

PID6545.TXT

Project Name Nepal-Basic and Primary Education Project (@)...
Phase I of an APL Credit to Support the Basic
and Primary Education Program (BPEP APL)

Region South Asia Region

Sector EE-Education

Project NPPE40612

Borrower(s) His Majesty's Government of Nepal

Implementing Agency Ministry of Education

Environment Category C

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1. Country and Sector Background

Sector Issues: Government recognizes that education is key to poverty alleviation and in recent years has given a high priority to provision of education services. Much has been achieved in a very difficult environment to make schooling more accessible, to increase quality inputs and to provide alternative programs to address the low literacy levels. However, student learning outcomes of both primary and secondary education are low, and the poorest communities remain the most educationally disadvantaged. These low outcomes relate to issues of equitable access to quality schooling, system efficiency and use of resources.

(a) Access and Quality. Substantial progress has been made in increasing enrollment in primary education since the early 1990s. However, access to secondary education is unevenly distributed, and has high direct and opportunity costs. Primary and secondary school completion rates are low and those completing schooling have only minimal levels of skills for community needs. Teacher absenteeism is high, reflecting the poorly regulated teacher recruitment process, incentive structures, and weak school supervision.

(b) Efficiency and Resource Use. The school system is characterized by low student retention and completion rates, inefficient teacher deployment practices and poor fund utilization. Sector management is highly centralized and not well situated to handle the rapidly expanding school system. Many professional functions in the sector such as curriculum renewal, teacher training and design of non-formal education programs have been carried out under donor-funded project units. The large number of donors supporting the sector within a weak institutional and regulatory framework has exacerbated the low absorptive capacity and lack of policy coherence.

Government Strategy: The Government recognizes these issues and has

articulated strategies in the Ninth (1997-2002) Five-Year Development Plan to raise the national literacy level by expanding equitable access to basic education and increasing the quality of primary education; and at the secondary and higher levels, by emphasizing the upgrading of secondary and higher education and raising the quality of output. Other key strategies are to increase the allocation of public resources for the education sector from 13% to 15% in the interests of sustainability and system stability; to strengthen the Ministry of Education (MOE) in order to improve policy planning and system monitoring; and to devolve education management to promote the active involvement of communities and local bodies in managing education institutions. Major ongoing efforts to improve access and quality at the basic and primary levels are being expanded with greater emphasis on community participation at all levels.

The Basic and Primary Education Master Plan, 1997-2002, outlines national priorities for the subsector as follows: (a) to ensure universal coverage of primary education and raise literacy; (b) to improve quality and efficiency of primary education; (c) to improve planning, policy making, coordination, research and evaluation capacity within the MOE; and (d) to decentralize educational management. It builds on strategies and experience from two previous IDA-supported primary education projects, supports curriculum and textbook reform, a school cluster-based teacher training model, and targeted strategies to increase participation of girls and disadvantaged groups. The BPEP APL supports implementation of Government's compulsory education policies and strategies to ensure that all children can enter and complete five years of primary education.

2. Objectives

The objective of the project is to strengthen institutional capacities at national, district and school levels to plan and deliver more efficient and better quality education services. In turn, this is expected to lead to increased levels of learning resulting from improved student retention (especially for girls and socially disadvantaged groups), more effective teacher performance and efficient teacher deployment practices.

3. Rationale for Bank's Involvement

The Bank has become a catalyst for the external funding of basic and primary education in Nepal. The Government of Nepal recognizes IDA's capability to provide both substantive technical advice and financial support necessary to assist the implementation of complex but integrated educational programs on a large scale. IDA initiated the proposal that each major donor supporting the project consider financing a proportion of the total cost of the core investment program. This encouraged donor support for the full program and, given the number of donors, will avoid administrative complexity for Government. This approach has been accepted by five major donors. IDA's experience with multi-donor reviews will facilitate the proposed joint supervision process. IDA continues to play a leading role in the overall country context particularly for policy development and is favorably positioned to assist government with additional support for the education system.

4. Description

The Project supports the first three years of HMG's five-year core investment program (CIP) for the sub-sector which includes: (a) strengthening institutional capacity, (b) raising learning achievement, and (c) increasing equitable access. These three components are being financed jointly by five major donors (Danida, European Union, Finland, IDA and NORAD) and the Government of Nepal. A joint Government-donor annual planning process will comprise plans, budgets, monitoring indicators and performance benchmarks for release of funds. Plans at national and district levels will be developed within the policies and strategies set down in the Government's Basic and Primary Education Policy Framework. A process by which School Improvement Plans (SIPs) will be eligible for direct funding will be put in place and, over the project period, these will progressively become part of the district planning process. Eligible expenditures for national, district and school plans are described in the BPEP APL investment plan.

5. Financing

	Total (US\$m)
Government	2.2
IBRD	0
IDA	12.5
Other bilateral financing institutions	40.9
Total Project Cost	55.6

6. Implementation

Institutional arrangements: The executing agency is MOE through its Department of Education (DOE) and other line agencies. An inter-ministerial Program Execution Board (PEB) will oversee the operation of the Program. MOE is responsible for policy and planning, donor coordination and coordination with other Government and non-Government agencies. As the DOE will be functional only from July 1999, a Change Management Group (CMG) has been established to co-ordinate DOE formation and transition of implementation management from project implementation units to the DOE. The DOE will prepare annual operational and expenditure plans for the basic and primary education program including all donor-financed subprojects; monitor and report on progress towards policy objectives; and account for expenditures in the subsector. In this task it will be guided by an established Technical Support Advisory Group (TSAG) which will identify expertise required for effective project execution and possible sources.

A service unit, the Basic and Primary Education Development Unit (BPEDU) under the DOE, will be set up to facilitate the provision of technical support to implementing agencies (central and district level institutions) through its construction, procurement and service contracting capacity. Day-to-day implementation of the program at national level will be the responsibility of the DOE administration, training and finance units. The existing National Center for Education Development (NCED) will be responsible for teacher training policies and plans, the Curriculum Development Center (CDC) will be responsible for curriculum, textbook and resource center development and training, and the Non-Formal Education Center (NFEC) will be responsible for literacy and out-of-school education programs. At the district level, program planning, implementation and monitoring will be the responsibility of the district DOE offices. The Project Implementation Plan (PIP) sets out the organizational structure of the MOE and describes in detail the roles and responsibilities of the MOE and implementing agencies at

national and district levels.

7. Sustainability

(a) Financial Sustainability. Direct Government expenditure on primary and basic education in 1996/7 was NRs. 2719 million and NRs. 422 on the Regular and Development Budgets, respectively. Incremental recurrent expenditures in the third year of the project (2001/02) are estimated at around US\$5.7 million or NRs. 380 million. At the end of the Phase II APL, three years later they are estimated to be around NRs. 750 million. In addition to the cost of Government of taking over all of the responsibilities of the ongoing First Basic and Primary Education Project (BPEP I), these are substantial increments. The Ministry's Master Plan proposed that by the end of the Ninth Plan period (coinciding with the end of Phase I), education will be allocated 15 percent of total Government expenditure (up from 13.1 percent in 1997/98) and that basic and primary education be allocated 55 percent. Financial projections suggest, on the assumption of an overall increase in total budgetary allocations of four percent a year, that the attainment of these shares would allow for the incremental costs of the project to be funded, provided that real salary increases are kept near zero. However, if the shares do not increase the allocations would be insufficient. In this context, it will be important to ensure that expenditures to initiate new activities or expand existing ones also contribute towards increasing the efficiency of the whole subsector and are made within an overall supportive framework, which has been agreed upon.

(b) Institutional Sustainability. Government has set up the necessary regulatory framework to re-organize the MOE and to create new positions for DOE; to absorb past project units into the CDC, NFEC, NCED, the Distance Education Center (DEC), and in the districts. Government is in the process of creating an institutional and organizational framework to better suit a decentralized education system. However, the building of institutional capacity will be the core of this Phase I project. By the end of the project period, the DOE is expected to be better staffed with competent professionals, the merger of past project units (their functions and where appropriate their personnel) should have been completed and, in at least 12 districts, primary education teams should be established with competent professional staff and district planning, and budgeting and monitoring should have been successfully implemented.

8. Lessons learned from past operations in the country/sector

Experience from previous and ongoing projects financed by IDA and other donors in Nepal and in the region was taken into consideration in designing the project: (i) the quality of primary education can be improved by focusing attention on acquisition of basic learning skills and by introducing an integrated approach to promoting student learning, teacher performance and school development; (ii) NGOs, local communities and local bodies must be involved in delivery of educational services if the needs of diverse groups are to be met; (iii) ensuring communities' ownership in school construction and involvement in school management and teacher monitoring are essential for increasing accountability; (iv) a lean field-based project management structure with flexibility to acquire technical expertise when needed is the most appropriate management approach; (v) interventions to increase girls' enrollment and retention through the appointment of female teachers,

strengthen in-service teacher training, and the integration of project management structures into the MOE will not be sustained unless there are clear reinforcing policies; and (vi) donor cooperation can be effective provided firm funding commitments and agreements on supervision are reached before implementation starts.

9. Program of Targeted Intervention (PTI) Yes

10. Environment Aspects (including any public consultation)

Issues: The project would not raise any significant environmental issues. Construction of new schools and additional classrooms is to be on the land donated by the community. As timber has become a scarce resource in Nepal, its use will be limited by substituting factory crafted steel elements. Government has confirmed to IDA that no involuntary resettlement will arise from implementing project civil works activities.

11. Contact Point:

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Note: This is information on an evolving project. Certain activities and/or components may not be included in the final project.

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