grades 9–10, ratio	39.00	34.00	35.00	36.00	31.00	31.00	30.00	30.00	39.00	39
11	<b>11.2 For community schools based on reported teacher positions</b>										
	11.2.1 Primary	39.50	37.00	34.00	31.00	29.00	27.00	26.00	...	25.00	23
11	11.2.2 Basic Education, ratio		39.00	37.00	34.00	32.00	30.00	30.00	...	29.00	27
	11.2.3 Grades 9–10, ratio	35.50	36.00	31.00	31.00	31.00	31.00	30.00	...	31.00	31
	11.2.4 Secondary Education, ratio		31.00	28.00	28.00	27.00	26.00	26.00	...	27.00	28
11	<b>11.3 For all schools based on reported teachers' positions</b>										
	11.3.1 Primary	33.30	32.00	30.00	28.00	26.00	24.00	23.00	...	22.00	21
11	11.3.2 Basic Education, ratio	...	34.00	31.00	30.00	30.00	26.00	26.00	...	25.00	24
	11.3.3 Grade 9–10, ratio	27.00	27.00	24.00	24.00	24.00	23.00	23.00	...	24.00	24
	11.3.4 Secondary Education, ratio	...	25.00	23.00	23.00	23.00	23.00	23.00	...	23.00	24
12	<b>Repetition Rate</b>										
	12.1 Grade 1 (%)	18.00	26.50	22.60	21.30	19.90	17.50	15.20	10.00	13.70	14.3
12	12.2 Grade 5 (%)	...	6.70	5.70	5.40	5.30	5.30	5.30	2.50	4.20	4.3
	12.3 Grade 8 (%)	11.00	6.50	6.60	6.00	5.70	5.10	4.50	2.00	3.90	4.3
13	<b>Survival Rate by Re-Constructive Cohort Method</b>										
	13.1 Grade 5 (%)	58.00	77.90	80.60	82.80	84.10	85.40	86.80	90.00	87.50	87.0
13	13.2 Grade 8 (%)	41.00	62.00	66.00	67.50	69.40	72.20	74.60	76.00	76.60	75.9
14	<b>Completion Rate–Primary and Basic Level</b>										
	14.1 Primary Level (grade 5) (%)	...	...	...	...	75.00	77.60	79.70	81.00	81.60	80.0

Goals and Performance Targets		Benchmark FY2009	Status FY2010	Status FY2011	Status FY2012	Status FY2013	Status FY2014	Status FY2015	Target	Status FY2016	Status FY2017
15	14.2 Basic Level (grade 8) (%)	...	...	...	...	60.80	63.80	66.70	70.00	69.60	68.4
	<b>Coefficient of Internal Efficiency</b>										
17	15.1 Basic Education, ratio	0.49	0.61	0.65	0.67	0.68	0.71	0.73	0.75	0.76	0.74
	<b>Pass Rate</b>										
18	17.1 School Leaving Certificate (%)	62.00	64.31	55.50	47.65	41.57	43.92	47.43	55.00	...	...
	17.2 Higher Secondary Education (%)	25.00	47.70	44.00	48.00	42.40	44.29	44.30	50.00	...	...
	<b>Literacy Rate</b>										
	18.1 Age Group 15–24 (%)	75.00	...	...	...	...	...	...	95.00	88.6	88.6
19	18.2 Age Group 6+ years (%)	69.00	63.00	61.00	65.90	65.90	65.90	65.90	85.00	65.90	78
	18.3 Age Group 15+ years (%)	56.00	56.00	57.00	57.00	57.00	57.00	57.00	75.00	57.00	57
	<b>Literacy Gender Parity Index (15+ years), ratio</b>	0.74	...	0.76	0.76	0.76	0.76	0.76	0.98	0.76	

... = not available, FY = fiscal year, GDP = gross domestic product, ECED = early childhood education development, NER = net enrollment rate.

Source: Government of Nepal, Ministry of Education.

## APPENDIX 4: SUMMARY OF GENDER AND VULNERABLE COMMUNITIES ACTION PLAN ACHIEVEMENTS

Priority Interventions and Activities	Performance Targets and Indicators Percentage change from 2008 to 2014	Implementation Progress at the time of approval (School year 2010–2011)	Achievements by 2015 [2018]	Contribution of the Policy Actions and Attached TA to the Achievements
<b>More equitable access to quality education</b>				
Provision of scholarships (NRs350 for basic education and NRs1,700 for secondary education)  Provision of incentives (school feeding program)	Scholarships for all students of <i>Dalit</i> <sup>b</sup> community; all students of Karnali Zone; 50% of girls in the country (for basic education) and girls from economically poor families (for secondary education); 17,500 disabled students; 175 children of martyrs' families. School feeding program in Karnali Zone  GPI for primary increased from 0.97 to 0.99, and for basic from 0.95 to 0.98  Share of out-of-school children aged 5–12 reduced from 27% to 15%.  GER for grades 9–12 increased from 40% to 66%, and NER increased from 21% to 27%.  GPI in GER for grades 9–12 increased from 0.97 to 0.99; and in NER increased from 0.94 to 0.96  Integrated GVCAP implemented.	Scholarship provision has met or exceeded targets.  School feeding program for 456,566 targeted students  GPI in NER: 0.98 (primary); 0.98 (basic)  Share of out-of-school children aged 5–12 reduced to 14%  GER for grades 9–12: 46% NER for grades 9–12: 27%.  GPI in GER for grades 9–12: 1.02 GPI in NER for grades 9–12: 0.98.  GVCAP implementation limited mainly to access dimension—an integrated approach is required.	GPI in NER: 0.99 (primary); 1.00 (basic) (in 2018).  Share of out-of-school children aged 5–12 reduced to 10.6% (in 2018).  GER for grades 9–12: 56.7. NER for grades 9–12: 13.7%. (in 2018).  GPI in GER for grades 9–12: 0.98 GPI in NER for grades 9–12: 0.99. (in 2018)	With TA support, the out-of-school children action plan was developed and implemented.  The Gender Equity Index was developed with a contribution by the Norwegian Embassy, based on ADB's initiatives on the OOSC.  Pro-poor scholarships continue to be implemented. A national public campaign "Back to School" is being implemented annually and aims to retain OOSC in schools.
Locations of disadvantaged populations including ethnic minorities,	Funds will be provided for the establishment, operation, and sustenance of ECED	No. of ECED centers reached 31,089 (2010).	Percentage of 4-year-old children enrolled in ECED: 84.1%	ECED with priority targeting the ethnic minority groups, female students, Madhesis, and



Priority Interventions and Activities	Performance Targets and Indicators Percentage change from 2008 to 2014	Implementation Progress at the time of approval (School year 2010–2011)	Achievements by 2015 [2018]	Contribution of the Policy Actions and Attached TA to the Achievements
women, Madhesis, endangered groups, and <i>Dalits</i> will be given priority in ECED development	<p>centers in marginalized areas and poverty pockets. A total of \$57 million has been allocated. Development of partnership arrangements with NGOs, cooperatives, national and local level institutes, and civil society organizations for the financing of ECED.</p> <p>Percentage of 4-year-old children enrolled in ECED increased from 63% to 87%, and GPI in ECED enrollment increased from 0.89 to 0.95</p>	<p>ECED provision on demand-basis; resource-poor parents lack the knowledge to put forth demand.</p> <p>DOE partnership with NGOs and international agencies implemented. ECED minimum standards and guidelines disseminated to all districts.</p> <p>Percentage of 4-year-old children enrolled in ECED: 70% GPI in ECED enrollment: 0.98</p>	<p>(male: 84.5% and female: 83.7%);</p> <p>GPI in ECED enrollment: 0.89 (Source: DOE-2018)</p>	<p><i>Dalits</i> was operationalized in marginalized areas and poverty pockets, in partnerships with civil society organizations is being implemented by the MOE.</p> <p>The policy action under the SSP focused to ensure enrollment of OOSC, who were previously not attending schools.</p>
Improvement of equitable access through construction activities	Construction of 19,500 classrooms; rehabilitation of 13,000 schools; construction of 300 libraries and laboratories; construction and transformation of 100 schools for children with special needs and upgrading of the external environment (including separate toilets for girls and boys) of 7,000 schools.	Completed construction of 22,700 classrooms; rehabilitation of 13,418 schools; upgrading of external environment (including separate toilets for girls and boys) of 13,462 schools and construction of 5,500 girls' toilets.	Completed construction of 35,110 classrooms; rehabilitation of 18,925 schools; upgrading of external environment (including separate toilets for girls and boys) of 17,363 schools; and construction of 11,500 girls' toilets	A policy action ensured setting up a mechanism and followed it through to support those BESs that do not meet the minimum of PMECs; and ensured further measures for implementing a better learning environment for children. Particularly, for girls, building girl's toilets was a significant indicator in the retention of girls in schools.
Recognition and support of caste and cultural education sources such as Gumbas, Vihar, Madrasas, and Gurukul <sup>a</sup>	Development of norms and guidelines that define the various types of formal and non-formal basic education services.	Workshops conducted on curriculum development, integration into mainstream, and school management. Coordination with DOE in curriculum	Religious schools as a non-formal service provider are gradually being incorporated into the broader basic education service providers and are entitled to all	With the TA, DOE coordinated the curriculum development and teacher training sections to provide support to special-purpose and religious schools,

Priority Interventions and Activities	Performance Targets and Indicators Percentage change from 2008 to 2014	Implementation Progress at the time of approval (School year 2010–2011)	Achievements by 2015 [2018]	Contribution of the Policy Actions and Attached TA to the Achievements
		development and teacher training.	grants received by community schools.	monasteries, and temples
Literacy and lifelong learning (i) NFE/literacy programs through alternative/flexible education program (ii) Mother tongue literacy course in local language (15–60 year age group) in poverty	<p>1,050 CLCs established; About 700,000 youths and adults attain life skills through literacy and continuing education.</p> <p>In 2011, only 69% of Nepal's population of 19 million people above 6 years of age was literate. The average 15+ literacy level was 56% (2009). The GPI for the 15+ age group was 0.74. SSRP seeks to increase these figures to 85% (6+ literacy), 70% (15+ literacy), and 0.96 (GPI) by 2014.</p> <p>Mother tongue courses introduced and studied with CDC's support in remote, difficult and/or poverty pockets.</p>	<p>1,831 CLCs set up by 2011 (target: 4,748 in 2014).</p> <p>2008–2010: 2.8 million participants enrolled in literacy programs (over 90% women); most participants aged 15–35 group. Literacy rates in 2010: 76% (age 6+); 60% (age 15+) GPI in the 15+ age group: 0.92.</p> <p>Instructional materials developed in mother tongues.</p>	<p>2,128 community learning centers set up by 2013.</p> <p>Instructional materials for NFE participants developed in 16 mother tongues.</p>	<p>The TA supported development of the instructional materials in 16 mother tongues, and trained teachers on mother tongue-based learning, and trilingual education literacy programs were expanded to more districts, remote areas, and poverty pockets.</p>
<b>Enhanced Student Learning</b>				
Quality improvement at levels of inputs and processes	<p>Percentage of new entrants at grade 1 with ECED increased from 36% to 64%.</p> <p>Repetition rates in grade 1 decreased from 28% to 2%, and in grade 5 decreased from 7% to 2%.</p> <p>Percentage of students attaining grade-level competency at grades 3, 5, and 8 improved.</p>	<p>Percentage of new entrants at grade 1 with ECED: 52%. Repetition rates in grade 1: 23%.</p> <p>Repetition rates in grade 5: 6%.</p> <p>National assessment of student achievement for grade 8 will be completed in December 2012 and of grades 3 and 5 in December 2013.</p> <p>SLC pass rate: 68%;</p>	<p>Minimal increment was achieved in retention and repetition rates in grades 1, 5 and School Leaving Certificate (grade 10). Quality improvement has not been satisfactory despite SSP's focus on quality.</p>	<p>The TA supported the establishment of the NASA, and for the first time two rounds of NASA were carried out to assess grade-level competency at grades 3, 5, and 8. The results indicated no improvement in learning by students, and led to public debate on the quality of education.</p>

Priority Interventions and Activities	Performance Targets and Indicators Percentage change from 2008 to 2014	Implementation Progress at the time of approval (School year 2010–2011)	Achievements by 2015 [2018]	Contribution of the Policy Actions and Attached TA to the Achievements
	SLC pass rate increased from 62% to 71%, and HSLC pass rate increased from 25% to 41%.  Implement priority minimum enabling conditions in most deprived schools	HSLC pass rate: not available.  To be implemented in 40% of basic education schools.		
Provision of multilingual education, mother tongue education, and curriculum development in local subjects and mother tongue languages	Multilingual education implemented in 7,500 schools; 95 learning facilitation materials produced in different languages.	MLE textbooks used in 21 languages; mother-tongue medium of instruction using Nepali textbooks in 16,000 classes. Forty-two learning facilitation materials produced in 14 languages; 75 textbooks translated into 18 languages; 42 textbooks produced in 8 languages in MLE pilot areas.		The joint evaluation study of SSRP noted that the application of multilanguage education and mother tongue teaching practices, including the development of materials, were difficult, especially in schools/grades with more than one language group of students.
<b>Safer Schools</b>				
Improvement of school safety especially in densely populated areas	Retrofitting of 260 school buildings.  Training provided to 4,000 teachers and 50,000 students in both public and private schools in school safety best practices.  Training provided to 1,000 masons and advanced training to 140 engineers and sub-engineers in construction of safe schools.	This is a new output under the SSP.		The policy action focused on an innovative approach on school retrofitting and led to a new approach on ensuring school safety that was adopted by the government and other development partners.  The TA supported training of engineers and sub-engineers; and established a technical university course and trained university students on school retrofitting design and implementation.

Priority Interventions and Activities	Performance Targets and Indicators Percentage change from 2008 to 2014	Implementation Progress at the time of approval (School year 2010–2011)	Achievements by 2015 [2018]	Contribution of the Policy Actions and Attached TA to the Achievements
<b>Enhanced Teacher Management and Development</b>				
Affirmative action to increase the number of teachers from disadvantaged groups.  Special provisions for females for entry into the teaching profession	750 master trainers/trainers trained for refresher training; 7,000 teacher candidates from disadvantaged groups complete preparatory courses.  Affirmative action taken to increase teachers from socially disadvantaged groups, including females.  Share of female teachers in primary education increased from 35% to 50%. Share of female teachers in secondary education from 13% to 25%, with 10% female head teachers. Share of <i>Dalit</i> and <i>Janajati</i> teachers Increased.	Teacher Development Policy Guideline approved. Training completed for 90 master trainers and 7,500 trainers; for <i>Dalit</i> candidates in teacher licensing exam; and for Madrasa, Gumba, and Gurukul teachers; and teachers in bilingual, mother-tongue, multigrade, and special education.  Share of female teachers in 2010: 42% (primary), 26% (lower secondary), and 16% (secondary, grades 9–12); <i>Dalits</i> : 4.4% (primary) and 2.1% (grades 9–12); <i>Janajatis</i> : 30% (primary) and 11.4% (grades 9–12).	There was only marginal progress in increasing the percentage of female teachers in primary school from 35% (FY2008) to 38.2% in (FY2015) (target 50%). The percentage of female teachers at secondary level remained at 13.9%.  Over the program period, female head teachers reached 12% in FY2015 (target 10%). The share of <i>Dalit</i> teachers at primary level increased to 5.1%, at the lower secondary level to 4%, and at the secondary level to 4.4% in 2015. The share of <i>Janajati</i> teachers at the primary level increased to 30.4%, at the lower secondary level to 19.9%, and at the secondary level to 18.3%. The proportion of female <i>Dalit</i> and <i>Janajati</i> teachers remains low, implying that fewer women are pursuing and graduating from higher education.	
<b>Better Management of Governance Risks in the Education Sector</b>				
Institutional arrangements to ensure inclusion of vulnerable groups	Appointment of a gender equality and social inclusion officer at DOE. Capacity of the institutions at all	DOE has a gender network; each DEO has a gender focal person, but weak implementation of the framework as a whole.	Gender parity was achieved at all three levels of education—primary, basic, and secondary.	The TA supported GESI implementation. Follow-on work was undertaken by the Norwegian embassy to develop

Priority Interventions and Activities	Performance Targets and Indicators Percentage change from 2008 to 2014	Implementation Progress at the time of approval (School year 2010–2011)	Achievements by 2015 [2018]	Contribution of the Policy Actions and Attached TA to the Achievements
	<p>levels enhanced. (Currently, an education inclusion section and a gender and equity section are operational at DOE).</p> <p>Proposed specific activities include updating implementation manuals and guidelines in accordance with provisions made for vulnerable groups in SSRP; increasing capacity of SMCs, DEOs, and Resources Centers for inclusion of vulnerable groups; enhancing coordination between the Inclusive Education Section, the Gender and Equity Section, and NFE Department in DOE and DEO; and enhancing coordination between the center and the district.</p>	<p>Implementation manuals and guidelines updated by category, e.g., scholarships, gender, social groups. Capacity of SMCs, DEOs and Resource Centers for inclusion increased, with minimum quota on female representation. DOE's Education Management Division coordinates with Inclusive Education Section, Gender Equity Section and NFE Department. These units also represented in the DOE gender network.</p>		<p>a gender equity index; this was successfully implemented and is being used.</p>
Monitoring and evaluation	<p>Monitoring and evaluation system designed to track key results is consistent with broad goals, objectives, and targets of SSRP plan.</p> <p>Progress will be monitored through the collection and analysis of gender disaggregated data as appropriate.</p> <p>Number of schools that receive scholarships, per capita funding, relief teacher salaries, and</p>	<p>Flash reports I and II with disaggregated information consolidated and published in EMIS report.</p> <p>Outputs against ASIP/AWPB targets reported monthly, quarterly and annually.</p> <p>Financial monitoring reports produced using database. Monitoring indicators developed and distributed.</p>	<p>MOE implemented the integrated EMIS to be fully functional and used by school's management, and it serves as a tool for the education policymakers and education stakeholders in the planning, implementation, and monitoring of the education.</p>	<p>Policy actions on ASIP and AWPB were implemented by the government, and TA resources were used to strengthen the M&amp;E function at central MOE level, and at the school level with the operational EMIS.</p>

Priority Interventions and Activities	Performance Targets and Indicators Percentage change from 2008 to 2014	Implementation Progress at the time of approval (School year 2010–2011)	Achievements by 2015 [2018]	Contribution of the Policy Actions and Attached TA to the Achievements
	non-salary grants in the first trimester increased against target			

ADB = Asian Development Bank, ASIP = Annual Strategic Implementation Plan, AWPB = Annual Work Plan and Budget, BES = Basic Education School, CDC = Curriculum Development Centre, CLC = community learning centers, DEO = District Education Office, DOE = Department of Education, ECED = early childhood education and development, EMIS = education management information system, FY = fiscal Year, GER = gross enrollment rate, GESI = Gender Equality and Social Inclusion, GPI = gender parity index, GVCAP = Gender and Vulnerability Communities Action Plan, HSLC = high school leaving certificate, M&E = monitoring and evaluation, MLE = multilingual education, MOE = Ministry of Education, NASA = National Assessment of Student Achievement, NGO = nongovernment organization, NFE = nonformal education, OOSC = out-of-school children, PMEC = priority minimum enabling conditions, SMC = school management committee, SSP = School Sector Program, SSRP = School Sector Reform Program, TA = technical assistance

Notes:

<sup>a</sup> Madrasas are schools managed by Muslims; Gumbas / Vihars are school managed by Buddhists and Gurukul are schools managed by Sanskrit.

<sup>b</sup> The term Dalit refers to the groups located at the very bottom of the caste hierarchy that still has a strong presence in Nepali social structure.

<sup>c</sup> Janajavati refers to an indigenous people group or tribe, outside of the Hindu caste hierarchy.

Source: IED Evaluation team