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The World Bank

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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-46520, IDA-52500, IDA-H5180, IDA-H8460, TF-98235, TF-A0915, TF-A0779,
TF-A0843)

ON

CREDITS

IN THE AMOUNTS OF SDR 46.1 MILLION (US\$71.50 MILLION EQUIVALENT) AND
SDR 36.74 MILLION (US\$55 MILLION EQUIVALENT)

AND

GRANTS

IN THE AMOUNTS OF SDR 37.7 MILLION (US\$58.5 MILLION EQUIVALENT) AND SDR
30.06 MILLION (US\$45 MILLION EQUIVALENT) AND US\$120 MILLION (FTI) AND
US\$4 MILLION AND AMOUNT OF US\$59.3 MILLION

TO

NEPAL

FOR A

SCHOOL SECTOR REFORM PROGRAM

March 15, 2017

Education Global Practice
South Asia Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective July 15, 2016)

Currency Unit = Nepalese Rupee (NPR)
NPR 1.00 = US\$0.01
US\$1.00 = NPR 107.30
SDR 1.00 = US\$1.39
US\$1.00 = SDR 0.72

FISCAL YEAR
July 15–July 14

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AF	Additional Financing
AIN	Association of International NGOs (in Nepal)
ASIP	Annual Strategic Implementation Plan
AWPB	Annual Work Plan and Budget
BPEP	Basic Primary Education Project
CAS	Country Assistance Strategy
CD	Capacity Development
CDC	Curriculum Development Center
CID	Capacity and Institutional Development
CLC	Community Learning Center
CPA	Comprehensive Peace Agreement
CSSP	Community School Support Program
CwD	Child with Disabilities
DEO	District Education Office
DEP	District Education Plan
DFID	U.K. Department for International Development
DLI	Disbursement Linked Indicator
DOE	Department of Education
DP	Development Partner
EC	European Commission
ECED	Early Childhood Education and Development
EFA	Education for All
EGR	Early Grade Reading
EGRA	Early Grade Reading Assessment
EMF	Environmental Management Framework
EMIS	Education Management Information System
EPC	Education Policy Committee
EPSO	Education Program Support Office
ERO	Education Review Office
EU	European Union
FA	Financing Agreement

FACS	Foreign Aid Coordination Section
FCGO	Financial Comptroller General Office
FM	Financial Management
FMAP	Financial Management Action Plan
FMIAP	Financial Management Improvement Action Plan
FMR	Financial Monitoring Report
FTI	Fast Track Initiative
GAAP	Governance and Accountability Action Plan
GER	Gross Enrolment Rate
GDP	Gross Domestic Product
GIS	Geographic Information System
GON	Government of Nepal
GPE	Global Partnership for Education
GPI	Gender Parity Index
HSEB	Higher Secondary Education Board
ICR	Implementation Completion and Results Report
ICT	Information and Communication Technology
IEMIS	Integrated Education Management Information System
ILI	Incentive Linked Indicator
I/NGO	International Nongovernmental Organization
IO	Intermediate Outcome
ISN	Interim Strategy Note
IR	Intermediate Result
IRR	Internal Rate of Return
ISR	Implementation Status and Results Report
JAR	Joint Annual Review
JCM	Joint Consultation Meeting/Joint Consultative Meeting
JFA	Joint Financing Arrangement
JICA	Japan International Cooperation Agency
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
MEC	Minimum Enabling Condition
MOE	Ministry of Education
MOF	Ministry of Finance
MoI/MLE	Medium of Instruction/Multilingual Education
MTR	Midterm Review
NASA	National Assessment of Student Achievement
NCED	National Council for Educational Development
NCF	National Curriculum Framework
NEGRP	National Early Grade Reading Program
NER	Net Enrolment Rate
NGO	Nongovernmental Organization
NLSS	National Living Standards Survey
NORAD	Norwegian Agency for Development Cooperation
NPA	National Program of Action

NPC	National Planning Commission
NPV	Net Present Value
OAG	Office of Auditor General
OOSC	Out-of-School Children
PAD	Project Appraisal Document
PCF	Per Capita Financing
PCN	Project Concept Note
PDO	Program Development Objective
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PMEC	Priority Minimum Enabling Condition
PPC	Pre-primary Center
PTA	Parent-Teacher Association
RC	Resource Center
REACH MDTF	Results in Education for All Children Multi-Donor Trust Fund
SDG	Sustainable Development Goal
SIP	School Improvement Plan
SLC	School Leaving Certificate
SMC	School Management Committee
SMF	Social Management Framework
SSDP	School Sector Development Plan
SSRP	School Sector Reform Program
STR	Student-Teacher Ratio
SWAp	Sectorwide Approach
TA	Technical Assistance
TEVT	Technical Education and Vocation Training
TF	Trust Fund
TPD	Teacher Professional Development
TSA	Treasury Single Account
TTL	Task Team leader
UNESCO	United Nations Education, Science, and Cultural Organization
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VCDF	Vulnerability Community Development Framework
VEP	Village Education Plan
WFP	World Food Programme

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NEPAL
School Sector Reform Program

Table of Contents

Data Sheet

- A. Basic Information
- B. Key Dates
- C. Ratings Summary
- D. Sector and Theme Codes
- E. Bank Staff
- F. Results Framework Analysis
- G. Ratings of Project Performance in ISRs
- H. Restructuring
- I. Disbursement Graph

1. Project Context, Development Objectives and Design.....	1
2. Key Factors Affecting Implementation and Outcomes	9
3. Assessment of Outcomes	17
4. Assessment of Risk to Development Outcome.....	27
5. Assessment of Bank and Borrower Performance	28
6. Lessons Learned.....	30
7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners.....	31
Annex 1. Project Costs and Financing.....	33
Annex 2. Outputs by Component.....	34
Annex 3. Economic Analysis.....	39
Annex 4. Bank Lending and Implementation Support/Supervision Processes.....	43
Annex 5. Beneficiary Survey Results	44
Annex 6. Stakeholder Workshop Report and Results.....	45
Annex 7. Borrower's ICR.....	46
Annex 8. Comments of Development Partner Co-financiers	56
Annex 9. List of Supporting Documents	62
Annex 10. Educational Status of Major Caste/Ethnic Groups in Nepal	66
MAP	67

A. Basic Information			
Country:	Nepal	Project Name:	Nepal: School Sector Reform Program
Project ID:	P113441	L/C/TF Number(s):	IDA-46520, IDA-52500, IDA-H5180, IDA-H8460, TF-98235, TF-A0779, TF-A0843, TF-A0915
ICR Date:	03/15/2017	ICR Type:	Core ICR
Lending Instrument:	Specific Investment Loan	Borrower:	NEPAL
Original Total Commitment:	US\$130.00 million ¹		
Revised Amount:	US\$413.3 million ²	Disbursed Amount:	US\$370.7 million ³
Environmental Category: B			
Implementing Agencies:			
Ministry of Education Department of Education/Ministry of Education			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	05/29/2009	Effectiveness:	11/30/2009	12/23/2009
Appraisal:	08/11/2009	Restructuring(s):		12/07/2010, 07/08/2013, 01/22/2016
Approval:	09/22/2009	Midterm Review:	03/12/2012	03/12/2012
		Closing:	12/15/2014	07/15/2016

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Satisfactory

¹ IDA-46520, IDA-H5180

² Original IDA Credit and Grant (IDA-46520, IDA-H5180); Education for All-Fast Track Initiative Catalytic Grant (TF-98235); IDA AF Credit and Grant (IDA-52500, IDA-H8460); Global Partnership for Education AF Grant (TF-A0779, TF-A0843) and Results in Education for All Children Multi-Donor Trust Fund AF Grant (TF-A0915).

³An amount of US\$29.8 million remains undisbursed at the time of closing. This includes (a) 'Part B' of the GPE AF Grant (US\$17.8 million) and REACH AF Grant (US\$4 million) that disburse during the post-SSRP period; (b) a total amount of US\$4.8 million that remains undisbursed under 'Part A' of the GPE Grant; and (c) US\$3.14 million of SDR equivalent under IDA. In addition, the project lost approximately US\$4.8 million due to exchange rate fluctuation. Refer to annex 1 for details.

Risk to Development Outcome:	Low
Bank Performance:	Satisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)

Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Satisfactory	Overall Borrower Performance:	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators

Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	Yes	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Major Sector/Sector		
Public Administration		
Public administration - Education	4	4
Education		
Secondary Education	19	19
Primary Education	76	76
Adult, Basic and Continuing Education	1	1

Major Theme/Theme/Sub Theme		
Finance		
Finance for Development	7	7
Disaster Risk Finance	7	7
Human Development and Gender		
Education	29	29
Access to Education	29	29
Education Financing	21	21

Science and Technology	8	8
Standards, Curriculum and Textbooks	8	8
Teachers	8	8
Urban and Rural Development		
Disaster Risk Management	7	7
Disaster Preparedness	7	7
Disaster Response and Recovery	7	7
Disaster Risk Reduction	7	7

E. Bank Staff

Positions	At ICR	At Approval
Vice President:	Annette Dixon	Isabel M. Guerrero
Country Director:	Qimiao Fan	Susan G. Goldmark
Practice Manager/Manager:	Keiko Miwa	Amit Dar
Project Team Leader:	Dilip Parajuli	Rajendra D. Joshi/Venkatesh Sundararaman
ICR Team Leader:	Susan Opper	
ICR Primary Author:	Susan Opper	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

To increase access to and improve quality of school education, particularly basic education (Grades 1–8), especially for children from marginalized groups.

Revised Project Development Objectives (as approved by original approving authority)

Not Applicable.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1:	Net Enrolment Rate for primary education (Grades 1–5) (Percentage, Custom)			
Value (quantitative or qualitative)	92.00%	Phase 1 (P1): 99.00%	P2: 99.00% P3: 99.00% P4: 99.00%	97.00%
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	The target for all phases was 98% achieved.			
Indicator 2:	Net Enrolment Rate for basic education (Grades 1–8) (Percentage, Custom)			

Value (quantitative or qualitative)	73.00%	P1: 85.00%	P2: 85.00% P3: 92.00% P4: 92.00%	91.00%
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	P1 and P2: 107% achieved; original target surpassed; P3 and P4: target 99% achieved			
Indicator 3:	Completion Rate for primary education (Grade 5) (Percentage, Custom)			
Value (quantitative or qualitative)	58.00%	P1: 79.00%	P2: 79.00% P3: 81.00% P4: 81.00%	81.00%
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	P1 and P2: 103% achieved; original target surpassed; P3 and P4: target 100% achieved			
Indicator 4:	Completion Rate for basic education (Grade 8) (Percentage, Custom)			
Value (quantitative or qualitative)	41.00%	P1: 66.00%	P2: 66.00% P3: 76.00% P4: 76.00%	70.00%
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	P1 and P2: target 106% achieved; original target surpassed; P3 and P4: target 92% achieved			
Indicator 5:	Gender Parity Index in enrolment for primary education (Grades 1–5) (Percentage, Custom)			
Value (quantitative or qualitative)	98.00%	P1: 100.00%	P2: 100.00% P3: 100.00% P4: 100.00%	99.00%
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	The target for all phases was 99% achieved.			
Indicator 6:	Gender Parity Index in enrolment for basic education (Grades 1–8) (Percentage, Custom)			
Value (quantitative or qualitative)	95.00%	P1: 98.00%	P2: 98.00% P3: 100.00% P4: 100.00%	100.00%
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	P1 and P2: target 102% achieved; original target surpassed; P3 and P4: target 100% achieved			
Indicator 7:	Gender Parity Index in enrolment for secondary education (Grades 9–12) (Percentage, Custom)			
Value (quantitative or qualitative)	91.00%	P1: 95.00%	P2: 95.00% P3: 100.00% P4: 100.00%	98.00%
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments	P1 and P2: target 103% achieved; original target surpassed; P3 and P4: target			

(including % achievement)	98% achieved			
Indicator 8:	Student Learning Assessment in Grades 3, 5, and 8 (Yes/No, Custom)			
Value (quantitative or qualitative)	No	P1: Yes	P2: Yes P3: 2nd round report for Grade 3 and 5 published; P4: 2nd round report for Grade 3 and 5 published	Yes
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	Target was achieved for all phases.			
Indicator 9:	Development of equity strategy and its implementation for basic education (Text, Custom)			
Value (quantitative or qualitative)	Strategy does not exist.	P1: n.a.	P2: n.a. P3 and P4: Implementation of plan of action in the 2nd group of 5 districts with the highest share of out-of-school children	A composite equity index in the final stage of preparation to identify districts with highest rate of out-of-school children for targeted intervention
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	P1: n.a.; P2: n.a. Indicator added at P3 restructuring. P3 and P4: target not achieved by School Sector Reform Program (SSRP) closing. Interventions are planned for February 2017 based on the Equity Index (completed) and 15 pilot districts identified.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1:	Gross Enrolment Rate for primary education (Grades 1–5) (Percentage, Custom)			
Value (quantitative or qualitative)	147.00%	P1: 132.00%	P2: 132.00% P3: 132.00% P4: 132.00%	134.00%
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	All phases: target 98% achieved			
Indicator 2:	Gross Enrolment Rate for basic education (Grades 1–8) (Percentage, Custom)			
Value (quantitative)	123.00%	P1: 132.00%	P2: 132.00% P3: 120.00% P4:	122.00%

or qualitative)			120.00%	
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	P1 and P2: target 92% achieved; P3 and P4: target 102% achieved			
Indicator 3:	Net Enrolment Rate for secondary education (Grades 9–12)			
Value (quantitative or qualitative)	21.00%	P1: 27.00%	P2: 27.00% P3: 38.00% P4: 38.00%	39.00%
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	P1 and P2: 144% achieved; original target surpassed; P3 and P4: target 102% achieved; revised target surpassed			
Indicator 4:	Percentage of fully trained teachers at basic and secondary education level (Percentage, Custom)			
Value (quantitative or qualitative)	91.00%	P1: 88.00% of basic education teachers; 93% of secondary teachers	P2: 88.00% of basic education teachers; 93% of secondary teachers P3: 95% of basic education teachers, 86% of secondary teachers; P4: 95% of basic education teachers, 86% of secondary teachers	93.00% of basic education teachers; 82% lower secondary education teachers
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	P1 and P2: target fully achieved; see note below. P3 and P4: target 98% achieved for basic education teachers; target 95% achieved for secondary education teachers. 'Fully trained teachers' means teachers completed required training per the Government of Nepal (GON) national Teacher Professional Development program for the SSRP. Original baseline indicator measured teachers with 'required qualification'.			
Indicator 5:	Number of school levels under community management (Number, Custom)			
Value (quantitative or qualitative)	8,500.00	P1: 26,500.00	P2: 26,500.00 P3: 16,000.00 P4: 16,000.00	12,471.00
Date achieved	09/22/2009	12/15/2014	07/15/2016	07/15/2016
Comments (including % achievement)	P1 and P2: target not achieved; P3 and P4: target 78% achieved. Original target was reviewed at the SSRP midterm and assessed as too ambitious for the country conditions, even though significant progress had been made up to that point.			

G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements ⁴ (US\$, millions)
1	03/30/2010	Satisfactory	Moderately Satisfactory	0.00
2	12/19/2010	Moderately Unsatisfactory	Moderately Unsatisfactory	20.50
3	07/17/2011	Moderately Satisfactory	Moderately Satisfactory	44.41
4	03/21/2012	Moderately Satisfactory	Moderately Unsatisfactory	52.43
5	12/16/2012	Moderately Satisfactory	Moderately Satisfactory	84.61
6	06/23/2013	Moderately Satisfactory	Moderately Satisfactory	122.34
7	01/10/2014	Moderately Satisfactory	Moderately Satisfactory	123.96
8	07/10/2014	Satisfactory	Moderately Satisfactory	165.69
9	02/09/2015	Satisfactory	Moderately Satisfactory	165.68
10	08/12/2015	Satisfactory	Moderately Satisfactory	199.37
11	03/23/2016	Satisfactory	Moderately Satisfactory	199.37 ⁵

H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US\$, millions	Reason for Restructuring and Key Changes Made
		DO	IP		
12/07/2010		S	MS	0.00 ⁶	<p>A US\$120 million Grant from the Education for All-Fast Track Initiative (EFA-FTI) Catalytic Trust Fund (administered by IDA) was approved by the World Bank Board of Directors on December 7, 2010. This was part of the GON resource mobilization strategy for the SSRP at the time the original IDA allocation was prepared, but the Global Partnership for Education (GPE) approval process had not completed before the original IDA Credit and Grant became effective.</p> <p>Change in legal covenants. The original covenants were modified to add the requirement for the borrower to prepare a completion report on the project.</p> <p>No change was made to the</p>

⁴ Includes only IDA.

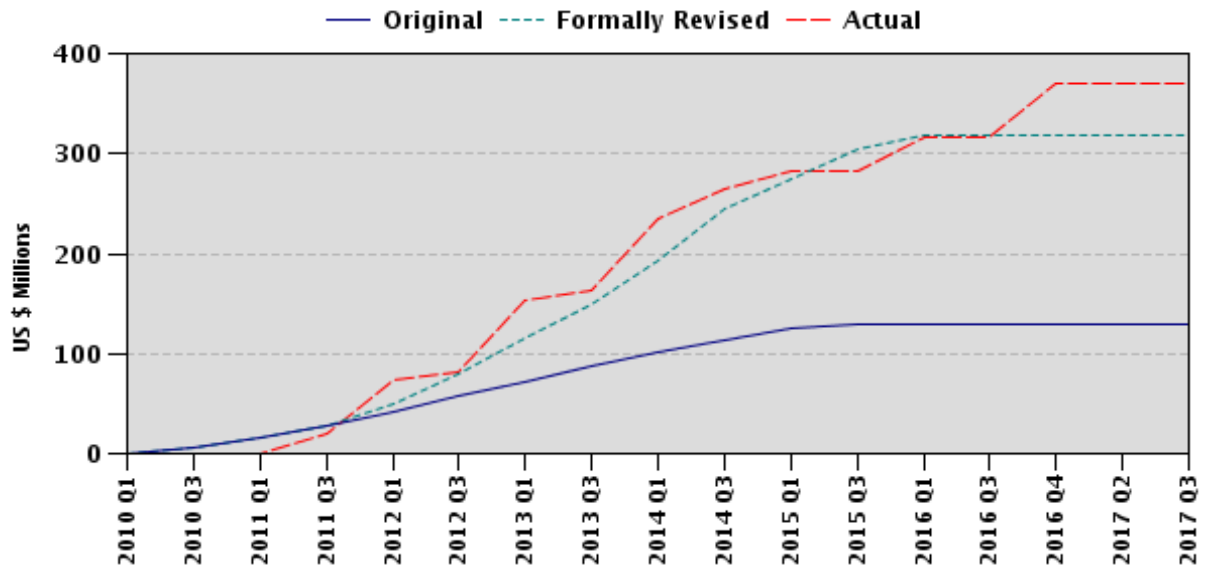
⁵ Disbursed at time of last ISR in March 2016, four months before the project closed.

⁶ The first disbursement under the project was made on December 13, 2010 which is after the approval of this Trust Fund.

					disbursement arrangements and no modifications were made to the original PDO and Intermediate Results (IR) indicators.
07/08/2013		MS	MS	225.26	<p>IDA Credit in the amount of SDR 36.74 million (US\$55 million equivalent) and IDA Grant in the amount of SDR 30.06 million (US\$45 million equivalent) were approved on July 8, 2013, to support the GON for its full seven-year SSRP period (2009/2010–2015/16) and help meet a financing gap that was due to a 30 percent increase in teacher salaries that took effect in 2010 and was not foreseen at the time the original project was prepared. US\$25 million of the total US\$100 additional financing (AF) is linked to achievements of 4 ‘Incentive Linked Indicators’ (ILIs) which are new at the Phase 3 restructuring.</p> <p>Changes to legal covenants. The covenants were modified to add a clause for the borrower’s obligations to hire a third-party verifier of the ILI achievements, to establish a dedicated procurement unit at DOE, and to add the Governance and Accountability Action Plan (GAAP) to the provision that originally only called for the project to be carried out “in accordance with the Anti-Corruption Guidelines.”</p> <p>Change in disbursement arrangements. The original arrangements were modified to add the conditions of achievement for the ILI indicators.</p> <p>Changes to Project Key Indicators. One new PDO indicator was added; one PDO indicator and five IR indicators were revised. The details are provided in table 2 of the main text.</p>
01/22/2016		S	MS	317.2	<p>AF Grants of US\$4 million from Norway through the Results in Education for All Children Multi-Donor Trust Fund (REACH MDTF) (administered by IDA) and the aggregate amount of US\$59.3 million from the GPE for a three-year operation (July 2015–June 2018) were approved on January 22, 2016, to meet an</p>

				<p>estimated US\$41.5 million financing gap in the GON SSR Program and incentivize higher performance toward equity, efficiency, and improved learning outcomes through five new Disbursement Linked Indicators (DLIs). 30% of the GPE Grant disburses against DLIs 1–3; the REACH Grant disburses against DLIs 4–5.</p> <p>Changes to legal covenants. The covenants were modified to add detail to the original provisions for management of environmental and social safeguards; add measures regarding the visibility of donor support; add a provision for the recipient to ensure all records evidencing expenditures under the project are retained for seven years and six months after the closing date; add specific provisions for the recipient to monitor and evaluate the project’s progress on the basis of indicators in the Results Framework; and add the provisions for disbursement under the post-2016 program against all the verified achievements of the five DLIs.</p> <p>Disbursement arrangements. GPE Grant: The grant has a ‘fixed’ and a ‘variable’ portion to allow 70% of the total grant commitment to disburse for eligible expenditures under the SSR Program Annual Work Plan and Budget (following the same disbursement arrangements as the original IDA Credit and Grant, IDA Credit and Grant AF, and EFA-FTI); the remaining 30% is subject to achievement of DLIs (1–3) and disburses under the post-2016 program. REACH Grant: Disbursement is under the post-2016 program and is 100% subject to achievements of DLIs (4–5).</p> <p>Changes to the Key Performance Indicators. Five DLIs were added and one IR indicator was revised for clarity. The details are provided in table 2 of the main text.</p>
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I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

1. **The project was prepared at a time of high expectation for education to be part of a peace dividend.** Strong political commitment cut across party lines to redress inequalities in educational opportunities associated with wider social exclusion that had helped fuel a decade of armed conflict. The Maoist insurgency fundamentally challenged Nepal's highly stratified social setup, a confluence of caste, ethnic, and regional hierarchies which historically marginalized many communities. The 27.5 million population comprises 125 castes and ethnic groups; 123 languages and dialects are spoken. Over 80 percent of the people live in rural areas. Three eco-zones—the mountains, the hills, and the Terai plains—run north to south. Five development regions run east to west. Spatially, development has been largely Kathmandu-centric.

2. **The gradual, albeit uneven, peace process enabled resumption of public education provision in conflict-affected areas and set the stage for accelerated progress countrywide.** After the Comprehensive Peace Agreement (CPA) in 2006, major political upheavals included integration of the Maoists into a multiparty democratic system, termination of the monarchy, and election of the first and second Constituent Assemblies. An interim Constitution was adopted in 2007; the new Constitution, promulgated in 2015, was delayed by differing views over the nature of the new federalism.

3. **Growing awareness of the value of education contributed to a significant increase in the demand for, and expectations from, public education services.** From the time it committed to the World Declaration on Education for All in 1990, Nepal made progress on key educational indicators, boosted by a series of national programs in primary and basic education.⁷ During the Maoist insurgency, community engagement helped keep education service delivery from collapsing even in the remotest areas. The interim Constitution stipulated free education to secondary level as a basic right for citizens, to be implemented once sufficient resources were available. The Government increased public investment in education from 2.9 percent gross domestic product (GDP) in 1999 to 4.7 percent GDP in 2010. Nepal's Education for All National Program of Action (EFA-NPA) provided a coherent policy framework, aligned with the global EFA targets and Millennium Development Goals (MDGs). Before project appraisal, there were agreements on reforms for the devolution of decision-making powers to communities and school management;⁸ expansion of demand-side intervention schemes (including targeted scholarships) to bring children from marginalized groups to the schooling process; and decentralization of teacher hiring through the provision of block grants for teacher salaries.

4. Achievements in access by 2009 included a 92 percent net enrolment rate (NER) for primary (Grades 1–5) and near gender parity at primary and lower secondary (Grades 6–8) levels. Achievements were less convincing with regard to the quality of education and student learning. The main remaining challenges for Nepal as it entered the final phase of its EFA-NPA were (a) low quality of education widely observed at all levels of schooling; an important step to tackle the issues was to establish systematic measures of learning achievements—Nepal lacked measures of internationally acceptable standards; (b) low internal efficiency with nearly 16 percent of children dropping out after Grade 1 and nearly 30 percent repeating that grade, and Grade 5 completion rate less than 60 percent with many who

⁷ The programs included two Basic Primary Education Projects (BPEP I, 1992–1998 and BPEP II, 1999–2004); Community School Support Program (CSSP, 2003–2008); Secondary Education Support Program (SESP, 2003–2009); and EFA (2004–2009). In 2000, Nepal adopted the EFA agenda as a National Plan of Action to achieve its goals by 2015.

⁸ With the Seventh Amendment of the 1971 Education Act in 2001, all public schools were renamed as 'community' schools and all private schools were called 'institutional' schools. The amendment also initiated major reform for community ownership of schools, delegating powers to School Management Committees (SMCs), which included appointment of teachers; resource generation; and formulating, approving, and executing the school budget. SMCs are elected by parents.

completed Grade 5 not transitioning to Grade 6; and (c) an estimated 10 percent of primary age children not in school; shares of the lower and higher secondary age groups not in school were much higher.

5. **The World Bank operation supported the Government of Nepal (GON) School Sector Reform Program (SSRP)** that aimed to consolidate gains achieved under the previous primary education programs and simultaneously expand coverage to the end of secondary in a phased manner. IDA was expected to cover an estimated 5 percent of the total program costs through a Sector-wide Approach (SWAp) with other Development Partners (DPs); the majority had also participated in the preceding EFA program that was Nepal's first SWAp in education.⁹ The planned duration of the Government's SSRP was seven years—from 2009/10 to 2015/16—but the GON initially agreed to engage with DPs on a five-year partnership. The SWAp aligned DP support with the Government systems for financial management (FM) and reporting procedures and largely with the GON procurement systems.¹⁰ Most of the SSRP expenditures were to be made by the frontline actors using grants transferred from the central government level to schools under a Per Capita Financing (PCF) modality.¹¹ The PCF was in place since the EFA program, when it financed non-salary recurrent costs; this was also extended to finance teachers' salaries under the SSRP.

6. **Decentralizing management to SMCs and community participation are the cornerstones of the Government's strategy to improve the quality and efficiency of education.** The PAD (2009) states that more schools were expected to move to community management while the program concurrently strengthened SMCs' capacities and improved their performance on the governance front. At the time of appraisal, without a new Constitution in place, the legal framework of the new federal and subnational governance and management structures was not established. The Project Concept Note (PCN) signaled risks this posed should various actors use the transitional period to their advantage, potentially to reverse community management of schools. To mitigate risks of a programmatic and fiduciary nature, the GON and DPs jointly developed a Governance and Accountability Action Plan (GAAP) as a common platform of the SWAp.

7. **Rationale for the World Bank involvement.** The GON requested IDA support to help ensure adequate, flexible, and continuous financing for the SSRP. Despite significantly increased funding that the GON provided for education, IDA's engagement was important in relative terms and in conjunction with other DPs for supporting targeted scale-up and faster expansion of the Government-funded reform initiatives. The GON recognized the World Bank's convening power to help the Government lead a well-coordinated education reform effort that converged with other ongoing efforts to create the new federal state. The World Bank had deep contextual understanding from over 30 years of supporting education in Nepal and the global knowledge and strong technical expertise to bring to bear on the new dimensions that the SSRP was bringing in compared with the EFA. The project aligned fully with objectives of the World Bank Group's 2007 and 2009 Interim Strategy Notes (ISNs) (Report No. 38119-NEP and Report No. 48279-NP, respectively) to ensure equitable access to quality education and protect key reforms undertaken, particularly decentralization of decision-making powers to communities and school

⁹ In the first five years, the GON funded the SSRP jointly with Asian Development Bank (ADB), Australia, Denmark, U.K. Department for International Development (DFID), European Union (EU), Finland, Norway, the World Bank, United Nations Children's Fund (UNICEF), and Education for all Fast-Track Initiative Catalytic Funds (administered by IDA) from the Global Partnership for Education (GPE) as pooling DPs. During a two-year extension, Japan International Cooperation Agency (JICA) joined as a pooling DP; Denmark and DFID phased out their support. Non-pooling DPs supporting the program were JICA, United Nations Education, Science, and Cultural Organization (UNESCO), UNICEF, United States Agency for International Development (USAID), World Food Programme (WFP), and International Nongovernmental Organizations (INGOs) through the Association of INGOs in Nepal (AIN).

¹⁰ The Joint Financing Arrangement (JFA) between the GON and pooling DPs stipulated that procurement under the SSRP is carried out in accordance with country systems, except for National Competitive Bidding, which needs to meet additional IDA prescribed caveats, and International Competitive Bidding, which fully follows IDA guidelines.

¹¹ With this modality, schools are financed according to the number of students enrolled (as opposed to teacher-based funding). The enrolment figure is based on an end-of-school year census known as 'Flash II'. As stated in the 2009 Project Appraisal Document (PAD), the funding is expected to enhance quality and efficiency through increased school choice (for children), competition among schools, and efficient teacher deployment.

management. The ISNs assessed this support in education as instrumental in Nepal’s move to the new federalism. The 2007 ISN foresaw reforms were likely to be uneven initially and public service delivery weak. The ISN advocated steady support for basic infrastructure and state institution building. The 2009 ISN supported the community school management model by advising a sounder monitoring and evaluation (M&E) system and adequate mechanisms for funding schools in ‘poorer areas’.¹²

1.2 Original Project Development Objectives (PDO) and Key Indicators

8. The PDO is “to increase access to and improve quality of school education, particularly basic education (Grades 1–8), especially for children from marginalized groups.” The statements in the PAD (2009) and Financing Agreement (FA) are consistent. The November 27, 2009, supplemental letter to the FA is the formal agreement between the GON and IDA on the indicators (table 1) to monitor and evaluate implementation of the project. The letter explains the key performance indicators (KPI) focus on basic education given that over 75 percent of the budget is spent on this subsector; moreover, the primary education (Grades 1–5) KPIs are tracked as part of the MDGs’ monitoring. These two sets of KPIs together with two intermediate outcome (IO) indicators completed the IDA core indicators requirements. The number of Intermediate Results (IRs) by component was large because many were already part of the set that the GON and DPs used in the prior EFA project. The subset of indicators initially used for purposes of Implementation Status and Results Report (ISR) tracking comprises primary and basic education KPIs as PDO indicators (total of nine indicators) and key IRs (five indicators).

Table 1. Original Project Indicators (2009)

Program Development Objective	Program Outcome Indicators/Key Performance Indicators
The PDO is to increase access to and improve quality of school education, particularly basic education (Grades 1–8), especially for children from marginalized groups.	(a) NER for basic education Grades 1–8 (b) Basic education completion rate (c) Gender parity index (GPI) for basic education (d) Student Learning Assessment in Grade 8
Objective	Results Indicators for Each Component
Component 1: Basic Education Ensure equitable access and quality basic education for all children in age groups 5–12	(a) Gross intake rate at Grade 1 (b) Gross enrolment rates (GERs) for primary (Grades 1–5) and basic (Grades 1–8) (c) Share of Out-of-School Children (OOSC) of ages 5–12 (overall, Dalit, educationally disadvantaged groups, poor, lagging districts) (d) Repetition rates in Grades 1 and 5 (e) Percentage of new entrants in Grade 1 with early childhood education development (ECED) experience (f) Percentage of enrollees graduating from literacy/post literacy competency exams
Component 2: Secondary Education Improve access, equity, and quality and relevance of secondary education	(a) NER for secondary education (Grades 9–12) (b) Transition rate from Grades 8 to 9 and 10 to 11 (c) School Leaving Certificate (SLC) and Higher Secondary Examination (HSE) pass rates as percentage of initial enrolment and exam appearance (d) Number of students completing Technical Education and Vocation Training (TEVT) soft skills course
Component 3: Institutional Capacity Strengthening Improve capacity of the SSRP implementation agencies and its partners to enhance delivery and monitoring of educational services and products	(a) Percentage of teachers with required qualification and training at basic and secondary education level (b) Percentage of teachers with required certification at basic and secondary education level (c) Pupil-teacher ratio at basic and secondary education level (d) Number of classrooms built or rehabilitated (e) Percentage of students receiving textbooks within two weeks of school session start

¹² ISN (2009), p. 58, quoting a finding from the Independent Evaluation Group (IEG).

	<ul style="list-style-type: none"> (f) Percentage of students receiving scholarships of different categories within a month of scheduled timeline (g) Share of the PCF, raahat,^a salary, and non-salary grants disbursed to schools in first trimester (h) Number of schools under community management (i) Number of schools completing social audit reports (j) Number of schools introducing Continuous Assessment System in Grades 1–3 (k) Number of languages for which instructional materials have been developed and teachers have been trained (l) Teacher attendance rate
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Note: a. Rahaat is a category of community-funded temporary teachers.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

9. There was no formal revision to the PDO.

10. The original project indicators were not modified by the project restructuring in Phase 2 upon approval of the additional grant from the Education for All-Fast Track Initiative (EFA-FTI) in December 2010 (section 1.7). Indicators were modified in 2013 at the Phase 3 restructuring with additional financing (AF), and in 2016 at the Phase 4 restructuring with AF (table 2)

- The 2013 restructuring reflected the experiences of the project’s initial years of implementation and introduced four Incentive Linked Indicators (ILIs) to raise performance standards relative to outcomes in the areas of quality, governance, and accountability. An updated Results Framework and a separate ILI matrix are annexed to the AF Project Paper; the FA incorporates the ILI matrix and requirements for third-party verification of the achievements.
- The 2016 restructuring amplified the drive for results in areas deemed to have high impact on the efficacy of the Government program. Five new Disbursement Linked Indicators (DLIs) were brought in. Three of the DLIs (1–3) are ‘stretch indicators’ in reforms for learning outcomes/quality, efficiency, and equity and are conditions for disbursement from 30 percent of the total GPE AF Grant commitment. The other two DLIs (4–5) strengthen monitoring systems and FM, directly following up on recommendations from the 2014 Public Expenditure Tracking Survey (PETS). These two DLIs are conditions for disbursement from the Results in Education for All Children Multi-donor Trust Fund (REACH MDTF) Grant. The AF Project Paper and FA incorporate the matrix of five DLIs and mechanisms for their verification. When the GPE and REACH Grants were prepared, the World Bank, jointly with the GON and other members of the Local Education Group, appraised country and sector conditions and concluded that the DLIs needed a longer (than the SSRP) timeline to achieve. Accordingly, their achievements are to be assessed and disbursed against under the post-2016 program. The 2016 AF FA includes a section of provisions for the recipient to continue carrying out the project under the post-2016 SSRP program and monitor and report on the DLI achievements.

Table 2. Modified Project Indicators at Phase 3 and Phase 4 Restructurings

Indicators	Modifications at Phase 3 (July 2013)		Modifications at Phase 4 (January 2016)	
	Modification	Justification	Modification	Justification
PDO level	Original PDO indicator-(a) (NER for basic education) supplemented with new, separate PDO indicator for primary NER	Disaggregated data are being collected for monitoring of the MDGs and EFA goals	--	--
	Original PDO indicator-(b) (basic education completion rate) supplemented with new, separate PDO indicator for primary education completion rate	Disaggregated data are being collected for monitoring of MDGs and EFA goals	--	--
	Original PDO indicator-(c) (GPI for basic education) supplemented with two new, separate PDO indicators for GPI for primary and secondary	Disaggregated data are being collected for monitoring of MDGs and EFA goals	--	--
	Original PDO indicator-(d) on national learning assessment at Grade 8 revised as ILI4: "Completion of National Assessment of Student Achievement rounds for Grades 3, 5 and 8"	Grades 3, 5 learning assessments already being conducted during Phases 1+2	--	--
	New: "Development of equity strategy and its implementation for basic education" (version of prior IR indicator-1(c) share of OOSC ages 5–12, which was dropped)	Introduced at PDO level to measure actions toward the inclusion of marginalized children since EMIS was not collecting data on students' ethnicity and economic status; only source was periodic NLSS	New DLI (3): "Development of the equity index and its utilization for providing targeted support to districts"	New GPE stretch indicator reflecting equity at basic level
Component 1: Basic Education	IR indicator-1(d) (Grades 1 and 5 repetition rates) dropped	Data are otherwise regularly captured in the system	New DLI (2): "Community schools where standardized classroom-based early grade reading assessment for Grades 2 and 3 are conducted by teachers, observed by parent representatives, and results are shared and discussed with parents."	New GPE stretch indicator reflecting quality at basic level
	IR indicator-1(f) (percentage of enrollees graduating from literacy/post-literacy competency exams) dropped	To align with the GON's overall Program Results Framework		
Component 2: Secondary Education	IR indicator-2(b) (transition rate from Grades 8 to 9 and 10 to 11) dropped	To align with the GON's overall Program Results Framework	IR indicator-2(c) 13 revised as: "School Leaving Certificate (SLC) and Higher Secondary Examination (HSE) pass rate as	Revised for clarity

Indicators	Modifications at Phase 3 (July 2013)		Modifications at Phase 4 (January 2016)	
	Modification	Justification	Modification	Justification
	IR indicator-2(d) (number of students completing TEVT soft skills course) dropped	To align with the GON's overall Program Results Framework	percentage exam appearance" New DLI (1): "Implementation of single subject certification in the SLC and higher secondary school examinations"	New GPE stretch indicator reflecting efficiency at secondary level
Component 3: Institutional Capacity Strengthening	IR indicator-3(a) (percentage of teachers with required qualification and training at basic and secondary level) dropped; replaced by "percentage of fully trained teachers at basic and secondary education level"	Backlog of uncertified permanent teachers was cleared	New DLI (4): "EMIS verification: One round of independent validation of the school-level EMIS data is carried out and agreed recommendations from the validation report are implemented"	New REACH Grant indicator reflecting accountability/governance dimension
	IR indicator-3(e) (percentage of students receiving textbooks within two weeks of school session start) revised as ILI 3: "Percentage of students in basic education (Grades 1–8) receiving textbooks within two weeks of start of classes"	New ILI	New DLI (5): "Strengthening FM capacity at the school level on a pilot basis"	New REACH Grant indicator reflecting need to enhance the overall FM system in the sector
	IR indicator-3(f) (percentage of students receiving scholarships of different categories within a month of scheduled timeline) revised as ILI 2: "Database of individual students (Grades 9–12) receiving scholarships established and delivery of scholarships through financial institutions."	New ILI		
	IR indicator-3(g) (share of the PCF, rahaat salary, and non-salary grants disbursed to schools in first trimester) revised as ILI 1: "Percentage of total permanent and rahaat teachers received salary through bank account"	New ILI		
	IR indicator-3(h) (number of schools under community management) revised to substitute 'levels' instead of 'number of schools'			
	IR indicator-3(j) (number of schools introducing Continuous Assessment System in Grades 1–3) dropped	To align with the GON's overall Program Results Framework		
IR indicator-3(l) (teacher attendance rate) dropped	To align with the GON's overall Program Results Framework			

1.4 Main Beneficiaries

11. The original PAD did not have a separate section on beneficiaries. The Implementation Completion and Results Report (ICR) uses the beneficiaries section of the 2016 AF Project Paper which states "...as in the ongoing SSRP, the intended beneficiaries are the entire school education sector (Grades 1–12), benefiting more than 7 million students and 200,000 teachers in over 28,000 community schools across the country." The 2009 and 2016 FAs contain specific provisions for community schools to receive "benefits of subproject grants," compatible with use of the Government's PCF modality. Component 3 of the project mentions both school/community and implementing agency level beneficiaries of technical and managerial capacity building to carry out their expected enhanced roles.

1.5 Original Components

12. The three components of the World Bank support address the scope of the Government's SSRP. The IDA funding was planned to be flexible. The amount of actual disbursement commitments each year in line with IDA's 5 percent pro rata share in financing was determined after the World Bank reviewed, jointly with the other DPs, the Government's Annual Work Plan and Budget (AWPB) and progress to date. The costs (in parentheses below) estimated at appraisal for each component show indicative numbers for IDA which reflect 5 percent of the overall estimated cost of the respective component.

13. **Component 1: Basic Education (Total US\$2067 million, IDA: US\$102 million).** This component explicitly states basic education as the top priority and reflects both the access and quality objectives. Main activities planned were the following:

- Provision of targeted scholarships to promote access
- Scale-up of curriculum development including multilingual learning materials to facilitate learning and retention in school
- School mapping to address the extent and access problems of OOSC
- Expansion of the number of ECED centers to scale up readiness of the preprimary age population to enter primary school
- Expansion of physical facilities (schools, classrooms, and sanitation facilities)
- Financing, through the PCF, for teacher salaries, textbooks, and other non-salary expenditures
- Institutionalizing mandatory School Improvement Plans (SIPs) for providing essential quality inputs, including textbooks and hiring of teachers, and repair/construction of physical facilities
- Strengthening Community Learning Centers (CLCs) to complement the national literacy program.

14. **Component 2: Secondary Education (Total US\$512 million, IDA: US\$25 million).** As part of the GON reform strategy for phasing in expanded coverage of secondary education and the integration of Grades 9–10 with Grades 11–12 (forming a single secondary cycle), the main planned activities of this component support the PDO access and quality objectives.

- Expansion of physical facilities (classrooms, libraries, laboratories)
- Scholarships promoting access of targeted groups (Dalits, marginalized groups, disabled, girls, and children from poor households)
- Development of norms and standards for curricula, education materials, teachers, school environment, and examination systems
- Performance-based grants and other non-salary grants provided through the PCF system, especially for expenditures on textbooks and other quality inputs
- Piloting approaches to bring TEVT into Grades 7–10
- Financing for teacher salaries through the PCF.

Component 3: Institutional Capacity Strengthening (Total US\$57 million, IDA: US\$3 million). The main aim of this component was enhanced capacity and efficacy of decentralized systems for managing equitable access to quality education and monitoring and diagnostic research to inform policy decisions and adjustments in program activities and key reform measures. The main planned activities were the following:

- Large-scale communication campaigns and incentive grants to schools to bring more children in and retain them in school and to increase numbers of community-managed schools¹³
- School-based and resource center (RC)-based teacher training and upgrading teacher licensing
- Measures to strengthen the Education Management Information System (EMIS) data collection and reporting
- Resources for program management to develop standard operating procedures, including internal and external quality assurance systems; strengthen training and technical support capacities within the Government as well as community-based organizations (SMCs, nongovernmental organizations [NGOs]); and conduct evaluation and research to inform and support implementation.

1.6 Revised Components

15. No components were revised.

1.7 Other significant changes

16. The project was implemented largely as planned. The previously mentioned restructurings after the original IDA Specific Investment Loan and Grant became effective were three major changes which required formal approval by the World Bank Board of Directors. A modification to the disbursement arrangements was approved in conjunction with the Phase 3 restructuring to take account of new ILIs:

- **Phase 2 restructuring.** A US\$120 million grant from the EFA-FTI Catalytic Trust Fund (administered by IDA) was approved by the Board on December 7, 2010. This was part of the GON resource mobilization strategy for the SSR Program at the time the original IDA allocation was prepared but the GPE approval process had not completed before the original IDA Credit and Grant became effective, therefore requiring a project restructuring.
- **Phase 3 restructuring with AF.**¹⁴ An IDA Credit in the amount of SDR 36.74 million (US\$55 million equivalent) and IDA Grant of SDR 30.06 million (US\$45 million equivalent) were approved by the Board on July 8, 2013, to support the GON for its full seven-year SSR Program period (2009/2010–2015/2016) and help meet a financing gap that was due to a 30 percent increase in teacher salaries that took effect in 2010, unforeseen at the time the original project was prepared. US\$25 million of the total US\$100 AF is linked to achievements of four ILIs. Project disbursement arrangements were modified to stipulate the annual IDA commitments also take account of verified achievement of the ILI indicators.
- **Phase 4 restructuring with AF.** Grants of US\$4 million from the REACH MDTF and the aggregate amount of US\$59.3 million from the GPE (both grants administered by IDA) for a three-year operation (July 2015–June 2018) were approved on January 22, 2016, to meet a US\$41.5 million financing gap in the SSR Program and raise the bar for performance toward equity and improved learning outcomes in basic education and efficiency at secondary level. The GPE Grant has a ‘fixed’ and a ‘variable’ portion to allow 70 percent of the total grant commitment to disburse for eligible expenditures under the SSR Program AWPB (the same disbursement arrangements as the 2010 EFA-

¹³ There are three categories of community schools: (a) community-aided schools, legally approved for regular Government grants, supported by the Government for teachers’ salaries and other expenses, (b) community-managed schools, supported by the Government for teachers’ salaries and other funds, which have taken over the management responsibility by entering into a formal agreement with the District Education Office; and (c) community-unaided schools which either receive partial support or no support from the Government.

¹⁴ Other DPs also provided AF, helping maintain IDA’s pro rata share at 5 percent.

FTI Grant and IDA commitments) and 30 percent of the total grant commitment to disburse subject to verified achievement of DLIs 1–3, according to computation laid out in the DLI matrix in the AF Project Paper and FA. DLIs 4–5 are conditions of disbursement from the REACH MDTF Grant. These five DLIs do not affect disbursement arrangements of the SSRP project because their achievements are assessed and disbursed against under the post-2016 program.

17. **Legal covenants.** None of the original legal covenants became redundant during implementation. Significant additional detail was added to the original covenants as follows: (a) the 2010 FA for the EFA-FTI Grant added the requirement for the borrower to prepare a completion report on the project; (b) the 2013 IDA AF FA added a clause for the borrower to hire a third-party verifier of the ILI achievements and to establish a dedicated procurement unit at DOE, and added the GAAP to amplify the original provision for the project to be carried out in accordance with the Anti-Corruption Guidelines; and (c) the 2016 GPE and REACH AF FA added detail to the original provisions for environmental and social safeguards management under the project, a new reference to measures for visibility of donor support, a new provision for the recipient to ensure all records evidencing expenditures under the project are retained for seven years and six months after the closing date, and a section with provisions setting the period for DLI disbursements into the post-2016 program (not the SSRP), subject to DLI achievements. Legal conventions in the 2016 AF also brought an explicit provision for the recipient to monitor and evaluate the project’s progress on the basis of indicators in the Results Framework (an inference to annex 1 of the 2016 AF Project Paper).

18. **Ineligible expenditures.** The borrower reimbursed to IDA a cumulative total of NPR 31.5 million. The reimbursements were made at various points over 2012–2017 and addressed the annual audit observations of the Office of Auditor General (OAG) for the respective year.

19. **Cancellations.** A total of US\$8.1 million was canceled from the original allocations of the IDA Credit 4652 and IDA Grant H518, the IBRD/IDA-administered EFA-FTI Grant TF 98235 of 2010, and the 2013 IDA AF Credit 5250. The cancellation of (partial) IDA Credit 5250 proceeds was made on July 12, 2016, before the closing date because of cumulative savings over the program period resulting from less than 100 percent of budget execution.¹⁵ This partial cancellation was intentional, for the funds to remain within the World Bank’s country program for Nepal.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

20. **Project preparation.** The project was prepared in a timely fashion¹⁶ and was grounded in the School Sector Reform Core Document prepared by the Ministry of Education (MOE) and approved by the Cabinet on June 15, 2008, and the School Sector Reform Plan endorsed by the Cabinet on August 20, 2009. The Plan is the framework for the program’s Annual Strategic Implementation Plans (ASIPs) and AWPBs. The World Bank’s preparation process was influenced by the following main factors.

- **Strong consensus that the SSRP responded to broadly shared economic and social imperatives to expand educational access and improve the quality and relevance of education** to build human capital for productive engagement in the labor market and boost an economy disrupted over a

¹⁵ Cancellation was necessary because IDA (as any other DP) disbursement depended on pro rata share of actual expenditures by the Government each year when commitments were made based on budget allocation. Because the Government’s actual expenditures ranged between 90 percent and 95 percent of yearly budget allocation, IDA’s actual disbursement was between 90 percent and 95 percent of yearly commitment, hence leading to cumulative savings over the program period. The SWAp could not be extended to accommodate the IDA undisbursed amount, so the undisbursed funds were canceled.

¹⁶ The total period from concept review to effectiveness was seven months.

decade of conflict. Project preparation was influenced by the World Bank's effort to respond to the Government's concern to avoid hiatus in funding after the EFA project closed; any delay in DPs' appraisal of their support for the SSRP would hold up the Government program.¹⁷

- **Continuity and programmatic approach.** Before the PCN review of the World Bank project, all DPs—most of whom participated in the EFA SWAp—had agreed to coalesce around a single appraisal document, including a joint economic and financial analysis led by the multilateral banks. Similarly, when technical assistance (TA) in other areas was provided by a DP, this largely benefited the collective preparation process. The DPs, including the World Bank, appraised the SSRP on the basis of the FTI procedures because the GON planned to apply for endorsement by the EFA-FTI and a single preparation process would reduce the burden on the MOE. The GON and DPs judged that the background analysis for preparation was largely sufficient because the new program built on lessons from the EFA, CSSP (2003–2008), Secondary Education Support Program (2003–2009), and Teacher Education Project (2003–2009).¹⁸ Significant policy developments had taken place under the past programs, so the overarching policy framework and major reforms to be implemented under the SSRP had been tested.
- **The two co-Task Team leaders (TTLs) for project preparation were based in Kathmandu and the World Bank was the DP focal point for education during the SWAp preparation process.** In this situation, the World Bank team was in continuous policy dialogue with the GON and DPs. Project consultations with DPs ensured alignment of the proposed IDA project activities with those of the other DPs and the expected EFA-FTI support.

21. Aide Memoire in the project files show four initial preparation missions were accomplished before the PCN review on May 29, 2009.¹⁹ Based on discussions during the PCN review, the task team refined the KPIs and the risk identification worksheet and developed a note on vulnerabilities to corruption in the education sector. Other than these, there were no significant changes in the proposed project after the PCN meeting.

22. **Assessment of the project design.** The PAD's discussion of the program design had considered two strategic options: (a) AF for the EFA, with support to a new program contingent on political stability, and (b) financing only for primary education even though the GON program covered the entire school sector. The political instability in Nepal induced the World Bank team to consider possible AF of the EFA program rather than a challenging reform program geared to restructure the school sector. This was not pursued on grounds that the education sector had demonstrated considerable resilience during implementation of the EFA which coincided with the height of the civil conflict. Despite political instability, the GON repeatedly committed to avoid rolling back key reforms; moreover, while the GON's SSR Program was being prepared, its basic structure had been supported by successive governments. The reason for considering the second option was that DPs were concerned about the Government's capacity for placing adequate attention and resources simultaneously on secondary and primary without compromising MDG achievements. By working closely to sharpen the focus on selectively financing expenditures at the basic education (Grades 1–8) and secondary levels, the GON and DPs were able to reduce the initial overall estimated cost of the GON SSRP to a level they judged would not compromise the MDGs. With this risk averted, there was no longer a compelling reason to finance only primary education; rather, the advantages of covering the entire school sector were more compelling. Given that Grades 1–12 in Nepal can be offered in one and the same school and managed by a single administration, reforms covering the entire school were likely to be more sustainable than reforms focused on only selected levels. Coverage of the entire school sector would also help address the 'demand-bulge' at secondary education.

¹⁷ Aide Memoire Joint Consultation Meeting of Education for All and Secondary Education Support Programme, November 26–28, 2008.

¹⁸ Aide Memoire Joint Annual Review Meeting of Education for All and Secondary Education Support Programme, May 12–14, 2008.

¹⁹ Missions carried out between December 1 and 11, 2008; February 1 and 13, 2009; March 22 and April 2, 2009; and April 27 and 30, 2009.

23. **Quality at entry.** The overall design of the project had the right focus of access and quality with attention to marginalized groups, striking a balance between ambitious reform and realism. Quality was a large unfinished agenda from the prior EFA program and the SSRP focus on teachers and assessment was appropriate. Research globally shows effective teaching is the single most important ingredient for improving quality, and assessment is vital for measuring the performance of the education system. The activities and outputs supported by the IDA project were closely linked to the PDO which reflects Nepal's circumstances and the main development goals of the SSR Program. Expanding the focus beyond primary education had a solid rationale for the reasons cited above and is supported by evidence that primary education completion is inadequate to prepare graduates to be productive members of the labor force. The PDO and IRs indicators were cautious to avoid an ambition level too high for an implementation facing many reforms and unknowns: subsectors to be merged (primary Grades 1–5 and lower secondary Grades 6–8 to form a new eight-year basic education cycle); the PCF modality extended with funds for teachers' salaries; and new institutions and practices to be developed and consolidated for decentralized service delivery. The PDO and IRs rightly direct attention to safeguarding and building on the positive trends in participation rates and internal efficiency up to the close of the EFA project, while SSRP also would implement new dimensions of reform.

24. It is commendable that the Government prepared an ambitious reform program with engagement of multiple stakeholders, and the IDA project preparation period was highly responsive to exigencies of the GON's timetable. The ICR notes that during preparation, the World Bank team was an enabler for seamless cooperation between the pooling and non-pooling DPs. Some aspects would have benefited, however, from more attention at preparation stage. It was known that four items (teachers' salaries, textbooks, scholarships, and construction) would comprise most of the SSRP budget and expenditures would be made by frontline actors using the PCF grants. A SWOT analysis²⁰ could have helped the program go beyond a strategy mainly of financing inputs to one that articulated, in clearer operational terms, how SMCs and schools could 'manage' and fit all the pieces together for an inclusive education of appropriate quality. It could have been useful to allow more time to project operational challenges for SMCs to meet increased needs for teachers as enrolments expanded in line with objectives for the new basic education (Grades 1–8) and access pressures for secondary. The SMC would need to manage the interaction of different categories of teachers²¹ at the same school and the competition between schools to recruit from a scarce supply of qualified teachers, especially for science, math, and English subjects. To help ensure that there would be adequate capacity to handle the more complex challenges in the SSRP (going beyond primary), transitional measures to support SMCs may have been needed in the first stages of implementation. Component 3 rightly focuses on institutional capacity building, but a results chain leading to expected outcomes was not laid out during preparations, even while the need was a lesson learned from the EFA.

25. The project PDO emphasis on marginalized groups implies progress on the difficult task of inclusion of diverse categories (children at a disadvantage because of physical, linguistic, location, poverty, and/or social identity), whereby the difficulty increases steeply after Grade 5. The program would have benefited if steps during preparation had defined a 'critical path', linking relevant program inputs and interventions with expected outcomes, and indicators to track progression of the respective marginalized groups. Moreover, if mechanisms could have been established to monitor progress regularly through the EMIS, this would have informed program implementation ongoing, in contrast to reliance on periodic national household survey data, the method primarily foreseen in the November 27, 2009, supplemental letter to the 2009 FA. Finally, the economic analysis at appraisal estimated the internal rate

²⁰ A structured planning analysis to evaluate the strengths, weaknesses, opportunities, and threats of a project.

²¹ Broadly, there are three categories: teachers recruited directly by the Government into teacher positions, rahaat teachers recruited into temporary positions, and teachers recruited into positions created by SMCs and funded through PCF and/or other sources of financing raised at the school level. Across these categories are significant differences in professional status, salary level, benefits, and provisions for deployment and career path.

of return (IRR) for the SSRP at 39.2 percent. The ICR notes this is much higher than the IRR in similar education projects in other countries of South Asia in the comparable time period.

26. **Risk assessment.** The most pertinent risks and mitigation measures were properly identified during project preparation. The key risks taken into account were at implementation level—including risks pertaining to low capacity—and at the levels of country and sector governance. In this connection, identified risks rightly foresaw possible delays in the legislative process. The proposed mitigation measures were mostly appropriate to address the risks identified. Some risks, especially related to FM, could have benefited from more robust mitigation measures identified earlier on since the FM assessments of the EFA project signaled the SSRP would start from a very weak base. This aspect was subsequently addressed intensively and systematically by the World Bank team, supported by their management, during implementation. At appraisal, the overall risk rating was judged to be Moderate after mitigation measures are employed. A rating of Substantial would have been justified because of the high level of risk posed by factors outside the MOE and DPs' control: the new Constitution had not yet been approved nor the Education Act amended, to provide the legal basis for implementing the main pillars of the SSRP.

2.2 Implementation

27. Implementation of the World Bank support proceeded according to the Government-approved ASIPs and AWPBs for the SSR Program and procedures for the joint GON and DP regular assessment of progress. The procedures are set in the legally binding supplemental letter to the original FA.²²

28. Proceeds from the IDA Credits and Grants, and the World Bank-administered grants and trust funds, were pooled with the GON and other DP financing. The Government transferred funds through the PCF modality via District Education Offices (DEOs) to schools where the bulk of expenditures were made for textbook purchase, payment of teachers' salaries and civil works. The amount of the World Bank's pro rata share of financing each year was determined after review of the ASIP and AWPB with the other DPs. Each AWPB included the costs of the proposed activities for each output, linked with performance targets of the Government's SSR Program.

29. Many factors contributed to successful implementation despite a number of extremely challenging events in the country such as political stasis in 2012 and devastating earthquakes in 2015, which killed nearly 9,000 people and injured another nearly 22,000, followed by economic blockade. Nepal has a well-established administrative system; the basic public sector apparatus functions even through periods of volatility. The national budget is credible and capable of upholding a long-standing commitment to education: the GON designated the SSR Program as a Priority 1 project.²³ Budget releases to the local entities (DEOs, Regional RCs, and schools) were predictable. The implementing agency, the MOE, maintained the essential human resources to manage the SSR Program. From the outset, a Foreign Aid Coordination Section (FACS) was already established at the MOE, as well as FM, procurement, and safeguards units. While there was room for improvement, as was done over the course of the SSRP, the EMIS 'dashboard' was already established for assessing progress toward program development indicators. The main source of data was a school census collected at the beginning and end of each school year

²² The ICR notes these procedures, which are also codified in the JFA document, include JAR and Joint Consultative Meetings of the GON and DP pooling partners, and non-pooling DPs (providing parallel financing not covered under the JFA), NGO and civil society representatives, academics, research institutes, and representatives from the National Dalit Commission. Joint meetings are preceded by field visits to districts, with report-back to the joint meetings.

²³ Priority 1 projects (representing more than 80 percent of the total GON budget) are assured one-third of funds from the approved budget on the first day of the fiscal year; expenditure funds are replenished on the day the statement of expenditures is submitted to the District Treasury Controller Offices. The GON 'Red Book' provides ministries with a reliable indication of actual resources available for commitment more than 1.5 months in advance.

(‘Flash I’ and ‘Flash II’, respectively). The EMIS was fairly adequate, consistent on both technical and sector-specific aspects, and adhered to for the duration of the implementation period.

30. The continuity and local presence of the World Bank team and its persistent fiduciary due diligence for the duration of the project were well anchored within the SWAp; the JFA²⁴ specifically recognized the World Bank’s responsibilities and leading role on behalf of the DP group. The World Bank team maintained good coordination with all DPs and exhibited exemplary proactivity flagging implementation problems. These aspects are documented extensively in internal project files and those of the SWAp Joint Annual Reviews (JARs) and Joint Consultative Meetings (JCMs). An impressive amount of guidance and analysis was conveyed by the DPs as they reviewed the consolidated data reports and other documents submitted for each JAR and JCM. The meetings occurred regularly; their Aide Memoires and associated documents were made available in hard and soft copy (e-mail and Drop box) to meeting participants and disseminated publicly.

31. Factors which caused implementation difficulties included the following:

- **Factors subject to Government control.** The Government changes²⁵ and frequent stalling drafting the new Constitution made it difficult to address complex and cross-cutting issues in the SSRP²⁶ and delayed reform initiatives that required amendment to the Education Act and associated updates to the Education Regulations. As the restructuring into an eight-year basic education and four-year secondary cycle was not formally in place, the main SSRP areas affected were needed changes in the examinations and operationalization of the National Examination Board, NEB; revision of teacher qualification levels; reform to teacher management; and the legal foundation required to give schools the authority over teachers and funds. The ICR notes that the Education Act that provides the legal framework for school education was amended (Eighth Amendment) within months after the project closed.
- During implementation, there were accountability gaps because processes were not fully linked to responsibilities and authority across the education system. Until the new Constitution could be approved, the MOE took on implementation responsibility for the SSR Program at the district level. This had implications for how closely implementation could follow the expected approach at project design stage because that assumed an active local government with political commitment at both village and district levels. Instead, because there were no local governments with elected representatives and institutional platforms, the District and Village Development Officers reported to Kathmandu-based ministries (Department of Education [DOE], for the District Education Officer and staff, and Ministry of Federal Affairs and Local Development for the Village Development Committee secretaries and Local Development Officer heading the district administrative government). The ICR found a broadly shared view that under these arrangements there was too little direct support and oversight of the main frontline actors, which in turn was an underlying cause of reductions in the full amount of benefits which should have been received by intended beneficiaries,²⁷ recurrences of ineligible expenditures within the total annual budgets, and repeatedly qualified audit reports. The ICR shares the borrower’s assessment (annex 7) that the effective implementation of SIPs did not live up to expectations because fund transfers were triggered not by performance or bottom-up planning but according to allocations set by the Ministry of Finance (MOF) at central level.

²⁴ The ICR notes that the JFA is annexed to the original PAD.

²⁵ The SSRP implementation period was marked by a series of Governments and, for 10 months, political stasis after the Constitutional Assembly was dissolved in May 2012. Between May 2009 and August 2016, there were seven different Prime Ministers and nine Ministers of Education.

²⁶ Such as forging linkages across subsectors and thematic areas and between the ‘schools sector’ and the wider education sector and other sectors (particularly vital for TEVT).

²⁷ The ICR notes from the 2014 PETS that 12 percent of students reported having to pay for textbooks whereas students were eligible for textbooks free of cost, and the average amount of scholarships received by girls and Dalits were NPR 380 and NPR 405, whereas the stipulated amounts were NPR 400 and NPR 450, respectively.

- **Political dynamics** were cited in nearly every ICR interview and document reviewed. Most referred to teacher management issues, especially concerning teacher performance and deployment. Given the fundamental impact of teachers on the quality of the learning environment and that nearly three-quarters of the SSRP budget financed salary and benefits of teachers, efforts were made to derive the best possible functioning of teachers. Benefiting the SWAp as a whole, half the strategic policy actions associated with the ADB support focused on issues of teacher recruitment, deployment, training, performance management, and career paths. The SSRP closed amidst consensus that in these areas, many issues still required attention through appropriate political avenues. Teacher management remained a serious concern with respect to uneven deployment of Government teachers, teacher performance in the classroom, and shortfall in resources. Many communities were not able to offer adequate salaries to PCR-recruited teachers and/or top up salaries of the Government-recruited teachers.
- **Factors subject to implementing agency control.** The World Bank operation co-financed a US\$4.6 billion multifaceted program that included an enormous variety of activities and technical areas. Any program of such scale and scope poses management and implementation challenges. This was further affected by shortages of dedicated staff for financial accounting and procurement in many district offices.

32. Despite these challenges, the targets were achieved—many ahead of the original target date.

33. The ICR notes that implementation was marked by delays in finalizing the ASIP/AWPB and delays in budget release, further impeded by weak internal controls to ensure compliance and monitoring of proper use of the released funds. The initial years of the SSRP saw considerable delay in budget release with more than 55 percent of the budget being spent on the third trimester of the fiscal year.²⁸ The delay in budget release in those years was due to delay in Parliament passing the full budget. This affected all Government line ministries. Although the proportion of the budget released each trimester in the SSRP's later years adhered to the DOE budget schedule, there was still a large share of the third trimester budget released close to the end of the fiscal year. School construction budgets were usually the ones released late in the fiscal year. This led to late start-up of civil works and consequent delays in civil works completion, resulting in a large share of construction budget being flagged in the OAG's audit observations as ineligible expenditure.

34. **Effects of project restructuring/AF.** The AF enabled the Government to meet financing gaps—particularly to meet costs for the last two years of the GON's original seven-year program—and adapt and be responsible to changing needs, as well as ratchet up the program. The World Bank team introduced ILIs in Phase 3 and DLIs in Phase 4 which sharpened implementation to focus on areas of reform with expected high payoff for development impact. The World Bank's action responded well to recommendations of independent assessments, including the midterm review (MTR), for a prioritization among the program's vast range of 'priorities'.

35. **MTR.** The very thorough independent review in March 2012 was contracted jointly by the GON and DPs, replacing the JAR of 2012 and serving as the normal World Bank MTR. The substantive analysis of the MTR was informed by multiple targeted studies and stakeholder consultations to assess impact, coverage, quality of interventions, and gaps remaining in the program. The MTR recommendations were presented along five themes: program outcomes, legislative or financial actions, use of program funds, capacity development (CD) measures, and program governance. Follow-up was robust and systematic. The Government's formulation of a national early grade reading (EGR) program

²⁸ As per the DOE's budget release schedule, teacher and staff salaries should be released each trimester, textbook and scholarship in the second trimester, and building and renovation funds in the second and third trimesters with about 30, 30, and 40 percent, respectively, of the budget being released/spent in the first, second, and third trimesters (PETS 2014).

can be cited as a major step, as also the creation of an Equity Strategy and Equity Index to zero in on ‘lagging districts’ (those with highest concentrations of OOSC) to intensify and target resources. The ICR notes the technical support of the World Bank in both these areas, crafting the DLIs in Phase 4 and, collaborating with UNICEF, devising the Equity Index that is modeled on the Human Development Index concept.

36. **Actions taken in response to problems and how they were resolved.** Funds flow and their appropriate use are at the core of the SSRP implementation model. The World Bank maintained high fiduciary diligence and exhibited commendable leadership in supporting the Government to improve public financial management (PFM) in the schooling sector. A cornerstone was the in-depth fiduciary review the World Bank carried out in cooperation with the DPs and close coordination with the GON. The review’s 40 recommendations for immediate, short, and long term actions kept up the pace in drilling down further into PFM internal control issues in the education sector which had given reason for the World Bank to hold back disbursements in the first year of the project. The fiduciary review’s recommendations covered school, district and central level accounting and financial reporting, civil works and procurement, quality assurance and risk-based audits, and teacher salary payments. This review was immediately followed by a PETS. Additional measures to strengthen PFM are presented in section 2.4. The ineligible expenditures steadily decreased over the course of the SSRP period as the MOE was very proactive ex post in addressing the yearly audit observations. More than 50 percent are settled, with the necessary documentation provided. Moreover, the MOE has a fairly good system of recovering funds from DEOs, leading to the actual ineligible expenditure being much lower than the amount reflected in initial audit observations. The follow-on operation seeks to continue addressing DEO-level internal control issues which should reduce probabilities for ineligible expenditures.

37. In Phases 1+2 of the project, the World Bank’s diligence was heavily focused on transparency issues in the textbook printing and distribution process and means to open this up to more private publishers beyond the original public company. The World Bank, jointly with the DPs, transmitted requests for specific measures (which included third-party monitoring for transparency) and the World Bank team put preparations on hold for the 2013 AF until these textbook-related issues were resolved. The JAR and JCM were the major venues for reviewing progress reported through the EMIS Flash system and the GAAP. Implementation concerns were addressed by dated action plans agreed between DPs and the MOE, and TA contracted by respective DPs. The ICR notes that from the platform of the JAR and JCM process, disaster-sensitive mechanisms were also in place and played a crucial role in recovery after the 2015 earthquakes. It is remarkable that even in that year, the ASIP and AWBP were produced on time.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

38. **M&E design.** The indicators in the EMIS managed by the DOE are satisfactory for monitoring progress toward the PDO objectives. Undertaking the National Assessment of Student Achievement (NASA) in Phases 1+2 strengthened the project’s ability to access disaggregated monitoring of learning achievement at different stages of schooling and across geographic areas and school types. The development of the Equity Index (a PDO indicator added in Phase 4) will provide additional information on disparities in access, participation, and learning outcomes, particularly concerning marginalized children, with greater frequency than the national household surveys and census not under MOE’s control.

39. **M&E implementation.** The MOE’s ability to carry out the twice-yearly census, analyze results, and compile them into consolidated reports in time for review at each JAR and JCM is impressive. The planned use of independent third-party verification will fortify the level of assurance on results and progress. Certain DLI incentives introduced in Phase 4 relate to this. Under the SSRP, triangulation with qualitative research (annex 2) afforded deeper understanding of causes of the patterns and trends

identified in the comprehensive reports the MOE produced annually on sector performance using Flash data. Additional methodological improvements which built up the M&E system capacity included conversion to a (software based) school-based Integrated Education Management Information System (IEMIS) that was rolled out in 72 of all 75 districts by project close. This is being upgraded to a web-based IEMIS to capture real-time data on schools, students, teachers, and distribution of scholarships and incentive schemes.

40. **M&E utilization.** The M&E system serves as the main database for the GON and is guided by the national M&E framework issued by the National Planning Commission (NPC). The ICR notes that M&E needs to be used more often and more effectively at the different levels of the education system; feedback loops from the EMIS into policy and decision making are not yet systematic at central and local levels. The challenge is to move beyond mechanistic data collection to a better understanding of the role of data to assess key access and quality issues which can guide decisions about the resource targeting. The preparation process of the follow-on program specifically addresses these aspects. The ICR notes that JAR and JCM discussions at the end of the program call for augmenting triangulation of qualitative research with the Flash data.

2.4 Safeguard and Fiduciary Compliance

41. **Safeguard compliance.** The SSRP was a Category B project. The MOE prepared and implemented the Environmental Management Framework (EMF) and Social Management Frameworks (SMF) as well as a Vulnerability Community Development Framework (VCDF). The VCDF was developed based on the national policies and strategies and the SSRP, with the primary aim of meeting IDA's OPBP 4.10 on Indigenous Peoples. There is no involuntary land acquisition under the project and hence OPBP 4.12 was not triggered. The MOE also includes Gender Equity and Social Inclusion in its program and monitoring framework as part of political commitment to gender and social inclusion. Civil works are financed through the PCF and carried out through local contracting overseen by the SMCs. The DOE has a dedicated focal person for oversight of safeguard compliance, particularly in relation to the VCDF. District-level engineers are responsible to carry out safeguards monitoring for civil works at local level. Most of these works are confined to the existing school premises. There are adequate provisions for creating a safe environment for school users and safeguarding the environment from pollution and unsustainable exploitation. The reporting on safeguard compliance was regularly reviewed by the World Bank team at the level of the JAR and JCM and the project ISRs consistently gave Satisfactory ratings on overall safeguards and environmental and social safeguards compliance; no major issues were raised. This ICR found in other diagnostic reports, including the previously mentioned fiduciary review and a 2014 assessment of the status of the school safety program (JCM December 2014), documented evidence of limited capacity to implement the SMF and EMF at district and school level, inadequate budget provision to monitor school compliance with SMF and EMF guidelines, and instances of inadequate construction. The latter are also reflected in the borrower's summary (annex 7). The EMF and SMF were revised subsequent to a World Bank-funded evaluation that showed 70 percent compliance in the three districts sampled. The ICR has noted that the 2016 AF FA incorporated additional detail to the provisions for the management of environmental and social safeguards.

42. **Fiduciary compliance.** The fiduciary risks were appropriately maintained as the highest priority for the World Bank team's intensive and proactive oversight and technical support to the client for the duration of the project. There were significant fiduciary risks stemming from the nature of the GON program that involved approximately 200 cost centers and the majority of expenditures being made at local school level. Capacity constraints in planning, budgeting, record keeping and monitoring across all levels—center, Districts and schools—were well recognized. Procurement capacity at the DEOs and at the schools in monitoring and supervision of construction of physical facilities was weak, and there was evidence of leakages in the use of PCF resources. Inadequacies in the internal control framework within

the MOE posed additional risks. To address the issues, the World Bank team ensured a steady, dovetailed series of independent fiduciary and forensic reviews and the use of program funds for TA to contract additional procurement capacity at the central MOE level and the Government textbook publishing company, and they organized procurement training in the districts. The ICR commends the World Bank team for the steadfast and extensive range of its support to the client and actions taken. These included adoption of new budget heads/GFR codes which enabled tracking of expenditures on teacher salaries, textbooks, construction grants, and student scholarships disaggregated by the levels of education; the Treasury Single Account (TSA) at the national level and the major shift to pay all teacher salaries through bank accounts in all municipalities and district headquarters; development and continuous monitoring of the Financial Management Improvement Action Plan (FMIAP); introduction of the fund flow tracking system, linking the Financial Comptroller General Office (FCGO) data system for Financial Monitoring Reports (FMRs) and enabling reconciliation of expenditures between the FCGO and DEO accounts and social audits conducted by schools; establishment (by the DOE) of the automated Financial Management Information System to generate interim unaudited financial reports (replaces manual generation of reports); a dedicated thematic subgroup for Financial Management and Governance established for increased technical support to the joint GON/DPs' oversight of fiduciary compliance and the GAAP.

2.5 Post-completion Operation/Next Phase

43. Preparation for the follow-on project was initiated before the SSRP closing, and the transitional GPE and REACH Grant funding (DLIs) should improve long-term sustainability considerations. The Eighth Amendment to the Education Act was passed in September 2016, which establishes the formal legal framework for the follow-on operation. The latter is intended to build on achievements of the SSRP in the major areas of learning outcomes, equitable access, and system strengthening, supporting the Government's seven-year School Sector Development Plan (SSDP 2016–2023). The plan was approved in October 2016 and endorsed by the Local Education Development Partner Group. The proposed design for this program envisages use of the same SWAp modality as the SSRP, with a common DLI matrix.

3. Assessment of Outcomes

44. The World Bank projects that provide programmatic support must be judged by their contributions—financial and technical—to outcomes attributed to the overall program. IDA financed about 5 percent of total program costs, with other DPs who provided around 13 percent, and GON just over 80 percent. The large, multi-faceted 7-year program had a total cost of US\$4.6 billion. The evidence points to very strong value added from the World Bank's technical contribution. It helped the Government create the political space to introduce complex reform measures and restructure the school sector; build further on the tradition of community engagement in education service delivery under overall conditions of generally low institutional capacity and uncertainties during political transitions; strengthen governance systems, particularly fiduciary accountability; translate the education quality agenda into concrete steps for better uptake; fortify implementation toward results; and strengthen M&E processes. IDA's financial contribution was important for the Government to maintain its vision articulated in the original 7-year SSR Plan, and deepened results on the ground through greater prioritization of interventions and streamlining processes. The substantial IDA financing sent a strong signal that the SSR Program was on the right track, which helped attract additional financing from other DPs, including for the follow-on program. To facilitate the assessment of outcomes, the following discussion is linked to the specific results of the PDO indicators and IO indicators in Section F of the Data Sheet, the results chain (Figure 1) the ICR constructed ex post from annex 4 of the original PAD, the 2013 and 2016 AF Project Papers, and Table 1 and table 2 of this ICR. This helps demonstrate in the current section, and elsewhere in the ICR, how the World Bank project interventions provided value added at key pressure points in the results chain.

45. Since the project was restructured three times, the assessment of outcomes uses a split evaluation methodology with three distinct phases. The first – Phases 1+2 – covers the period from effectiveness in December 2009 up to June 2013; Phase 3 is from the restructuring in July 2013 up to December 2016; and Phase 4 is from the restructuring in January 2016 up to project close in July 2016.

3.1 Relevance of Objectives, Design and Implementation

46. The overall rating for the relevance of project objectives, design, and implementation in the present context is High based on the following assessments.

47. **Objectives.** The project objectives were directly relevant and consistent with the 2007 and 2009 ISNs which sought to ensure equitable access to quality education and supported reforms decentralizing decision-making powers to communities. The project implementation period also spanned the 2011 ISN and 2014 Country Assistance Strategy (CAS) which supported the GON Development Plans of 2009–2013 and 2014–2016. By 2014, the World Bank Group shifted strategic focus away from short-term post-conflict assistance toward longer-term systemic support to Nepal for faster, inclusive growth. The 2014 CAS highlights the need to improve capacity of Nepal’s state institutions; make development results-oriented, assuring good governance and effective service delivery; and improve accountability of public expenditures. The CAS is supportive of joint government, community, and private sector efforts, and in this connection, decentralization and fund transfers from central to local levels. Under the CAS Pillar 2, the four expected outcomes include one explicitly on “more equitable access to education and skills development, of higher quality and relevance.”

48. The priorities and reform initiatives the project supports are highly relevant for Nepal’s long-standing commitment to the MDGs and the successor Sustainable Development Goals (SDG). The ‘SDG4 Quality of Education’ spans ECED to secondary education, including technical and vocational skills and adult literacy. The alignment with the GON’s Development Plans and annual budget statements and allocations shows the continued relevance of the project objectives. While much more needs to be done, the PDO priority for marginalized groups remains relevant as Nepal continues to pass through a complex and challenging political transition in which demands for state recognition, and greater accommodation, of diverse social, cultural, and ethnic identities need to be addressed. The Norwegian Agency for Development Cooperation (NORAD) in evaluating their multilateral support for basic education in Nepal that is channeled through UNICEF and the GPE/World Bank aptly comments: “What we are witnessing as we examine the implementation of the gender equality and equity goals of the SSRP is a process of negotiation through which new power relations between men and women and various caste, ethnic and regional identity groups are being forged—but now against a state-backed template of democratic equality rather than a religiously sanctioned ritual hierarchy” (Norad 2015). The NORAD evaluation summarizes the complexity of the challenge in addressing the educational needs and abilities of children/youth across Nepal’s rich diversity of cultures and languages. The country is characterized by heterogeneous settlements, whether urban or rural, and as a result, geographic, economic, and caste/ethnic group factors altogether must be taken into account (Annex 10).

49. **Design and implementation.** The project design and implementation remain highly relevant to Nepal’s development agenda and most specifically the project PDO “to increase access to and improve quality of school education, particularly basic education (Grades 1–8), especially for children from marginalized groups.” Component 1 dealt with the imperatives in the global commitments and Nepal’s interim Constitution to expand from the MDG focus on universal education at primary in order to take this through to Grade 8, and in so doing address the remaining access issues in regard to the hardest to reach OOSC (Figure 1 and annex 2). Component 2, centering on secondary education, also responded to pressures arising from the success of the EFA, to supply a greatly increased number of teachers, physical facilities (not only classrooms but also laboratories), and learning materials, all while being attentive to

stark disparities in the participation of marginalized groups. Cutting across Components 1 and 2 are fundamentals for quality: institutionalization of an internationally benchmarked national student assessment system (NASA); upgrading teacher qualifications as well as standards and content of prescribed curricula; and assuring that all students received their full set of textbooks at the start of each academic year. Component 3 takes up improving capacity of the implementing agencies to deliver, monitor, and reform education services, with a larger focus on local-level planning and management than the preceding EFA. The crucial influence of teachers on the overall learning environment is again addressed through this component’s support for a better trained teaching force and school-based recruitment of licensed teachers.

50. The implementation mechanism, operational arrangements, and targeting methods were responsive to the country’s needs and highly relevant based on the assumption at project appraisal, that until the new Constitution was adopted to clarify responsibility and accountability arrangements under the new decentralization framework, the SSRP would use the same proven arrangements (at the MOE/DOE central and district levels) as the EFA project. The following aspects need to be highlighted as part of the relevance of project implementation: (a) the space for flexibility to implement reforms in the absence of an amended Education Act; (b) capacity building embedded in the regular and continual review of the implementation process, especially but not only concerning fiduciary due diligence; and (c) targeting methods which included scholarships for disadvantaged children but also extended to system level measures to deploy resources to schools and geographic areas of comparatively greatest need.

51. The ICR underscores the important contributions that the World Bank team made, restructuring its project to bring in the use of ILIs and DLIs in the two-year extension period (Phases 3 and 4). This was a move toward leveraging results from the World Bank financing, which had not been possible under the original approach in Phases 1+2. The AF introduced at both Phases 3 and 4 indeed enabled the project to adapt and be responsive to changing needs—including raising the bar on performance of the overall program—to remain highly relevant for the policy priorities, reform initiatives, and development agenda of Nepal and its education sector in particular.

Table 3. Relevance Ratings

	Phases 1+2 (December 2009–June 2013)	Phase 3 (July 2013–December 2015)	Phase 4 (January–July 2016)
Objectives	High	High	High
Design and Implementation	High	High	High
Overall	High	High	High

3.2 Achievement of Project Development Objectives

52. The PDO is interpreted in this ICR as ‘Improved Access’ and ‘Improved Quality’, with a cross-cutting dimension on ‘Marginalized Groups’. Efficacy is rated Substantial for attaining both the stated PDO objectives of access and quality under all phases (Phases 1+2, 3, and 4). In both access and quality, the impact for marginalized groups is substantial. Even though the World Bank team took the precaution to withhold disbursements in the first year until fiduciary issues were resolved (issues partly related to the prior EFA project), this did not impede steady progress in Phases 1+2 toward achievement of indicator targets. Progress exceeded several of the originally set targets, which were then adjusted at Phase 3. This trend continued, notably with the introduction of ‘stretch indicators’ at Phase 4, for which achievements will be assessed in the follow-on project. The efficacy and efficiency ratings in this ICR could be under estimates owing to the major system level shifts effected across the school sector while the access and quality achievements were being attained (table 4). These system level shifts are the areas in which the World Bank project provided extensive technical support, in addition to IDA’s financial support for the AWPBs, enabling the frontline actors to expand the school sector.

Table 4. System Level Shifts Across the Entire School Sector under SSRP

Integrated sector from ECED to Grade 12

- Restructured service delivery into Basic Education (Grades 1-8) and secondary cycle (Grades 9-12) sub-sectors
- Higher secondary incorporated into the school sector monitored by DOE and Higher Secondary Education Board
- Improved internal efficiency: (1) in early grades – expanded coverage of ECED, aiding transition to primary, national Equity Index (in addition to annual outreach campaigns of Districts and individual schools) for tailor made intervention plans in lagging areas to bring OOSC into basic schooling, ‘early grade reading’ emphasis to reduce Grade 1 to Grade 2 drop-out and strengthen foundation for further learning; (2) in higher grades – SLC and HSE reform (to award single subject certificates) making it possible for more students to continue from Grade 10 to Grade 11, and from Grades 11 & 12.

Improved overall accountability of school sector

- FM systems updated with streamlined processes, incorporating good practices identified in fiduciary reviews, PETS, GAAP review, and numerous other independent assessments over the course of SSRP implementation
- GFR codes (new budget heads) to allow tracking of expenditures on teacher salaries, textbooks, construction grants, student scholarships; disaggregated by respective education levels
- Payroll system established at MOE and affiliated organizations
- Minimum Enabling Conditions established to concentrate efforts on ensuring all schools meet minimum standards
- Results-based financing: verification of ILI and DLI achievements through independent third party assessments and sample surveys of stakeholders
- EMIS: sample based third party validation of school census data piloted and student data verification system developed for EMIS to ensure quality of student data entered
- Online datasets listing names/profiles of OOSC brought into basic schooling
- Standardized classroom-based early grade reading assessments observed by, and results shared with, parents
- Verification of scholarship receipt by Grade 11-12 students using third party assessments and surveys of parents/students
- Cross-checks on textbook distribution to students in schools: sample surveys of head teachers/teachers/parents/students.

Streamlined systems - reduced delays / enhanced compliance with established criteria

- Textbook publication /distribution open to private publishers in all regions, in addition to original public company
- Streamlined distribution of teachers’ salaries to their bank accounts – speeding fund release, providing data on existence and location of teachers & improving expenditure tracking of this category which is 70 percent of expenditures in the school sector
- Streamlined payment of scholarships for Grade 11-12 students – students receive scholarships through financial institutions (no longer money deposited at school level); scholarships database established and verification of payments by Local Education Group and independent third party assessments.

PDO1: Improved Access

(Phases 1+2: Substantial; Phase 3: Substantial; Phase 4: Substantial)

53. Improved access was measured by a total of nine outcome indicators: the NERs for primary, basic, and secondary education (three indicators); GPI for primary, basic, and secondary education (three indicators); GERs for primary and basic education (two indicators); and gross intake rate at Grade 1. Supporting these access objectives were expected outcomes measured by three indicators: number of classrooms built or rehabilitated, percentage of students receiving targeted scholarships, and number of schools under community management. The 2013 AF Phase 3 restructuring added a PDO indicator, for the development and implementation of an equity strategy for basic education.

54. Access gains for the PDO priority area of basic education (Grades 1–8) increased substantially alongside those for secondary education, suggesting the attention the SSRP directed to the whole of the school sector had an effect (table 5). A near 20 percentage point increase was achieved for the NER in basic education. The decreasing GER in primary and basic education are indications of the trend toward participation of the appropriate age groups at the respective education levels. This trend is evident as well in the gross intake rate at Grade 1 which decreased from 148 percent in 2009 to 134 percent by 2016/17. The rise in NER at Grades 9–12 reflects the significant increase in primary and basic education completion rates and overall improvement in the school sector’s internal efficiency (PDO2: Improved Quality). By 2016/17, gender parity marks all levels, from ECED to Grade 12.

Table 5. Access indicators: Baseline and End of Project Values for NER, GER, GPI and Completion Rates (2009 and 2016^a)

Education Level	NER		GER		GPI		Completion Rate ^b	
	2009 (%)	2016 (%)	2009 (%)	2016 (%)	2009 (%)	2016 (%)	2009 (%)	2016 (%)
Early Child Development (3–4-year population)	—	—	66	83	96	100	—	—
Primary education: Grades 1–5	92	97	147	134	98	99	58	81
Basic education: Grades 1–8	73	91	123	122	95	100	41	70
Secondary education: Grades 9–12	21	39	45	60	91	98	n.a.	n.a.

Source: Flash I Report (2009/10); Flash I Report (2015/16); Flash I Report (2016/17).

Note: a. Data collected between March 2016 and May 2016, except for completion rate data.

b. Completion rate for 2016 is taken from Flash I Report (2015/16).

55. What stands out in comparing the size of the student population in 2009/10 and 2016/17 (table 6) is the increase in student numbers in Grades 6-8 (lower secondary, now part of basic education) and across the board in secondary education. This achievement similarly stands out in comparing grade levels run by schools in 2009 and 2016/17 (annex 2, table 2.3). The number of schools offering the full cycle of basic education nearly doubled from 2009/10 to 2016/17, as also the number of schools offering most if not all the span from Grades 1 to 12. During the project lifetime, the total number of schools increased from 32,130 to 35,222. In 2016/17, 34,736 of all schools offered primary grades, 34,920 offered basic education grades, and 9,379 of all schools were running secondary grades. The ICR notes that resources provided through the PCF modality over the project lifetime led to the construction of 32,000 classrooms accommodating 950,000 students, as well as the rehabilitation of 18,925 schools (annex 2). It should be underscored that the 2016/17 data were collected after the two major earthquakes that struck Nepal in April and May 2015, affecting 9,353 schools.

56. Over the course of the SSRP as the number of schools increased, the percentages of basic education and secondary students who were studying in community schools remained approximately 85 percent and 66 percent, respectively, out of all schools (community, private, and religious). The number of directly community-managed schools (transferred from the Government to the local community through formal agreement with the District Education Offices) increased from the outset of the project and, since mid-2014, remained at a total 12,471 school levels (8,248 primary; 2,839 lower secondary Grades 6–8; and 1,384 secondary Grades 9–10).

57. The number of school grade levels (and ECED centers) increased in all eco-belts except for a minor decrease at basic education in Kathmandu Valley (annex 2, table 2.4). The Hill and Terai eco-belts had more than three-quarters of all the country's basic and secondary education levels in 2009; this continued to 2016/17: the Hill area had the highest (around 50 percent of basic education and 44 percent of secondary levels, followed by the Terai with over 30 percent of basic education and secondary levels).

58. The number of primary, basic, and secondary education teachers increased substantially. Further, the student-teacher ratios (STRs) are generally lower in 2016/17 compared with 2009/10, particularly at primary and basic education. Over the SSRP period, 25 percent of the teachers recruited at local level were financed exclusively through the PCF and/or other local resources. At the ECED level, by the end of the project, over 75 percent (27,948 centers) of the centers were receiving PCF resources to help finance one facilitator per center and instructional materials.

59. **Access for marginalized groups.** The PDO emphasis on ensuring access, particularly to basic education, for marginalized groups also shows progress. The ICR notes that the average NER in basic education in the 15 districts categorized as the most lagging areas²⁹ increased from 73.6 percent in 2009

²⁹ The most lagging areas have the highest percentage of OOSC in the 5–12-year age range.

to 85.6 percent in 2016 (SSRP Equity Index data). Behind the average figures are striking gains in individual districts; notably in one district a 20 percentage point rise in the NER for basic education, from 63 percent to 84 percent. These are indications that the main policies of the Government program—mainstreaming disadvantaged children in the regular school system and providing support through targeted scholarships—have tangible effects. The PETs found as early as 2012/13 that 35 percent of the education budget at basic level was consumed by 20 percent of the poorest; the pro-poor budgeting is a result of increased expenditure on targeted scholarships promoting access to and retention in school. Under the SSRP, the scope and coverage of targeted scholarships expanded from 31 percent to 57 percent of all children enrolled in basic education. By 2015/16, scholarships were provided through the PCF modality to over 900,000 Dalits (100 percent of Dalits are eligible for scholarships), nearly 40,000 children with disabilities (CwDs), over 150,000 children from other deprived communities, and 1.8 million girls (annex 2). In the same year, nearly 20 percent of all secondary students received scholarships, including over 80,000 Dalits and 15,401 students from other marginalized groups. The 2016/17 EMIS data show in particular an increase in enrolment shares of Dalits at primary, basic, and secondary levels; the most marked increases are in Grades 6–8 (from 2009 to 2016/17, an increase from 13 percent to 16 percent in their share of the overall student population in these grades). With the enhanced EMIS and the Equity Index finalized at the time the SSRP closed, the program achieved its objective of establishing a system under the MOE/DOE control with capabilities to capture real-time data on schools, students, teachers, and OOSC to follow the progression in the educational experience of members of the marginalized groups.

Table 6. Numbers of Student and Teachers, STR (2009 baseline and school year 2016/17)

Education Level	Students ^a		Teachers ^b		STR	
	2009	2016/17	2009	2016/17	2009	2016/17
Early Child Development	947,278	977,365	n.a.	50,090	n.a.	20:1
Primary Education: Grades 1–5	4,900,663	4,135,253	153,536	197,797	32:1 ^c	22:1 ^f
Basic education:						
Grades 1–8	6,505,085	5,994,612	193,795	252,421	34:1 ^d	24:1 ^g
Grades 6–8	1,604,422	1,859,359	40,259	54,624	40:1	34:1
Secondary Education:						
Grades 9–12	1,070,795	1,451,486	43,371	60,266	25:1 ^e	24:1 ^h
Grades 9–10	790,348	958,502	29,109	40,245	27:1	24:1
Grades 11–12	280,447	492,984	14,262	20,021	20:1	25:1

Source: Flash I Report (2009/10); Flash I Report (2015/16); Flash I Report (2016/17).

Note: a. Total number of students in community and institutional (private) schools.

b. Total number of teachers in community and institutional schools.

c. Data presented in the table is average STR based on reporting from all schools (community and institutional); average STR based on reporting only from community schools is 37:1.

d. Data in the table is average STR based on reporting from all schools (community and institutional); average STR based on reporting only from community schools is 39:1 for basic education, 49:1 for Grades 6–8.

e. Data in the table is average STR based on reporting from all schools (community and institutional); average STR based on reporting only from community schools is 31:1 for Grades 9–12, 36:1 for Grades 9–10, 21:1 for Grades 11–12.

f. Data presented in the table is average STR based on reporting from all schools (community and institutional); average STR based on reporting only from community schools is 23:1; average STR based on approved teachers for community schools is 34:1.

g. Data in the table is average STR based on reporting from all schools (community and institutional); average STR based on reporting only from community schools is 27:1 for basic education, 40:1 for Grades 6–8; average STR based on approved teachers for community schools is 39:1 for basic education, 60:1 for Grades 6–8.

h. Data in the table is average STR based on reporting from all schools (community and institutional); average STR based on reporting only from community schools is 28:1 for Grades 9–12, 31:1 for Grades 9–10, and 22:1 for Grades 11–12; average STR based on approved teachers for community schools is 44:1 for Grades 9–12, 39:1 for Grades 9–10, and 60:1 for Grades 11–12.

PDO2: Improved Quality

(Phases 1+2: Substantial; Phase 3: Substantial; Phase 4: Substantial)

60. Improved quality was to be measured by four indicators: establishment of a student learning assessment for Grades 3, 5, and 8; percentage of fully trained teachers at basic and secondary levels; and

completion rates for primary and basic education (two indicators; results reported above in table 5). Supporting these quality objectives are expected outcomes measured by percentage of new entrants at Grade 1 with ECED; percentage of students receiving a full set of textbooks within two weeks of the start of the school year; number of languages for which instructional materials are available; and STR. Detailed achievements of the Phase 4 DLIs are not included in the analysis below because these are to be assessed in the post-SSRP period. However, the ICR notes the seminal importance of the new emphasis on early grade reading (DLI 2) and single subject certification for the SLC and HSE (DLI 1).

61. The most important achievement on quality under the SSRP was the establishment and institutionalization of the NASA, making it possible to tackle the learning outcome challenge more effectively using a sample-based assessment of international standard. One round of the NASA was already carried out at each grade (Grades 3, 5, and 8) during Phases 1+2. A second round for each grade was conducted in Phase 3. Implementing the NASA had considerable catalytic effect. After the first round, USAID conducted a sample early grade reading assessment (EGRA), and the combined impact with the NASA results made it possible to identify in more concrete, operational terms the types of difficulties children have with various reading skills. The ICR notes that publication of the NASA results considerably raised parents' and the education community's awareness of the role of poor teaching of reading in the early grades on the consequences of educational underachievement at all levels (European Commission 2015). Continuing to make headway, the World Bank team partnered with the GPE, creating new 'stretch indicator' (DLIs) milestones for the national EGR program the GON began to roll out after the MTR.

62. The average primary education completion rate of 81 percent by the end of SSRP compares favorably with the global average of 84 percent for lower middle income countries (the global average for low income countries is 51 percent; UNESCO 2016). Similarly, Nepal's average 70 percent completion rate for basic education (the end of the historical 'lower secondary' level) compares well with the global average of 68 percent for lower middle income countries. Under the SSRP, the basic education completion rate had already reached 68 percent during Phases 1+2. In this period, there was also rapid progress achieving the original indicator on 'percentage of teachers with required certification and training at basic and secondary education'. The backlog of uncertified permanent teachers largely cleared. This led to a revision at Phase 3 to raise the indicator target. The revised indicator focuses on percentage of teachers 'fully trained' in line with requirements of the new national Teacher Professional Development (TPD) Program developed for 'need-based' in-service training. Progress toward this revised indicator was also strong: at project close, 93 percent (against target of 95 percent) of basic education teachers and 82 percent (against target of 86 percent) of secondary teachers were fully trained.

63. Considerably strengthening the learning environment is the impressive success by 2016/17 that 90 percent of students (Grades 1–10) received their full set of textbooks within two weeks of the start of the school year. At baseline in 2009, only half the Grade 1–10 students received their full set of textbooks by the start of the school year (annex 2, tables 2.1 and 2.2). Over the SSRP lifetime, some 32 million full sets of textbooks—purchased with the PCF resources—were distributed to students in schools. Another factor contributing to better learning in classrooms is the lowered STR, as shown in table 6. Such major improvements appear to have had an effect, given the marked decrease in repetition rates (notably, DOE data show that by 2014, the number of students in Grade 2 was around 76 percent of the students in Grade 1 whereas this had been 58 percent in 2003/04), improvement in promotion rates, and reduction in dropout at primary, basic education, and secondary levels (table 7). By the end of the project, nearly half of the students who initially enrolled in Grade 1 remained in school to Grade 10, which is a remarkable result under the SSRP.

Table 7. Internal Efficiency in the Schooling Sector (2009 and 2016/17)

a. Promotion, repetition, and dropout rates in Grades 1, 5, 8, 9–10

Education Level	2009			2016/17 ^a		
	Promotion Rate (%)	Repetition Rate (%)	Dropout Rate (%)	Promotion Rate (%)	Repetition Rate (%)	Dropout Rate (%)
Grade 1	64	27	10	81	14	5
Grade 5	86	7	8	92	4	4
Grade 8	85	12	7	90	4	6
Grades 9–10	85	7	9	91	3	5

Note: a. Student flow from school year 2015/16 to school year 2016/17.

b. Survival rates

	2009			2016/17 ^a		
	Total (%)	Boys (%)	Girls (%)	Total (%)	Boys (%)	Girls (%)
Students in Grade 1 with ECED experience	50	49.8	50	65	65	64.3
Survival rate to Grade 5	78	77.8	79.8	87	86.6	87.2
Survival rate to Grade 8	62	60.5	63.1	76	75.2	76.2

Source: Tables 2a, 2b: Flash I Report (2009/10); Flash I Report (2016/17).

Note: a. Survival rate for 2015/16 as reported in Flash I Report (2016/17); data for 2016/17 not available.

64. The ICR notes considerable fluctuations in SLC and HSE pass rates over the SSRP lifetime – as had been the case for decades prior to the program. This raises questions about the relevance of these exams from the perspective of measuring students’ learning outcomes. The failure rate on the SLC was very high at baseline (60 percent in 2009) with no stable trend up or down over the SSRP period. An even larger percentage of students were not able to pass the national level board exams at the higher secondary level (Grades 11 and 12; SSRP Consolidated Reports). The SLC failure rates are over six times higher for students from community schools than those in private schools. Household survey data further highlight implications of the SLC and HSE exams from an equity perspective: individuals belonging to the richest two quintiles are five times more likely to pass the SLC exams compared to individuals from the poorest two quintiles. At the student level, failing the SLC or higher secondary board exams blocks access to further education and most public jobs. Hence it is the reform introduced with support of the GPE AF at the 2016 restructuring that is the project’s most significant achievement in regard to the SLC and HSE exams. This reform provides single subject certification of the student’s performance in individual subjects in lieu of an aggregate pass/fail evaluation. This enables students who would have dropped out after Grade 10 to have an opportunity to continue their studies, thereby increasing system efficiency, average educational attainment, and knowledge accumulation. The ICR notes the positive experience of India which began implementing a single subject certification system in Grade 10 exams starting in academic year 2009/10, and by 2012, around 98 percent of the Grade 10 exam candidates received ‘Qualifying Certificates’.

65. **Quality education for marginalized groups.** Linking back to the 15 most lagging districts cited under the PDO for access, the ICR notes the average cohort survival rates to Grade 5 and Grade 8 were 87 percent and 74 percent, respectively, in 2015/16 (SSRP Equity Index data). These are on the same level as the national averages (table 7.b). Internal efficiency expressed in number of pupil years invested per basic education graduate was 11.4 years in the 15 districts, also nearly on par with the national average of 11.3 years (annex 3).

66. The connection between home language and the language of instruction is critical for the quality of education and learning of children from marginalized groups, especially in the early years, to set a foundation for continued learning. The Flash data show the number of different languages of instruction in use through teaching and instructional materials and the number of beneficiary schools (annex 2) surpassed the SSRP target. As of 2015/16, 69 local languages are in use as medium of instruction (MoI)

in the classroom. As of 2016, curriculum and textbooks are developed in 21 languages for primary level; altogether, these are the languages spoken by 97 percent of Nepal’s population. Another aspect of the school environment which can be instrumental in the inclusion and retention of disadvantaged students is the education sector policy to shift away from maintaining distance and hierarchy between students and teachers and instead to engage in interactive forms of teaching and learning, and enhanced by classroom-based continuous assessment of students’ learning. Both these topics made up the major portion of in-service training by the regional resource persons in each district. As these assessment practices go to scale post-SSRP, it should go a long way toward filling the gap in regard to school-level data on students’ learning achievements. The SSRP introduced important changes and has the approaches, and material developed to do more to improve the quality of education, especially for marginalized groups. This will carry forward in the follow-on SSDP.

Table 8. Efficacy Ratings

	Phases 1+2 (December 2009–June 2013)	Phase 3 (July 2013–December 2015)	Phase 4 (January–July 2016)
Access	Substantial	Substantial	Substantial
Quality	Substantial	Substantial	Substantial
Overall	Substantial	Substantial	Substantial

3.3 Efficiency

67. **Efficiency is rated Substantial.** The program was completed within the stipulated time frame despite the initial implementation challenge during the first year and devastating earthquakes in 2015. The majority of the tasks envisaged were carried out—including achieving most of the access and equity-related program targets. On average, the budget execution rate was around 95 percent; about 97 percent of IDA/GPE funds available for the program were disbursed. The program’s IRR was about 18 percent.

68. A retrospective assessment of the benefits and costs of the seven-year SSRP based on the realized data at the end of the program was carried out (annex 3), where the program benefits come from three streams: (a) increased education quantity (increased access to education, resulting in more workers in the future with at least eight years of schooling and with higher earnings as a result); (b) enhanced education quality and relevance (more learning, resulting in higher productivity and earnings on the part of everyone who has completed basic education); and (c) enhanced internal efficiency of the education system (less wastage because of fewer school dropouts and repeaters and lower unit costs as a result). The cost of the program included both public and private cost of basic education.

69. The result of the cost-benefit analysis, under different scenarios with varying values of key parameters, yields IRR ranging from 13.7 percent to 17.9 percent and a net present value (NPV) of benefits between US\$500 million to US\$637 million. The IRR of 17.9 percent is well above the 12 percent opportunity cost of capital, clearly suggesting that the SSRP has been a sound investment. These estimates are in fact conservative lower-bound estimates as they do not account for externality benefits arising from a more educated and more equitable/inclusive society or additional benefits to those basic school graduates who go on to pursue secondary education and beyond and receive higher wage premiums. The ICR also notes that the ex post IRR for the SSRP compares well with other recent projects in South Asia (table 9). The IRR in the original PAD was estimated at 39.2 percent. The original assumptions were overly ambitious on the basis of completion results expected to accrue from reduced rates of drop-out and repetition. The assumed 36 percent drop in Grade 1 repetition annually (which would have resulted in a rate of just under 2 percent by the end of the SSRP) was unrealistic by

international comparisons.³⁰ While the basic education completion rate did reach 68 percent by 2012, exceeding the overall program target of 54 percent, the Grade 1 repetition rate was still a high 22.6 percent (a drop of 4.4 percent from baseline) at the Phase 3 restructuring.

Table 9. Economic Analysis Comparison, Selected Countries

Country/Project	IRR (%)	Loan/Grant Amount (US\$, millions)	Year of Project Approval
Nepal SSRP	17.9	391.51	2009
Bangladesh Primary Education Development Program 2	23	150	2004
India Elementary Education Project II	16	1,350	2008
Bangladesh Primary Education Development Program 3	13–21	300 (original project)	2011
Bangladesh Primary Education Development Program 3	14.2	400 (AF)	2014
Pakistan Girls Education (Balochistan)	18.7	10	2012

Source: PADs of the respective projects.

70. The ICR also recognizes that returns derived from AF are efficiency returns manifest in significant system level shifts and improvements in institutional systems and practices achieved during the SSRP. Some of the improvements were identified and initiated in Phases 1+2 (for example, MECs as well as new budget codes to track textbook, construction, salary, and scholarship expenditures). The major returns, however, were manifest in actions during Phases 3 and 4. Moreover, in preparing the Phase 3 restructuring for AF for the two-year extension of the World Bank support, the overall financing framework of the GON program was thoroughly re-examined with scenario building revolving around sharper prioritization and expected savings that could be made in effective use of resources. Efficiency contributions of the Phase 4 restructuring are the safeguarding of reforms and best practices (along equity, quality and internal efficiency dimensions) bridging over from the SSRP to the SSDP.

3.4 Justification of Overall Outcome Rating

71. **The overall outcome rating for the project is Satisfactory.** The project achieved its development objective as evidenced by the performance of the original and revised indicator targets discussed in the sections above. Project investments have significantly improved FM systems at the central and local levels and established institutionalized procedures for a decentralized approach to a joint government and local community planning and delivery across the entire sector of public schooling. The ICR notes that the lessons learned are documented in clear operational terms and are being carried forward under the follow-on support to SSDP. The number of schools offering the full cycle of basic education (Grades 1–8) is double the number at baseline (2009) as also the number of schools offering grades across the entire span from Grades 1 to 12. Access to education, particularly basic education, for marginalized groups has increased up through secondary level, especially for the Dalit population. This is significant because historically Dalits have been most excluded and their inclusion has been one of the most challenging parts of the change agenda in the schooling sector. The most important achievement in quality was the establishment and institutionalization of the NASA. In addition, the overall level of teacher qualification was significantly raised and 90 percent of students receive their full sets of textbooks at the start of the school year. The defined Equity Strategy and Equity Index based on transparent criteria are in place to target resources even more effectively to bring the most disadvantaged and difficult to

³⁰ Worldwide, the average primary education repetition rates fell by 20 percent between 2002–2004 (UNESCO 2007). Countries in the Middle Eastern/North African region managed to reduce repetition rates by 30 percent over 1999–2004. But at the time the SSRP was prepared, Nepal had been in the top 10 countries with the highest repetition rates since 2003.

reach segments of the remaining out-of-school population into school and retain them. Sustainability is rated high. The results of the SSRP have laid a good foundation for future support through a follow-on project which is under preparation. Table 10 uses the IEG-Operations Policy and Country Services (OPCS) harmonized guidelines for projects with formally revised objectives/indicators and presents the weighted evaluation of overall outcome based on disbursements.

Table 10. Overall Outcome Rating

	Phases 1+2 (December 2009–June 2013)	Phase 3 (July 2013–December 2015)	Phase 4 (January–July 2016)
Relevance	High	High	High
Efficacy	Substantial	Substantial	Substantial
Efficiency	Substantial	Substantial	Substantial
Rating by Phase	Satisfactory	Satisfactory	Satisfactory
% Disbursed^a	61	25	14
Rating Value	5	5	5
Weigh Value	3.05	1.25	0.7
Final Outcome Rating	SATISFACTORY (5)		

Note: a. Disbursements from proceeds of all IDA Credits and Grants, EFA-FTI, and GPE Grants per respective FAs.

3.5 Overarching Themes, Other Outcomes and Impacts

72. **Achievement and contribution toward higher-level objectives.** Through support directly from the World Bank and jointly with the other SWAp partners, the project results demonstrate the move toward Government-led reform and a firmer institutional model and general culture of evidence-based planning, decision making, and targeting for more effective public service delivery in the schooling sector.

Other Unintended Outcomes and Impacts (positive or negative)

73. The program funding approach with IDA commitments disbursed on the basis of pro rata share of the Government's AWPB led to allocations which were not all consumed at points of slower than anticipated progress in the Government program. As originally prepared, the program funding approach was not tightly linked to expected results. The linkage was better made during the two-year extension period by revising some of the IR indicators to become ILIs, and bringing in DLIs.

74. A substantial rise in teacher salaries during the early part of the SSRP combined with forecasting weaknesses and some frontloading of DP funds, created a funding gap in the latter part of the GON program, limiting the non-recurrent budget and thus creating challenges for funding some of the more innovative, quality-focused parts of the SSRP.

4. Assessment of Risk to Development Outcome

Rating: Low

75. The outcomes achieved under the SSRP show strong evidence of expanded access to the basic education cycle of eight years and to secondary education, from an impressive range of strategies for equity and access. In addition, the substantially enhanced EMIS and new Equity Index sentinel system are in place to guide targeted measures in those areas and communities where the socioeconomic and education needs are the greatest and promote schooling for the marginalized and other remaining out-of-school populations. The effects from these achievements are considered to have a long-term impact on human development outcomes and economic growth. A seamless transition to the follow-on program endorsed by the Government and DPs is well under way and grounded in Government's approved seven-year (2016–2023) School Sector Development Plan and the GON's Development Strategy 2030. The ICR found evidence of some willingness at the level of the NPC and the MOF, even with competing demands

from other sectors, to consider some increase in the budget share to education if presented with sets of options in terms of effectiveness, cost-effectiveness, and value for money. This would appear to be a good fit with the World Bank Program-for-Results financing instrument.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately Satisfactory

76. The World Bank worked closely with the Government and the various DPs at appraisal to identify the design and value added of the IDA operation that could most successfully support the Government SSRP, taking into account characteristics of the other DP support. The World Bank technical team had an adequate skills mix. Between the two Kathmandu-based co-TTLs there was good complementarity of expertise, with economist and education specialist background, including in the area of community-driven development. The senior FM specialist, also based in Kathmandu, was an asset for the team. His expertise bridged the Public Expenditure and Financial Accountability engagement with the MOF and sector ministries and his FM responsibilities as member of the World Bank's technical team for the EFA and the SSRP. The ICR interviews and document review point to a preparation of the World Bank operation that was responsive to the pressing GON timetable and pace of preparation of other DPs, notably the ADB. More time taken for diagnostic work on the probable implementation challenges of what was new under the SSRP compared with the EFA and more attention to conceptualization of the processes—not only inputs—essential to achieve the expected development outcomes would have contributed to stronger quality at entry. For this reason, the ICR rates the World Bank performance at quality at entry as Moderately Satisfactory.

(b) Quality of Supervision

Rating: Satisfactory

77. The World Bank team was highly proactive in recognizing the capacity constraints on time and providing enhanced supervision and TA throughout the project implementation period. The steady support was a decisive factor in how the Government program stayed on track toward its development objectives in a country context of uncertainties and volatility. In addition to the impact of the World Bank team's support in the areas of fiduciary and forensic analyses as well as technical work especially pertinent to the quality objectives, the team was increasingly strategic in its implementation support to leverage financing for results. This was demonstrated in the restructuring at Phase 3, bringing in ILIs, and then as this picked up pace, restructuring to bring in DLIs in Phase 4. A similar strategic leveraging is seen in the World Bank team having delayed preparation of financing for the two-year extension until governance issues connected with transparency of the textbook distribution system were addressed. The World Bank team's ISRs are candid and substantive in providing management with assessments on challenges, risks, and achievements. Management comments show close oversight of the project and responsive guidance to the task team. Management letters from the Country Management Unit to the GON reinforced the specifics of follow-up actions needed, most notably in regard to FM and audit observations. The borrower's and DPs' summaries (annexes 7 and 8) recognize and appreciate the continuous efforts and leadership of the World Bank team.

(c) Justification of Rating for Overall Bank Performance

Rating: Satisfactory

78. Although the ICR rates the World Bank performance in quality at entry Moderately Satisfactory, the ICR rates overall World Bank performance as Satisfactory because of the World Bank's strong

proactivity, expertise, and effectiveness during supervision. This applies to management of the World Bank operation and leadership within the wider SWAp. Also, at various intervals during implementation, the World Bank's technical team expended extra effort, serving as a focal point for education in the larger DP group. The project closed on time and preparation of the follow-on project commenced before the SSRP closed.

5.2 Borrower Performance

(a) Government Performance

Rating: Moderately Satisfactory

79. The Government at central level worked closely with the World Bank to design the project and ensure coordination with the activities supported by DPs participating in the SWAp. The frequent stalling in the drafting of a new Constitution and frequent changes in the Government made implementation of the SSRP demanding but the Government commitment remained strong and was evident, among others, in the regularity of annual allocations to the SSRP AWPB. However, the earlier mentioned delays in passing the full budget, which affected all line ministries, led to delays in the commencement and completion of civil works under the SSRP, which resulted in a large share of construction budget being flagged in the OAG's audit observations as ineligible expenditure. The OAG was strongly committed in reviewing financial statements and following up on audit observations and recommendations of audit reports. The Government was prompt in reimbursing the World Bank for ineligible expenses (the majority of which were incurred at district and community levels). The actions of the OAG, and the FCGO overseeing Government expenditures against budget across all 75 districts, were instrumental in improving internal controls and reducing the chronic level of ineligible expenses.

(b) Implementing Agency or Agencies Performance

Rating: Moderately Satisfactory

80. The MOE was the executing agency and the DOE was the main implementing agency. The DOE prepared the ASIP and AWPB. The DOE executed the AWPB by implementing the activities assigned to the DOE and sending authorizations for activities assigned to other agencies (including to the DEOs, responsible for execution at district level and transfer of funds to schools). Responsibility for overall program monitoring was shared between the DOE and the MOE. The ICR notes that despite frequent turnover, many of the higher administrative officials were transferred to other sections in the MOE/DOE; this was an advantage for institutional memory and applying the ongoing lessons from the EFA and the SSRP. The ICR further notes that pending amendment of the Education Act, the implementing agency made innovative use of the administrative procedures for the higher secondary education board (HSEB) and the DOE to work together to implement secondary education under the SSRP. The SWAp partnership arrangements were transparent in the JFA and Code of Conduct and adhered to. The ICR recognizes the instrumental role of the implementing agency to keep the project and the Government program on track despite longer-than-expected delay in the amendment to the Education Act. Even though there were formal constraints on how far the MOE/DOE could enforce accountability at school and community level, the ICR finds there was still scope for improvement to make the linkages between central and local level more effective in the use and targeting of public resources; oversight of the SIP and social audit processes is one such example.

(c) Justification of Rating for Overall Borrower Performance

Rating: Moderately Satisfactory

81. Based on the above ratings of Government Performance (Moderately Satisfactory), and Implementing Agency Performance (Moderately Satisfactory), Overall Borrower Performance is rated Moderately Satisfactory.

6. Lessons Learned

82. **Project/program-specific lessons.** The following are specific to the SSRP in Nepal but have wider application to similar reform efforts in education in other countries:

- Policy environment has a fundamental effect on sector development and reform programs. SSRP's main policy elements – continued emphasis on devolution of decision-making powers to communities and restructuring of the school sector to basic education (grades 1-8) and secondary education (grades 9-12) – were important policy elements. With the new Constitution in place, the SSDP decision-making and decentralization would need to be re-aligned again when the federal state structure is in place. The school restructuring was formalized after the SSRP period ended when the Education Act was finally amended in 2016.
- The MOE acted as the 'glue' to hold the PCF modality together, in the absence of which the program might not have achieved the level of success it did. The SSRP put a moderate approach to decentralization in play: key policy and planning decisions made at the central level, with district authorities serving as the implementation arms of the central ministry, and local communities managing frontline service delivery that largely determined the extent to which the SSRP development objectives were achieved. Implementing the SSRP helped understand ways that, while the design of PCF was well-intended to provide an equitable funding allocation all the way to the school level, the implementation of the scheme had some accountability gaps from the lack of a compliance system in place. In addition, the main frontline actors—SMCs and schools—were not directly supported by district level in terms of managing the finances.
- Nonetheless, the SSRP created and consolidated institutional procedures, increasing good governance and capacity across the schooling sector, showing it was possible to test a model of decentralization even in anticipation of the new legal framework that came into place shortly after the project closed. The SSRP further demonstrated how a robust, comprehensive, and unflagging effort directed at the performance of the basic and secondary education subsectors as a coherent whole, bridging the Government and community management, can achieve considerable success in increasing access and improving the quality of education. The continuity of the SWAp from the EFA to the SSRP, largely with the same DPs participating, also played a valuable role. The gains of the SSRP should be taken further in the SSDP; they should also be used as a basis for a more encompassing education policy that would span service delivery through the private sector and public-private partnerships.
- Going forward, the question is the following: To what extent can the solutions and practical arrangements found to work under the SSRP be fitted into a new overarching framework (guided by the new Constitution and Eighth Amendment to the Education Act)? Under decentralization, the division of powers and principle of subsidiarity³¹ carry an inherent acceptance of some mixture of autonomy and homogeneity across the sector. The challenge is to find a good mix of allocation, implementation and compliance criteria in the context of diverse communities and SMCs. The lesson from the SSRP is that the PCF can effectively deliver desired inputs in a flexible way to a diverse population but given that local choices and economic positions can both reduce and induce disparities, it will be important to accommodate local level decision-making while at the same time ensuring that the central grant transfer system provides a certain degree of equity (in the sense of interdistrict, interregional equity).
- How institutions work (in particular, the regulations and principles that govern functions and revenue sources) plays an important role in shaping the relationships between the various layers of government. Incentives can render policies effective. Going forward, the school grants management system could allocate grants with a tighter link to SIPs, based on robust funding formula involving

³¹ Subsidiarity is used here to mean an organizing principle for decisions to be made and carried out by the least centralized authority.

verified performance in outputs/IOs/outcomes. Moreover, teacher accountability has to be a major priority in terms of political negotiations if the system is to hold teachers accountable to student learning.

- Potentially transformative initiatives for quality—addressing underlying factors associated with low levels of learning—include curriculum revision and textbook development with a stronger emphasis on competencies, classroom-based assessment, emphasis on early grade reading, and systematic practice of the NASA for monitoring trends in learning achievement. Lessons from the NASA and the pilot of the EGRA also point to the pivotal power of coordination, linkages, and mutually supportive synergies between quality-focused initiatives to bring about substantial improvements.
- The curriculum is a linchpin. The (first) National Curriculum Framework (NCF), adopted in 2007, is based on grade-specific competencies. A revised comprehensive NCF is needed for school education (ECED/Pre-primary Education to Grade 12) to ensure vertical and horizontal linkages across levels and subjects, and to meet the range of learning needs of students with diverse abilities, aptitudes, and career aspirations. Based on the revised curriculum framework, textbooks will need to be systematically revised and teachers prepared to carry out the new curriculum to cater more effectively to diverse learning needs in the classroom.
- The SSRP highlighted the need to review the attributes required of FM responsibility at DEO level. The DEO business is so voluminous, it is difficult for a single FM position adequately to handle all the work required. This review should be incorporated into a broader effort to address the following: (a) establishment of an FM unit at the DOE; (b) deployment and designation of adequate number of financial and procurement staff at the DEO; (c) implementation of Financial Management Action Plan (FMAP); (d) support mechanisms to strengthen FM at school level; and (e) annual fiduciary reviews.
- There is scope to enhance reliability and utilization of EMIS data and M&E systems, building further from enhancements under the SSRP. Next steps should include (a) integration of additional data sets such as learning outcomes of the EGRA and the NASA into EMIS; (b) improving information and communication technology (ICT) infrastructure and upgrade of software to make EMIS web-based; (c) use of web-based EMIS data to prepare district and school report cards for social audits in all schools; and (d) regular, sample-based independent verification of EMIS data to gauge the reliability of the data and to implement corrective measures.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

Not applicable.

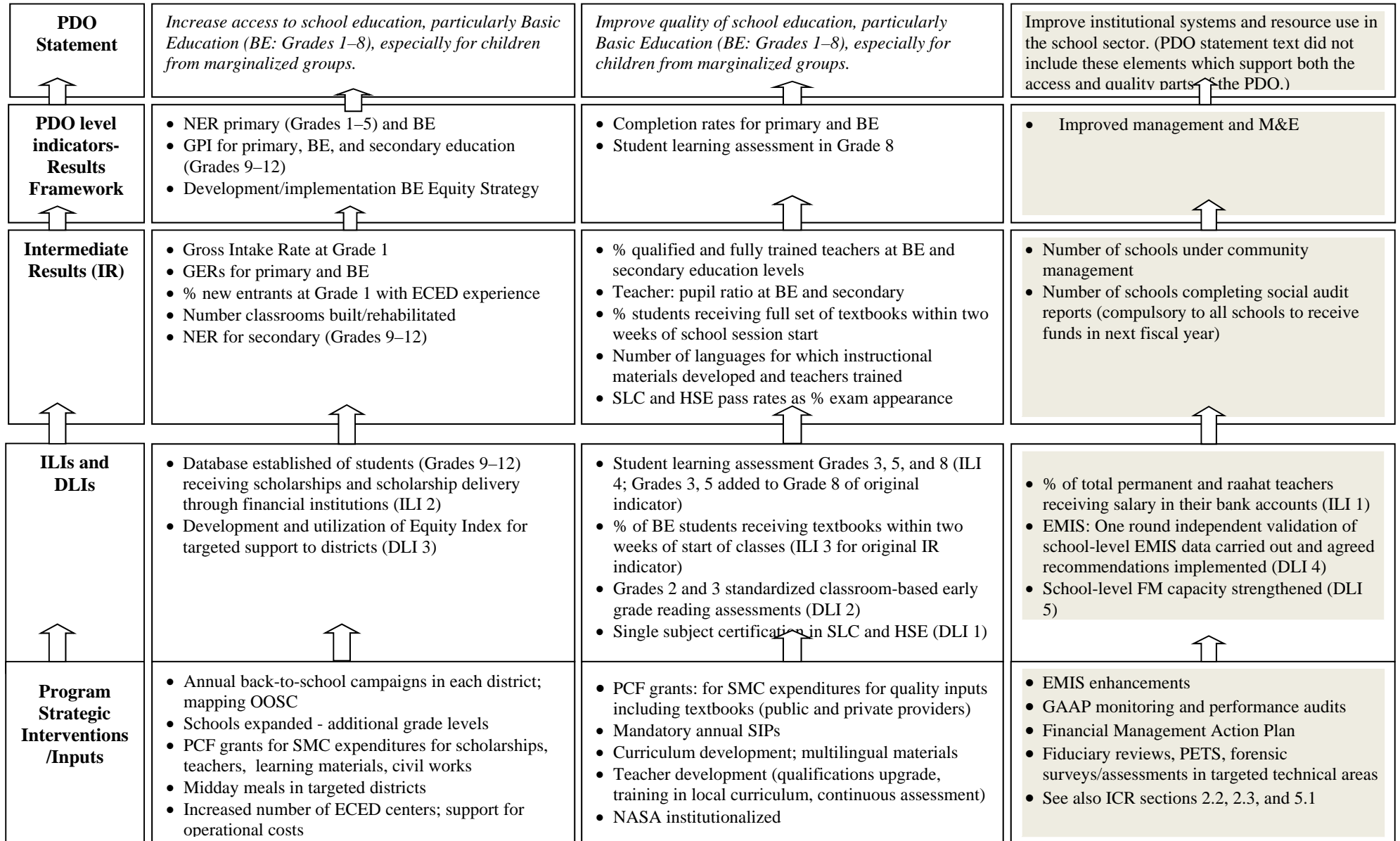
(b) Cofinanciers

Not applicable.

(c) Other partners and stakeholders

Not applicable.

Figure 1. Results Chain - Linkages between PDO, IRs, ILIs, DLIs, Program Strategic Interventions



Annex 1. Project Costs and Financing

(a) Project Cost by Component (in US\$, millions equivalent)

Components ^a	Appraisal Estimate (US\$, millions) ^a	Additional Financing (US\$, millions) ^b	Actual/Latest Estimate (US\$, millions)	Percentage of Appraisal (%)
1. Basic education	102.00	223.81	292.9	287
2. Secondary Education	25.00	33.99	70.4	282
3. Institutional Capacity Strengthening	3.00	5.66	7.4	247
Estimated Total Baseline Cost	130.00	283.3	—	—
Total Project Costs	130.00	283.3	370.7	285
Canceled ^c	—	—	8.1	—
Undisbursed ^d	—	—	29.75	—
Total	130.00	283.3	408.5	—

Note: a. Component-wise cost breakdowns for appraisal estimate, AF, and actual are indicative based on IDA's pro rata share in the joint programmatic support for Government's SSRP. The project was not designed to earmark IDA commitments for respective project components.

b. AF column includes 2010 EFA-FTI Grant, 2013 IDA Credit and Grant AF, and 2016 GPE and REACH AF Grants.

c. Amount from the World Bank Client connection at the time of finalization of ICR.

d. The undisbursed amount includes: (a) 'Part B' of GPE AF Grant (US\$17.8 million) and REACH AF Grant (US\$4 million) that disburse during the post-SSRP period; (b) a total amount of US\$4.8 million that remains undisbursed under 'Part A' of GPE AF Grant; and (c) US\$3.14 million of SDR equivalent under IDA. The project lost approximately US\$4.8 million due to exchange rate fluctuation.

(b) Financing

Source of Funds	Type of Co-financing	Appraisal Estimate (US\$, millions)	Actual/Latest Estimate (US\$, millions)	Percentage of Appraisal (%)
US: Agency for International Development (USAID)	Joint	9.00 ^a	2.33	26
Asian Development Bank	Joint	113.50	163.80	144
AUSTRALIA: Australian Agency for International Development	Joint	4.30	14.54	338
Borrower	Joint	1885.00	2950.00	156
DENMARK: Danish International Development Assistance	Joint	100.00	58.68	59
UK: DFID	Joint	17.50	Financed through European Commission (EC)	n.a.
EC	Joint	74.10	57.02 ^b	77
FINLAND: Ministry for Foreign Affairs	Joint	20.00	25.39	127
IDA	Joint	71.50	216.22	166
IDA Grant	Joint	58.50		
EFA-FTI	Joint	n.a.	117.8	
GPE	Joint	n.a.	36.7	n.a.
REACH MDTF	Joint	n.a.	n.a.	n.a.
NORWAY: NORAD	Joint	26.00	38.30	147
UN Children's Fund	Joint	1.50	2.55	170
JAPAN: JICA	Joint	n.a.	5.67	n.a.
Foreign Multilateral Institutions (unidentified)		254.10	n.a.	n.a.

Note: a. Tentative estimate at appraisal included USAID and other non-pooling DPs, particularly World Food Program, UNESCO, and JICA. JICA started as pooling partner in year 6 of the SSRP.

b. An additional US\$6.3 remains to be disbursed at time of the ICR report.

Annex 2. Outputs by Component

The matrix below summarizes the outputs delivered within the project period, by component.

SI. No	Component Wise Outputs
1	Component 1: Basic Education
1.1	Increase access and inclusion in basic education
a.	Reaching OOSC: <ul style="list-style-type: none"> Annually conducted ‘Welcome to School’ campaign: Coverage in all 75 Districts; as part of annual campaigns, schools made household visits to identify and enroll OOSC Intensive ‘free compulsory basic education’ strategies targeted 13 lagging region with financial and other resources mobilized according to identified needs 53 Districts - each school tracking OOSC Geographic Information System mapping capability established to inform plans for relocating schools for better access by populations in need
b.	Provision of targeted incentives to promote access and retention: <ul style="list-style-type: none"> Expanded coverage of targeted scholarships from 31 to 57 percent of all children (100 percent of girls) enrolled in basic education (Grades 1–8). FY2015/16 provided scholarships to 1,792,722 girls; 932,427 Dalits, 39,595 CwDs; 158,355 children from other deprived communities. Mid-day meal program provided to approximately 800,000 students: 93,398 students of Karnali zone, over 200,000 basic education students in 14 targeted districts, and nearly 500,000 students (including ECED, basic education, and secondary) in 10 targeted districts
c.	Multi-lingual teaching and instructional materials to facilitate learning and retention in school: <ul style="list-style-type: none"> 69 local languages in use as MoI benefiting total 850,831 primary students in over 7,676 schools (as of 2015/16) - surpasses SSRP target. Primary education curriculum and textbooks developed in 21 languages (languages spoken by 97 percent of the population) and implemented in 5,998 schools 42 supplementary reading materials produced in 15 languages 10-day TPD modules benefitted 141,000 teachers using training packages developed by National Council for Educational Development (NCED)
d.	Expansion of physical facilities (schools, classrooms, sanitation facilities): <ul style="list-style-type: none"> 32,000 classrooms constructed accommodating over 950,000 students and reducing student:classroom ratio in basic education 33 to 24 Toilet facilities in 82% of all schools (among which 85% have separate girls’ toilet facilities)
e.	Financing for teacher salaries, textbooks, and other non-salary expenditures: PCF non-salary grants (used for purchasing textbooks, providing targeted scholarships, procuring supplementary learning materials) provided throughout SSRP time period, comprising 20 percent of total SSRP budget expenditures <ul style="list-style-type: none"> 15,000 teachers annually supported through PCF, catering to 300,000 students 32 million full sets of textbooks supplied free over SSRP timeframe (basic education and secondary level textbooks, ref. 2.2a); 90 percent of students were receiving textbooks within 2 weeks of the start of the school year by end of SSRP; detail in tables 2.1, 2.2 this annex.
1.2	Improve quality in basic education
a.	Scale-up of curriculum development (in addition to multi-lingual elements in 1.1.c.): <ul style="list-style-type: none"> Grades 6–10 curricula updated/revised Grades 6–10 textbooks and teachers’ guides developed ‘Digitization of curriculum’: Publication (by MOE Curriculum Development Center [CDC]) of textbooks, reference materials, curriculum, teacher guides) on websites and through mobile applications for greater accessibility nationally
b.	32 million full sets of textbooks were distributed to students over the lifetime of SSRP (this total number covers all grade levels, not only BE); the textbooks were developed with the updated curriculum

c.	<p>Assessment and evaluation of student learning</p> <ul style="list-style-type: none"> • Continuous Assessment System introduced into 72% schools offering basic education - surpasses SSRP target. Continuous Assessment System training packages developed by NCED; grade-specific remedial materials developed by CDC and provided to all teachers • Sample-based, standardized NASAs developed for Grades 3, 5, and 8; two rounds of NASA per grade conducted, results analyzed and publicly disseminated; NASA implementation established under the Education Review Office (ERO) <p>Year, Grades, Subjects and Districts for NASA 2011–2015</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Grade</th> <th>Subjects</th> <th>Districts</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>8</td> <td>Nepali, Mathematics, and Social Studies</td> <td>25</td> </tr> <tr> <td>2012</td> <td>5</td> <td>Nepali, Mathematics, and English</td> <td>28</td> </tr> <tr> <td>2012</td> <td>3</td> <td>Nepali and Mathematics</td> <td>28</td> </tr> <tr> <td>2013</td> <td>8</td> <td>Nepali, Mathematics and Science</td> <td>28</td> </tr> <tr> <td>2015</td> <td>5</td> <td>Nepali, Mathematics and English</td> <td>23</td> </tr> <tr> <td>2015</td> <td>3</td> <td>Nepali and Mathematics</td> <td>23</td> </tr> </tbody> </table>	Year	Grade	Subjects	Districts	2011	8	Nepali, Mathematics, and Social Studies	25	2012	5	Nepali, Mathematics, and English	28	2012	3	Nepali and Mathematics	28	2013	8	Nepali, Mathematics and Science	28	2015	5	Nepali, Mathematics and English	23	2015	3	Nepali and Mathematics	23
Year	Grade	Subjects	Districts																										
2011	8	Nepali, Mathematics, and Social Studies	25																										
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2012	3	Nepali and Mathematics	28																										
2013	8	Nepali, Mathematics and Science	28																										
2015	5	Nepali, Mathematics and English	23																										
2015	3	Nepali and Mathematics	23																										
d.	EMIS updated: conversion from paper-based to software-based reporting (from schools); by end of SSRP schools from 72 Districts have data uploaded to DOE website; capacity in place for schools to track each student throughout his/her years of schooling (see also 3.3.a. below)																												
e.	<p>SIPs, the basis for local ownership:</p> <ul style="list-style-type: none"> • Process institutionalized - 99% all schools produce (mandatory) SIPs annually, linking planning and budgeting requirements for improvements in physical facilities and expenditures on quality inputs including textbooks and hiring of teachers • (See also 3.2.a. below) 																												
1.3	Early Childhood Education Development																												
	<p>Expansion of number of ECED centers:</p> <ul style="list-style-type: none"> • 5500 new ECED centers established • Total 33,000 centers (of which 30,448 community managed) operating by end of SSRP • Monthly the GON financing provided to all ECED centers for during of SSRP: NPR 1000/month (approx. US\$9 equivalent) for learning materials and NPR 3000/month (approx. US\$27 equivalent) for one facilitator • 8000 ECED centers benefited from NGO support for construction, learning and play materials, equipment and furniture 																												
1.4	Literacy and continuing education																												
	<p>Establishment and strengthening of CLCs to complement the national literacy program:</p> <ul style="list-style-type: none"> • 2200 CLCs constructed; each received one-time support of NPR 50,000 (approx. US\$468 equivalent) 																												
1.5	Basic education teachers' salaries																												
	<ul style="list-style-type: none"> • 42,000 teachers recruited through PCF funding or through schools' own resources to meet demand created by increase in student enrolments in basic education 																												
2	Component 2: Secondary Education																												
2.1	Increase access and equity in secondary education																												
a.	<p>Expansion of physical facilities (classrooms, libraries, laboratories):</p> <ul style="list-style-type: none"> • 7000 classrooms, 5000 girls' toilets constructed catering to approx. 155,000 students • 4500 libraries constructed with support of DEO or NGOs through matching and partnership modalities, respectively • ICT-based teaching learning facilities constructed at 4000 schools 																												
b.	<p>Provision of scholarships to promote access by targeted groups:</p> <ul style="list-style-type: none"> • Scholarships provided to 20% of secondary students; coverage in FY2015/16 included scholarships for 81 children of Martyr; 4268 mukta kamlaharis; 7066 conflict-affected children; 882 residential students; 500 model school students; 60,289 selected secondary education students; 81,401 Dalits; 15,401 marginalized and targeted students; 187 science students; and 60,907 girls. Weighted average amount of scholarship received was NPR 2121 (approx. US\$20 equivalent) 																												
c.	<p>Alternative provisions for secondary education for adult learners:</p> <ul style="list-style-type: none"> • Grants provided to 650 schools: 400 schools for open education, 150 schools running non-formal secondary education for adult women, and 100 religious schools 																												
2.2	Improve quality in secondary education																												
a.	<p>Development of norms and standards for curricula, education materials, teachers, school environment and examination systems:</p> <ul style="list-style-type: none"> • Curriculum reformed for Grades 9–12 																												

	<ul style="list-style-type: none"> Textbooks, teachers' guides and other learning/reference materials developed with updated curriculum (ref. 1.2b: for all levels of schooling 32 million full sets of textbooks were distributed to students over the lifetime of SSRP); detail in tables 2.1, 2.2 this annex New curriculum introduced (implemented in schools) for Grade 9
b.	<p>Grants provided through PCF modality:</p> <ul style="list-style-type: none"> Grants for non-salary expenditures comprised 20% of total SSRP secondary education budget. Grants used for textbooks, science labs and programs, computer labs and programs, construction of toilets, and so on. (For example, 785,000 secondary students received support for textbooks in 2015) Grants for salary expenditures: Supported recruitment of 10,500 teachers
2.3	Technical Education and Vocation Training
	<p>Piloting approaches to bring TEVT into Grades 7–10:</p> <ul style="list-style-type: none"> “Technical and Vocational Education in Schools operating guideline - 2012” approved/provided by MOE; (DOE) started Grade 9 in 100 schools across 71 Districts, per approved guideline Grade 9–10 curriculum revised to integrate technical and vocational skills; implementation started in Grade 9 ‘Soft skills’ integrated into Grade 6–8 textbooks
2.4	Secondary education salary
	<p>Financing for teachers' salaries through PCF:</p> <ul style="list-style-type: none"> 11,431 teachers recruited by SMCs using PCF provided by DEO or local resources (This was in addition to 3,819 teachers recruited centrally by the GON)
3	Institutional Capacity Strengthening
3.1	Support for local-level recruitment of qualified teachers
a.	<p>Enhanced teacher licensing practices:</p> <ul style="list-style-type: none"> Regulation instituted for mandatory 10-month qualification training Achieved 96% of basic education teachers and 86% of secondary teachers fully trained/certified (these were not only new teachers; the training also cleared a backlog of untrained teachers) Revised regulations opening possibility for people with non-education degree backgrounds to become teachers, especially encouraged students with bachelor's degrees in Science, Math or English to apply directly for a teaching license 25% teachers recruited at local level financed through PCF or local resources
b.	<p>School-based and Resource-center based in-service training provided in each District according to guidelines of the national Teacher Professional Development Program.</p>
3.2	Capacity development
	<p>Local capacity strengthened in planning and managing school operations:</p> <ul style="list-style-type: none"> All schools in 69 Districts received training in SIPs By 2015/16, more than 93 percent of all schools were regularly carrying out the required Social audits.
3.3	Program management, M&E
a.	<p>EMIS upgraded with improved reliability:</p> <ul style="list-style-type: none"> Conversion to (software-based) school-based IEMIS attained near total coverage by end of SSRP (72 of 75 Districts), replacing school self-reporting in hard copy. This is a foundation for upgrading to web-based EMIS for capturing real-time data on schools, students and teachers to inform equity-based education indices and targeted allocations, and track the distribution of scholarships and incentive schemes. Unique student ID created to track students over their school career
b.	<p>Quantitative and qualitative studies informing and supporting SSRP implementation (including but not limited to the following):</p> <ul style="list-style-type: none"> PETS Fund flow tracking SSRP Institutional Analysis and Capacity Schooling in a Language other than Mother Tongue SSRP Mid-Term Evaluation Gender Audit of SSRP Teacher Management and Development in Nepal Consolidated Equity Strategy
c.	<p>Support for GAAP implementation</p>
	<p>Regular review of GAAP progress/unresolved challenges by JARs and JCMs supported by 14 Thematic Groups</p>

Table 2.1. Availability of Textbooks at Primary, Lower Secondary, and Secondary Levels (2009/10)

Grades	Total Students Enrolled	Percentage of Students Received Textbooks within Second Week of Academic Session		
		Full Set	Partial Set	None
1	1,472,013	53	4.7	42.3
2	993,916	59.3	3.7	37.0
3	876,605	61.7	3.9	34.4
4	819,257	59.5	6.1	34.4
5	738,872	57.4	6.6	36.0
1-5	4,900,663	57.6	4.9	37.6
6	590,554	45.0	11.7	43.3
7	518,958	43.0	13.4	43.7
8	494,910	41.5	12.9	45.6
6-8	1,604,422	43.3	12.6	44.1
1-8	6,505,085	54.0	6.8	39.2
9	425,035	23.0	5.1	72.0
10	365,313	22.7	4.6	72.8
9-10	790,348	22.8	4.8	72.3
Total	7,295,433	50.7	6.6	42.8

Source: Flash I Report (2009-10).

Table 2.2. Availability of Textbooks at Primary, Lower Secondary, and Secondary Levels (2016/17)

Grade	Total Enrolment	Number of Students by Status of Textbook Availability							
		Student Number				Percentage			
		Full Sets	Partial	Re-used	None	Full	Partial	Reused	None
1	826,821	656,121	38,883	44,859	86,958	79.4	4.7	5.4	10.5
2	686,686	612,494	12,165	23,428	38,604	89.2	1.8	3.4	5.6
3	669,241	602,720	19,495	23,274	23,739	90.1	2.9	3.5	3.5
4	635,280	575,929	20,677	16,490	22,182	90.7	3.3	2.6	3.5
5	631,995	575,897	17,768	14,669	23,665	91.1	2.8	2.3	3.7
1-5	3,450,023	3,023,161	108,988	122,720	195,148	87.6	3.2	3.6	5.7
6	506,810	455,317	15,077	8,419	28,000	89.8	3.0	1.7	5.5
7	508,101	460,678	14,871	14,089	18,461	90.7	2.9	2.8	3.6
8	525,161	474,480	20,065	16,083	14,524	90.3	3.8	3.1	2.8
6-8	1,540,072	1,390,475	50,013	38,591	60,985	90.3	3.2	2.5	4.0
1-8	4,990,095	4,413,636	159,001	161,311	256,133	88.4	3.2	3.2	5.1
9	412,164	365,675	18,847	7,910	8,730	91.4	4.6	1.9	2.1
10	355,485	327,542	15,378	6,211	6,354	92.1	4.3	1.7	1.8
9-10	767,649	704,220	34,227	14,119	15,083	91.7	4.5	1.8	2.0
1-10	5,757,744	5,117,856	193,228	175,430	271,216	88.9	3.4	3.0	4.7

Source: Flash Report I (2016/17).

Table 2.3. Schools Units by Grade Levels Offered Per School (2009 and 2016/17)

Grade	2009 (32,130 Total Schools)	2016/17 ^a (35,222 Total Schools)
1	800	616
1-2	1,122	683
1-3	4,243	4,698
1-4	1,567	1,392
1-5	12,762	12,361
1-6	764	528
1-7	1,139	698
1-8	2,505	4,840
6-7	2	16
6-8	5	11
1-9	566	306
1-10	4,059	5,354
1-11	531	85
1-12	1,597	3,175
6-9	1	1
6-10	81	45
6-11	3	0
6-12	88	111
9-10	2	4
9-11	0	0
9-12	0	3
11-12	293	295

Source: Flash I Report (2009/10); Flash I Report (2016/17).

Note: a. Number of schools at start of school year 2016/17; religious schools not included.

Table 2.4. Distribution of ECED Centers and Primary and Secondary Levels by Eco-belts (2009 baseline and school year 2016/17; only levels from schools registered at DEOs)

Eco belt	ECED Centers		Grades 1-5		Grades 6-8		Grades 1-8		Grades 9-10		Grades 11-12		Grades 9-12	
	2009	2016/2017	2009	2016/2017	2009	2016/2017	2009	2016/2017	2009	2016/2017	2009	2016/2017	2009	2016/2017
Mountain	2551	3412	3920	4200	1118	1594	3947	4231	591	501	222	318	598	819
Hill	12539	15680	16423	17490	5285	6917	16506	17585	3071	2400	1084	1629	3122	4029
Kathmandu Valley	1710	1979	2076	2063	1507	1685	2093	2078	1170	1050	365	449	1288	1499
Terai	12289	15022	9236	10983	3431	4974	9289	11026	2096	1759	841	1273	2213	3032
Nepal	29089	36093	31655	34736	11341	15170	31835	34920	6928	5710	2512	3669	7221	9379

Source: Flash I Report (2009/10); Flash I Report (2016/17).

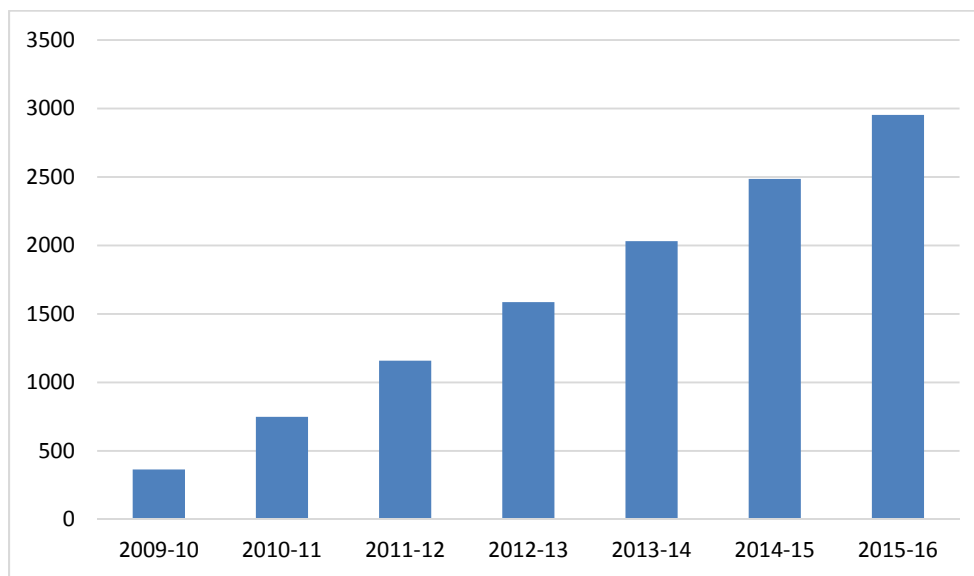
Annex 3. Economic Analysis

1. The economic analysis presents an ex-post assessment of cost-benefit analysis associated with the seven-year SSRP using realized data at the end of the program. To assess the impact of SSRP, the analysis assumes a counterfactual ‘business as usual’ scenario and compares the benefits and costs of the SSRP to the without-program counterfactual scenario in which the GON’s program for the school sector is simply an extrapolation of the spending and activities carried out during the preceding EFA program. The counterfactual scenario is kept the same as in the SSRP appraisal stage. The analysis uses the following assumptions and data sources to arrive at the IRR and the NPV of program benefits.

2. Three benefit streams are considered for the analysis: (a) increased education quantity (increased access to education, resulting in more workers in the future with at least eight years of schooling and with higher earnings as a result); (b) enhanced education quality and relevance (more learning, resulting in higher productivity and earnings on the part of everyone who has completed basic education); and (c) enhanced internal efficiency of education (less wastage, that is, fewer school drop-outs and repeaters, and lower unit costs as a result).

3. Enrolments in basic education (Grades 1–8) for years 2009/10–2015/16 are from EMIS Flash Reports. Approximately 85 percent of basic education students in Nepal attend community schools. Although there might be some spillover effects of SSRP activities on student flows in the private schools, for the economic analysis, the impact of SSRP is confined to students who attended community schools eligible for government funding. Annual enrolments in community schools in Grades 1 to 8 ranged from 5.6 million in 2009/10 to 5.2 million in 2015/16. By the end of the seven-year SSRP period, approximately 2.95 million students, cumulatively, graduated from Grade 8 (figure 3.1).

Figure 3.1. Total Number of Community School Students Completing Grade 8 (Cumulative in thousands), 2009/10–2015/16



Source: EMIS Flash reports from various years. Total number of Grade 8 completers is calculated based on promotion rate at Grade 8 and the number of community school students is assumed to be 85 percent of the total students.

4. **Increased education quantity (additional school completers).** A major component of the benefit stream comes from the additional number of students who complete basic education, as a result of the SSRP. The counterfactual scenario assumes that, for all grades, repetition and dropout rates in any year would be 95 percent and 90 percent of those in the previous year, respectively. Compared to the

counterfactual, SSRP resulted in a total of about 100,000 additional students completing basic education. Benefits from increased life-time earnings are estimated for the additional basic school graduates of all seven cohorts (2009/10 through 2015/16) using 2011 National Living Standards Survey (NLSS) wage-education profiles adjusting for inflation. Average annual wage-premium for a basic education graduate (difference in wage of those who completed basic education (Grade 8) to those who have not) over the seven-year period is estimated to be about NPR 24,000 (approximately US\$227 equivalent).³² The benefit stream accruing from life-time earnings for the seven cohorts is assumed to continue for 20 years with wage premium assumed constant after FY 2015/16 for future years.

5. Enhanced education quality and relevance. This benefit applies to all students who completed basic education during the seven-year SSRP period (approximately 2.95 million students). Although SSRP made major progress in improving access to education, there is less evidence on improvement in quality of education. Hence, to be conservative, the education quality premium is kept at five percent of the average wage of those with basic education (same level as at the SSRP appraisal stage) that is, basic education (Grade 8) graduates will earn five percent more due to the quality premium. The benefit stream accruing from life-time earnings for the seven cohorts is assumed to continue for 20 years.

6. Enhanced education internal efficiency. Savings due to enhanced internal efficiency, that is, reduced number of student-years to produce one basic education graduate, are calculated accounting for government's program costs for basic education. It was estimated (during the design phase of the first five years of the SSRP) that SSRP would produce a basic education graduate with 1.8 fewer student-years (9.7 years during SSRP versus 11.5 years under the 'counterfactual' no SSRP). However, realized data show a much slower improvement in internal efficiency during the SSRP period (11.3 years during SSRP versus 11.5 under the 'counterfactual' no SSRP).

7. SSRP costs. On the cost stream, both public and private costs of basic education are considered, in particular: (a) the additional program costs of SSRP (difference between the total SSRP spending and spending under the 'counterfactual' scenario of no SSRP) funded by the GON and DPs; and (b) private costs that comprise direct household outlays as well as opportunity costs.

8. Additional public investment under SSRP. The cost of SSRP was substantially higher than projected during the SSRP design stage. The actual cost of the seven-year SSRP was NPR 410.57 billion (US\$4.6 billion).³³ A large share of this cost would have to be met with or without SSRP. The economic analysis of SSRP requires an estimation of the 'counter-factual', the hypothetical situation of not having an SSRP, just as it was necessary above for quantifying the benefits of SSRP. During the design stage, it was estimated that about 15 percent to 21 percent of the projected cost would be the additional investment as a result of SSRP. The same ratio is used, based on actual cost, to calculate the additional cost of SSRP (table 3.1).

9. Private cost of education (for additional enrolment). The private household cost of attending public basic education is considered for the additional enrolled students. The per capita annual household expenditure on basic education is about NPR 1322 (US\$12.50) (estimated using 2011 NLSS data). From the same data, opportunity cost (forgone earnings) per student per year while attending school is estimated to be NPR 17,000 (US\$160).

³² Normally, the category completed basic education would include individuals who have completed Grade 8 and individuals with less than secondary education (this could be either Grade 10 or Grade 12, depending on the country context). However, for the purpose of this analysis the category completed basic education includes only those who have completed Grade 8 (higher grades are not considered while calculating the wage of those with basic education).

³³ Projected cost of the seven-year SSRP (during the design stage) was NPR 323.2 billion (approximately US\$4 billion equivalent).

Table 3.1. SSRP Cost: 2009/10–2015/16 (in millions)

Year	Projected at Appraisal					Actual Cost/Spending Under SSRP				
	Total Cost		Additional SSRP Investment		% allocated to SSRP investment	Actual		Additional SSRP investment		Ex-change rate ^a
	NPR	US\$	NPR	US\$		NPR	US\$	NPR	US\$	
2009-10	34448	462.39	5060	67.92	0.15	34290	460.27	5102	68.48	74.50
2010-11	37800	522.82	5711	78.99	0.15	49325	682.23	7453	103.08	72.30
2011-12	41792	515.95	6929	85.54	0.17	51926	641.06	8610	106.30	81.00
2012-13	46056	523.36	8419	95.67	0.18	51984	590.73	9504	108.00	88.00
2013-14	49992	510.13	9586	97.82	0.19	67098	684.67	12867	131.30	98.00
2014-15	54350	546.23	11172	112.28	0.21	74385	747.59	15291	153.68	99.50
2015-16	58794	556.76	12641	119.71	0.22	81557	772.32	17536	166.06	105.60

Source: SSRP Core Document (GON); PAD (World Bank); SSRP Status Reports various years (GON MOE/DOE)

Note: a. Central Bureau of Statistics, Nepal

10. **IRR.** A discount rate of 12 percent is assumed to calculate the NPV of program benefits (same as at appraisal). Based on the discount rate, benefits and costs and assumptions detailed above, the cost-benefit analysis resulted in an IRR of 17.9 percent. The key assumptions underlying the estimated IRR have to do with (a) unemployment rate (b) additional earnings associated with the completion of basic education and (c) value of education quality premium. The base scenario assumes that unemployment among the additional basic education graduates who enter the labor market remains zero throughout. Table 3.2 below shows the results of the sensitivity analysis of changing some of the parameters. Under alternative scenarios, four options are entertained: (a) higher unemployment rates; (b) lower earning differential between basic education completers versus non-completers, (c) lower education quality premium, and (d) combining all three sets of less optimistic assumptions. As expected, the IRR estimates under alternative scenarios are lower than the main IRR estimate, ranging from 17.6 percent to 13.7 percent. Still, the reduced estimates exceed the opportunity cost of the investment in SSRP.

11. **Project ICR and project appraisal estimates.** The ex-post IRR of 17.9 percent is significantly lower than the original estimate of 39.2 percent at the appraisal stage of SSRP. The gap is largely due to (a) the overall increase in the SSRP cost, almost 30 percent higher than the cost estimated during appraisal stage (table 3.1) and (b) much slower improvements on internal efficiency measured by repetition and dropout rates (table 3.3). The original assumptions on improvements in repetition and dropout rates were overly optimistic. For instance, during the appraisal it was assumed that SSRP will lead to a 36 percent drop in Grade 1 repetition rate annually whereas by the end of the program the actual average annual drop in Grade 1 repetition rate was only around ten percent.

12. The results of the economic analysis, including the sensitivity analysis, with the IRR ranging from 13.7 percent to 17.9 percent suggests that despite the lower IRR than expected at appraisal, the SSRP has been a sound investment. These estimates are in fact conservative lower-bound estimates as these do not account for externality benefits arising from a more educated and more equitable/inclusive society or additional benefits to those basic school graduates who go on to pursue secondary education and beyond, and receive higher wage premiums.

Table 3.2. Sensitivity Analysis

	IRR	NPV(US\$, millions)
A. Base Scenario	17.9%	637
B. Alternate Scenarios		
B1. Unemployment rate - 10%, 20%	17.6%, 17.2%	627, 617
B2. Smaller earning differential (15% less than the base scenario)	17.4%	622
B3. Lower education quality premium (20% less than the base scenario)	14.7%	531
B4. B1 + B2 + B3	13.9%, 13.7%	508, 500

Table 3.3. Internal Efficiency (Repetition and Dropout Rates) End of Program (2015/16):**Target versus Actual**

	Base Year (2008/09)		Counterfactual		With Program (Appraisal)		With Program (Actual)	
	Repetition rate	dropout rate	Repetition rate	dropout rate	Repetition rate	dropout rate	Repetition rate	dropout rate
Grade 1	27	11	19	5	1	3	14	5
Grade 2	12	6	9	3	1	2	7	3
Grade 3	10	7	7	3	1	2	6	4
Grade 4	9	5	6	2	1	2	5	3
Grade 5	7	8	5	4	1	2	4	4
Grade 6	9	6	6	3	1	1	4	4
Grade 7	9	10	5	5	1	1	4	4
Grade 8	12	7	9	3	2	1	4	5

Source: FLASH reports from various years, DOE.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Venkatesh Sundararaman	Program Leader	EACNF	Co-TTL
Mohan Prasad Aryal	Senior Operations Officer	GED06	
Kiran Ranjan Baral	Consultant	GSURR	
Drona Raj Ghimire	Senior Environmental Specialist	GEN06	
Julie-Anne M. Graitge	Program Assistant	GEDDR	
Hiroko Imamura	Senior Counsel	LEGES	
Rajendra Dhoj Joshi	Consultant	GED06	Co-TTL
Shiva Raj Lohani	HQ Consultant ST	GED06	
Ishwor Neupane	Local Consultant ST	GSURR	
Dilip Parajuli	Senior Economist	GED06	
Bigyan B. Pradhan	Senior Operations Officer	SACNP	
Sushila Rai	Program Assistant	SACNP	
Hiroshi Saeki	Senior Economist	GED01	
Gajendra Man Shrestha	Consultant	SASHD - HIS	
Supervision/ICR			
Dilip Parajuli	Senior Economist	GED06	TTL
Saurav Dev Bhatta	Senior Economist	GED06	TTL
Mohan Prasad Aryal	Senior Operations Officer	GED06	
Maya Sherpa	Economist	GED06	
Susan Opper	Consultant	GED06	ICR team lead/author
Kiran Ranjan Baral	Consultant	GSURR	
Drona Raj Ghimire	Senior Environmental Specialist	GEN06	
Julie-Anne M. Graitge	Program Assistant	GEDDR	
Yves Jantzem	Senior Operations Officer	GED04	ICR Peer Reviewer
Rajendra Dhoj Joshi	Consultant	GED06	
Jaya Karki	Program Assistant	SACNP	
Sangeeta Kumari	Senior Social Development Spec	GSU06	
Dilip Parajuli	Senior Economist	GED06	
Bigyan B. Pradhan	Senior Operations Officer	SACNP	
Sushila Rai	Program Assistant	SACNP	
Annu Rajbhandari	Environmental Specialist	GEN06	
Shwetlena Sabarwal	Senior Economist	GED01	ICR Peer Reviewer
Hiroshi Saeki	Senior Economist	GED01	
Rekha Shreesh	Consultant (Social)	GSURR	
Maheshwor Shrestha	Young Professional	GSP02	
Laxmi Prasad Subedi	Consultant	SASDA - HIS	
Timila Shrestha	Financial Management Specialist	GGO24	
Ram K. Rijal	Consultant	GED06	
Shambhu Prasad Uprety	Senior Procurement Specialist	GGO06	

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	US\$, thousands (including travel and consultant costs)
Lending		
Total:	67.18	185,018.76
Supervision/ICR		
Total:	238.10	402,720.730.00

Annex 5. Beneficiary Survey Results

Not applicable.

Annex 6. Stakeholder Workshop Report and Results

Not applicable.

Annex 7. Borrower's ICR

Assessment of the Operation's Objective, Design, and Implementation

1. The School Sector Reform Plan (SSRP, 2009–2016), jointly funded by the GON, pooling DPs, the GPE and non-pooling partners, was implemented by the DOE through a SWAp from July 2009 and was completed in July 2016. The first five years of the plan were funded jointly by the GON, and ADB, Australia, Denmark, DFID, EU, Finland, Norway, World Bank, and UNICEF and Catalytic Funds from the GPE as pooling DPs. To allow full-fledged implementation of the seven-year plan, a two-year extension was developed for Fiscal Year 2014/15 and 2015/16, during which JICA joined as a pooling DP and Denmark and DFID phased out their support at the end of the initial five year implementation period. In addition, the SSRP was also supported by JICA, UNESCO, UNICEF, USAID, WFP, and I/NGOs through the Association of International NGOs in Nepal as non-pooling DPs.

2. **Objectives.** The SSRP aimed to (a) expand access and equity, (b) improve quality and relevance, and (c) strengthen the institutional capacity of the entire school system. The major objectives of the SSRP were to:

- Expand access to ECED services for children of 4 years to facilitate their holistic development and to prepare them for basic education
- Ensure equitable access of quality basic education for all children (aged 5–12 years)
- Enhance functional literacy and competencies among youth and adults
- Increase access to, and equity, quality and relevance of secondary education
- Equip secondary level students with soft skill based technical and vocational education
- Improve the performance of the MOE service delivery system and develop capacity to implement critical reforms
- Enhance teacher qualifications and professional competencies to facilitate student learning
- Monitor program inputs, processes, and outputs and evaluate the impact of education interventions
- Improve the efficiency and effectiveness of aid available for the SSRP

3. **Implementation arrangements.** Largely, the implementation arrangements for SSRP were similar to those that had been employed for the implementation of EFA 2004–2009. The MOE was the executing agency and the DOE was the main implementing agency. DOE prepared the ASIP and AWPB and executed the AWPB by implementing the activities assigned to DOE and sending authorizations for activities assigned to other agencies, including to the DEOs which are responsible for executing the program at the district level. At the beneficiary school level, where most of the SSRP expenditures are made, the main frontline actors were the community schools themselves, where SMCs are responsible for managing all school-level activities and the Parent Teacher Associations (PTAs) are tasked with monitoring them.

4. Responsibility for overall program monitoring was shared between DOE and MOE. Other institutional agencies within MOE included the NCED, the Nonformal Education Center, the CDC, the HSEB, the Controller of Examinations, the ERO, the Regional Education Directorate and the Teacher Service Commission. MOE also oversaw aid coordination. The partnership arrangement between the GON and the pooling DPs relied on the SWAp approach, whereby pooling DPs relied on Government systems to account for and report on the use of the donor resources. The partnership arrangements were endorsed in the JFAs and a Code of Conduct.

5. In addition, the implementation arrangements for the SSRP comprised an annual program of regular missions including the JCM, Joint Quarterly Meeting (JQM) and JAR. During the JAR, the GON, DPs, and other stakeholders reviewed the draft ASIP and AWPB and the overall SSRP progress in key areas. Similarly, the progress status report and audit report of the previous year were discussed in the JCM. Both JAR and JCM provided opportunities for knowledge sharing on best practices and findings from different studies. For every mission an Aide Memoire summarized the findings, key issues raised and agreements reached. In addition to these measures, a policy matrix and GAAP were prepared for the SSRP, combining several action plans under a single instrument. The GAAP was expected to help mitigate and address key risks of a fiduciary nature, and other key programmatic risks.

6. The SSRP results monitoring framework covered the key aspects of the program, vis-à-vis program components: (a) ECDE, basic education, (b) Secondary education including TEVT, (c) Literacy and Lifelong Learning, (d) TPD, and (e) CD including program management and monitoring.

Assessment of the Outcomes of Operation against the Agreed Objectives

7. **Achievement against development objectives.** The PDO indicators were developed for the first five years and remained unchanged with the exception that the 2013 IDA AF added a process indicator to measure the education sector's performance regarding participation of disadvantaged students. The project Results Framework was modified under the 2013 AF to add ILIs focused on improved quality, governance and accountability, and service delivery. Another modification under the 2016 AF added three 'stretch' indicators related to equity, efficiency and learning outcomes/quality; and two DLIs related to strengthening the SSRP monitoring system and FM.

8. **Implementation.** There have been encouraging achievements in terms of the original PDO indicators: (a) NER for basic education increased to 89.4 percent (from 73 percent) against the PDO target of 92 percent; (b) basic education completion rate reached 69.6 percent against the target of 76 percent; (c) gender parity reached 100 percent in both basic and secondary education; and (d) two rounds of NASA for Grades 3, 5, and 8 were carried out during the course of SSRP. Table 7.1 presents achievements of SSRP's KPIs.

Table 7.1. Achievement against SSRP KPIs

Indicators	Base Year 2008/09	Final Year 2015/16	SSRP End of Program Target
New entrants with ECED experience, %	36	62.4	64
ECED Gross Intake Rate, %	148	136.7	123
ECED Net Intake Rate, %	81	93.9	100
GER			
ECED/Pre- primary, %	63	81.0	82
Primary education, %	142.8	135.4	131
Basic education, %	123	120.1	115
Grade 9–10, %		75.1	80
Grade 11–12, %		37.6	40
Secondary education, %	40	56.7	61
NER			
Primary education, %	92	96.6	100
Basic education, %	73	89.4	90
Secondary education, %	21	37.7	40
GPI			
Primary based on NER		0.99	1.00
Basic based on NER		1.00	1.00
Secondary based on NER (Grades 9–12)		0.99	1.00
Teachers with required qualification and training - community school			

Basic education, %	66	95.5	100
Secondary education, %	77	91.2	100
Teacher with required certification			
Basic education, %	91	98.8	100
Secondary education, %	91	99.3	100
Survival rate by re-constructive cohort method			
Grade 5, %	58	87.5	90
Grade 8, %	41	76.6	80
Internal efficiency			
Basic education, ratio	0.49	0.76	0.75

9. The SSRP was designed with clearly-defined programs, objectives and targets, but suffered to some extent from gaps in conceptualization, prioritization, sequencing and linkage, both internally and externally. For example, the SSRP was based on new definitions of Basic and Secondary Education which did not fully materialize on the ground due to the delay in the amendment of Education Act. The delay also hampered strategic policy development in some of the major areas particularly related to the establishment and operationalization of National Examination Board (NEB) and made it difficult to address complex and cross-cutting issues.

10. The SSRP MTR was conducted in 2012, and a joint independent evaluation of the SSRP was concluded in January 2016. In addition, other studies were commissioned through the DOE, DPs and independent experts to assess the impact of various components, subcomponents and programs. These studies provided critical understanding regarding the implementation of SSRP activities, their effectiveness, and the implications for further education reforms.

11. **Budget and financing.** Education has been a priority sector for the GON and investment in education has increased in recent years to around 14 percent of the total government budget. Measured as a fraction of GDP, investment in education has increased from less than 2.9 percent in 1999 to 4.2 percent in 2014. More than 80 percent of the government's education budget is allocated to school education, and within that about 60 percent goes to basic education. DPs have accounted for more than 22 percent of the total education budget during that period, but this decreased to 13 percent in FY 2015.

Table 7.2. Position of Education Budget of Total Budget (since 2009/010 to 2015/016)

FY	National Budget	Share in Education	
		Budget	%
2009-10	285,930,000	46,616,672	16.3
2010-11	337,900,000	57,827,542	17.11
2011-12	384,900,000	63,918,839	16.61
2012-13	404,824,700	63,431,397	15.67
2013-14	517,240,000	80,958,080	15.65
2014-15	618,100,000	86,034,055	13.92
2015-16	819,468,884	98,642,826	12.04
Total	3,368,363,584	497,429,411	14.77

12. In the first year of SSRP (2009/010), 16.3 percent of the total national budget was allocated to the education sector while only 12.04 percent was allocated at the final year of the program (2015/16). The budget share in education could not increase more than 17.11 percent during this period but the volume of the budget increased annually compared to the budget allocated in previous years.

Table 7.3. SSRP Pooled Budget and Expenditure (2009/10–2015/16)

FY	Education Budget	SSRP Pooled Budget Expenditure		
		SSRP Pooled Budget (Adjusted)	Expenditure	%
2009–10	46,616,672	34,290,109	34,729,006	100
2010–11	57,827,542	49,325,106	45,577,537	92.4
2011–12	63,918,839	51,926,210	48,052,515	92.54
2012–13	63,431,397	51,984,824	48,860,536	93.99
2013–14	80,958,080	66,116,776	62,596,281	93.81
2014–15	86,034,055	70,003,006	65,364,854	93.37
2015–16	98,642,826	81,557,126	74,988,227	91.95
Total	497,429,411	405,203,157	380,168,956	93.82

13. In fiscal year 2009/10, 100 percent of the budget was expensed while the lowest expenditure rate was 91.95 percent in the final year of SSRP (2015/16).

14. **Summary of key issues and challenges.** Overall awareness of the importance of education increased during the SSRP period which in turn increased expectations of the public education system. One of the most important efforts was the functional realignment of basic education to cover Grades 1 to 8 and Grades 9–12 as Secondary Education.

15. With regard to access and equity, the SSRP helped to address disparities linked to caste, ethnicity, religion and geography, while also helped to avert potential conflicts and divisions. Though access has increased ‘across the board’, disparities remain, especially in certain geographical areas, CwDs and children from certain caste and ethnic groups.

16. With regard to establishing an enabling learning environment, learning outcomes and STRs have considerably improved, though here again, disparities persist. Furthermore, a set of minimum enabling conditions (MECs) were introduced to provide schools with a benchmark for their operational planning, although they were later prioritized to five minimum enabling conditions (PMECs). This initiative increased the needs-based support to schools to reduce disparities in learning environments, although resource constraints and the 2015 earthquakes have left a considerable number of schools unable to meet all five priority minimum enabling conditions (PMECs).

17. The timely receipt of textbooks by students is one of the five PMECs. To reduce delays in textbook distribution, the production process has been decentralized and opened up to private companies, which has reduced delays to a large extent. The average number of students in primary level receiving the full set of textbooks within the second week of the academic calendar has improved from 45.2 percent in the base year (2008/09) to 86.5 percent in 2015/16.

18. The SSRP also introduced decentralized planning and arrangements to strengthen planning and implementation within the school education sector at all levels. The requirement for SIPs sees local stakeholders preparing plans for their schools and brings local education stakeholders together for planning and monitoring purposes. The SSRP period also saw the strengthening of the role of SMCs and PTAs, and the creation of the Education Policy Committee (EPC) and the ERO. The institutional capacity for monitoring and needs-based planning was improved by strengthening the EMIS and also introducing the NASAs.

19. PFM was a priority area for improvement. Measures were taken to mitigate fiduciary risks, including reviewing the FMIAP, strengthening the fund flow tracking mechanism, developing a teacher

development plan, establishing a database of student and school facilities and rolling out the transfer of teacher salaries to their bank accounts. These measures helped reduce ineligible expenses.

20. Other promising initiatives during SSRP include the National Early Grade Reading Program (NEGRP) and others aimed at improving learning outcomes. An important study of the 'Medium of Instruction and Languages of Education' provided the basis for a strategic framework on the languages of education. Furthermore, competency-based curricula, which focus on the attainment of skills (rather than memorizing facts), were developed and soft skills program piloted, although the didactical material produced by different projects is yet to be integrated fully into the school curricula.

21. Alternative, nonformal and literacy programs were focused on developing life skills and enhancing functional literacy, focusing on needs of the female and disadvantaged populations. Non-formal education and literacy programs have been successful and have produced high numbers of neo-literates. There have been district competitions to make all the non-literate adults (15–60) literate and declare the district as a literate district. Consequences of this effort are seen in improved regularity of students in the programs and an increased interest for learning among adults.

22. Some progress has been made in enabling religious schools (that is, Madrasa, Gumba/Vihar and Gurukuls/Ashrams) to register with DEO and obtain government funding and access to the national curriculum and textbooks.

23. The community's involvement has been a key approach to ensure sustainability. The new local structures have helped make SSRP activities more visible to the community and create greater acceptance. The basis for local ownership is the SIP, an instrument that links planning and budgeting to funding.

Achievements and challenges by program component

24. Improvement activities under the SSRP included: the School Outreach Program (SOP) which aims to pick up 6–8 year-old children and bring them back into formal education; a condensed primary equivalence course for 8–14 year-old children; National Literacy Campaign classes for non-literate youth and adults; Post-Literacy Program to consolidate the skills and neo-literates and a lower-secondary equivalent; Open School Program for youth who have dropped out at the basic education stage.

25. **Early child education.** Progress in the GER for ECED/Pre-primary Center (PPC) showed expansion beyond the annual 2two percent progress target for the SSRP and reached 81.0 percent, showing a marginal difference compared to the end of program target of 82 percent. However, the rapid expansion of the one year ECED program has gone ahead with insufficient attention to ensuring quality programs. The priority going forward is to improve quality and carry out a more limited targeted expansion for more equitable access.

26. **Basic education, and primary education.** The MOE has been successful in achieving 96.6 percent NER in primary level, falling slightly short of the SSRP target of universal enrolment. NER in basic education (Grades 1–8) has increased from 73 percent in 2008/09 to 89.4 percent in 2015/16. Similarly, in terms of survival rates to Grades 5 and 8, the gains have been substantial. Survival rates to Grades 5 and 8 have improved from 58 percent and 41 percent to 87.5 percent and 76.6 percent by the end of the SSRP period, respectively. Though access and retention increased 'across the board', disparities remain, especially in certain geographical areas, CwDs and children from certain caste and ethnic groups. The mountain areas have the highest proportion (24.3 percent) of 4-year-olds not in pre-school or primary school, followed by the Terai. In terms of absolute numbers, the Terai has the most OOSC due to its higher density of primary-aged children. Therefore, it is important to have evidence-based and targeted

programs tailored to meet their specific learning needs. MOE is planning for the implementation of the Consolidated Equity Strategy for the School Education Sector, including incorporating the Equity Index within the EMIS, to allow for such targeting, monitoring and follow-up.

27. **Quality.** Strengthening quality across the system and improving education outcomes were flagged as key issues in the 2016 Joint Evaluation Report of the SSR Program. Progress on access and other education sector indicators has yet to be translated into quality outcomes. The challenges related to the quality of education have resulted in many children not learning as they progress through the system. As a result, school dropout and repetition rates are still quite high, especially in the early grades and Grade 8 (although the repetition rate in these grades is declining). The Basic and Secondary Education survival rates and Grade 10 SLC exam scores are low, with large disparities in achievement between public and private schools. Furthermore, supplementary, age-appropriate, self-reading material for helping children develop their reading habits and interests are inadequate. MOE has shown serious concern to address such types of challenges and issues during the development of the SSDP as the follow-on program to the SSRP.

28. Some of this progress is likely to have been reversed by the damage brought by the 2015 earthquakes and the economic blockade also in 2015, which had a negative impact on the enrolment, retention and completion rates. It is expected there will be longer-term effects that further reduce achievements and disrupt the positive trends in other education outcomes.

29. With regard to quality, not only in ECED and basic education but also in secondary education, TPD and management was a key agenda. Under the SSRP, demand-driven teacher training programs were launched with the newly developed Teacher Development Policy Guideline. The main issue is that initiatives launched under the SSRP to strengthen teachers' professional development have yet to result in improved teaching-learning processes in the classroom. Similarly, teachers' time-on-task remains one of the major issues. Furthermore, the harmonization of the different types of teachers and their distribution across regions and types of schools is another concern that needs addressing. Linked to this, the management and distribution of teachers is yet to be rationalized to meet the short fall of teachers in a significant number of basic education schools and to meet the requirement of subject teachers in secondary schools.

30. **Access.** The strategy to reduce disparities in enabling learning environments by establishing MECs and the five PMECs in all schools has fallen short as only a few schools have met all five PMECs. Similarly, the majority of school buildings built by the communities do not meet minimum safety standards. However, following the 2015 earthquakes, the policy to 'build back better' means that schools are (re)constructed in line with guidelines and specifications to provide safe learning environments. Due to the earthquakes, the achievement of the existing MECs in the fourteen most affected districts have largely been lost; thus a new baseline is being established with new targets. Resource limitations are a major challenge to establish or ensure minimum standards in schools.

31. **Secondary education.** Substantial progress in terms of access can be observed at the secondary level. NER at secondary education (Grades 9–12) almost doubled, from 21 percent to 37.7 percent, during the SSRP period indicating strengthened internal efficiency at the secondary level. Still, low enrolment rates especially at Grades 11 and 12 are a concern. Many students drop out of the school system as they progress to higher levels of education. The third Nepal Living Standards Survey (NLSS III, 2011) data show a strong correlation between households' economic status and participation in schooling at secondary and higher secondary (Grade 11 and 12) levels. Since secondary schools charge monthly fees in Grades 11 and 12, it is often difficult for poorer students to pursue further studies. Furthermore, Nepal's early marriage rates are one of the highest in the region and married girls are more likely to be out of school. In 2016 the GON launched a national strategy to end early marriage by 2030; concerted

efforts will be needed across line ministries, including the MOE, to realize the vision articulated in this document.

32. As teaching and learning in classrooms is largely driven by the nature of the board exams in Grades 10, 11 and 12 (SLC and the higher secondary education certificate exams), teachers and students tend to focus mainly on memorization and knowledge recall. Critical thinking, analysis, and creativity are insufficiently emphasized. Other issues related to the examination system are the lack of standardized tests. One reason for the high SLC failure rate has been the examination-focused approach and students being required to pass all subjects at the same time. Provisions were made under SSRP for introducing single subject certification.

33. Many teachers, especially those who teach science, Math and English in community schools, need to strengthen their subject knowledge. Many community school teachers do not have the requisite capabilities for teaching English as a subject, and very few schools, even those that have English as the MoI, have teachers who can teach effectively in English. Many schools have an inadequate number of subject teachers with the government only funding two subject teachers for Grades 11 and 12 per school. Also, the secondary level textbooks have quality and consistency issues and the timely receipt of textbooks by students is still a concern.

Efficiency

34. There has been continuous improvement in the sector's internal efficiency during the SSRP period. The KPI on internal efficiency has increased from 65 percent to 73 percent. Despite this, educational 'wastage' is evident, especially in the early grades (which does not affect the efficiency rating as much as wastage in the higher grades), as well as in the transition from Grade 5 to 6 and from Grade 8 to 9.

35. Though the NER has significantly increased in the primary level, it is important to note that dropout rates are particularly high in Grades 1 (6.4 percent) and 8 (6 percent). The envisioned reforms in the institutional structure of the education system are yet to be accomplished. School management is yet to be institutionalized to ensure needs-based planning and quality assurance of educational services delivered by the schools. The results-based M&E of progress to inform children's education, rather than to rate their performance (assessment for education instead of assessment of education), is yet to become institutionalized and embedded in planning processes.

Governance and accountability

36. Although the EMIS is a robust data management system, the quality, accessibility and use of its data need strengthening to prevent the inclusion of inflated enrolment numbers. The shift to the use of the school-based IEMIS addresses the need for individual student level data and informs equity-based education indexes and targeted allocations and allows for tracking the distribution of scholarships and incentive schemes.

37. The effective implementation of SIPs is a challenge while the mechanism for allocating district budgets to schools is not adequately aligned with these plans. Overall, in terms of building the capacity of teachers and school level managers, a comprehensive planning for capacity and institutional development (CID) exercise is realized.

38. The availability of textbooks remains an issue in terms of their timely printing and distribution. Issues related to the position of head teachers need to be addressed as their role in teacher performance evaluations and their authority to act against teachers remains limited.

39. The FMIAP was introduced to improve FM. A financial report generation system was established for the timely submission FM Reports, but it is still a challenge to produce reports on time. To some extent CD at working level was seen crucial. The audit observations and ineligible expenses have decreased, but maintaining compliance is still a challenge. Weak PFM led to commonly late release of funds throughout the education system, and to ineligible expenditure, reporting delays, and lapses in financial record-keeping by schools. While most schools carry out social and financial audits, this has yet to result in the envisioned strengthening of their PFM.

40. The earthquakes of April and May 2015 brought new challenges, as large reconstruction and recovery needs and non-infrastructure needs emerged (such as the need for teachers to teach several grades in one classroom in an environment that is still affected by infrastructure damage). Similarly, the upcoming restructuring of the system of government is likely to have implications for access to resources within the new provinces against the resources needed to address the needs within the public sectors.

Evaluation of the Borrowers' Own Performance

41. By the Project Closing Date almost all envisaged tasks were accomplished. Most of the targets in terms of Key Project Indicators were achieved. Overall the SSRP implementation has helped to achieve a satisfactory level of the PDOs. The most prominent achievements of SSRP are in terms of access and equity. The SSRP introduced and supported a multitude of initiatives including: raising teachers' qualification criteria and clearing the backlog of untrained teachers; greater accountability to deliver textbooks on time; 'Priority Minimum Enabling Conditions'; the institutionalization (at the ERO) of the NASA. However, MOE realizes that there are still challenges remaining including meeting the expected quality standards and assurance of ECED/PPE; the need for a visible translation of the professional development of teachers into increased quality of teaching-learning processes in the classroom. Another major challenge to overcome is the quality of secondary education, such as the limited number of good Science, Math and English teachers; and the lack of age-appropriate self-reading materials. Regarding overall governance and management of the school education sector, the need to strengthen grant management, especially at the district level, and the use of EMIS data in school management and decision making processes as well as the limited implementation of SIPs are identified as main challenges. The earthquakes of 2015 that the country suffered should be acknowledged.

42. The SSRP implementation has supported setting up a comprehensive system of monitoring comprising desk monitoring, issue-based follow-up, field-based monitoring, and technical support/supervision. In the process it was realized that the capacity of implementing agencies as well as the beneficiaries were stressed to the limit in ensuring that the MOUs were compiled in a timely manner and procurement accomplished in a technically sound and process-wise correct manner. There is a need for expanding the capacity to address these challenges.

Evaluation of the World Bank's Performance in SSRP Implementation

43. The SSRP was based on the shared vision and strategies for the sector. The World Bank's financial, technical and managerial support has worked as a core thrust for successful implementation of the SSRP with tangible outcomes and has also set momentum for more comprehensive school education reform initiatives in the country. The World Bank was one of the major financing partners to implement the SSRP. The World Bank also served as the DPs' focal point in the starting phase of SSRP Implementation. The outcome of this seven (5+2) year program would not have been possible without the high level partnership between the World Bank, GON and other DPs. The Bank's assurance of consistent and continued cooperation, on a long term basis, was very important in this light. As provisioned in the JFA, the World Bank served as the DP focal point for FM including setting the pro-rata shares, reviewing the FMR and dealing with the audit issues and ineligible expenses. The Bank also managed the GPE and

REACH Grants. The emphasis on FMIAP, GAAP and consolidated actions identified in each joint GON-DP mission helped to promote a credible system of institutional management and governance.

44. As the DPs' focal point for the specified period and as the member of the DPs for the entire seven-year period, the World Bank contributed significantly as an active member of the Local Education Group. Regular JAR and JCM provided strategic feedback for adjustments/revisions which effectively helped to ensure successful implementation of the SSRP. The agenda captured in the Aide Memoires of the JAR and JCM missions have shown how active the World Bank was. Coordination among the DPs and between the World Bank and implementing agencies has been identified as an important factor for ensuring implementation progress and the World Bank's support in this area has been gratefully acknowledged.

Proposed Arrangements for Future Operation of the Project

45. The GON has prepared a seven-year (2016–2023) School Sector Development Plan (SSDP), the successor to the SSRP, which is built on the lessons learned and the gains made in the sector under the earlier EFA program and SSRP. SSDP is designed to consolidate the achievements made under earlier programs, achieve the unfinished agenda from SSRP, and introduce new initiatives to address the emerging needs of the country and people's aspirations. The SSDP will continue efforts to ensure equitable access to quality EFA. Based on the seven-year plan, an implementation program has been developed for the first five years (2016–2021). The SSDP is considered an important tool to enable Nepal in achieving the SDGs, particularly the educational goal set in SDG4 by following the key strategies globally agreed in Education 2030 and reflected in the Inchon Declaration 2015. The SSDP will also contribute towards achieving the Government's Development Strategy 2030, which aspires to have Nepal graduate from the status of least developed country by 2022 and reach middle income country status by 2030.

46. The GON approved the seven-year SSDP (2016–2023) and the five-year SSDP program (2016–2021) in October 2016. Following this, the SSDP has been endorsed by the Local Education Development Partner Group (LEDPG). The Government has already requested the World Bank as well as other Joint Financing Partners (JFPs) to support the SSDP under the SWAp modality as practiced in the SSRP. A common DLIs matrix, in full alignment with the SSDP Program Result Framework (PRF), is being finalized. To date, the DLIs supported by GPE, REACH and ADB grants/loans have been finalized, and remaining DLIs supported by the EU, World Bank and Finland are expected to be finalized by February 2017, including joint verification protocols and DLI action plans. The World Bank DLIs are part of the overall DLI framework adopted by the Joint Financing Partners (JFPs) supporting the SSDP in a SWAp. More effective implementation arrangements will be in place for a successful implementation of SSDP, including achieving the identified DLIs and targets specified in the result framework, so the achievements of the SSRP will be sustained and the unfinished agenda of the SSRP will be achieved as the vision of Education 2030 is materialized in the country context.

47. The SSDP program is being implemented at a time when Nepal is going through major state restructuring as it moves towards federal and provincial levels of government as per the new Constitution as well as school restructuring following the enactment of the amended 8th Education Act (2016). The implementation of the federal form of governance is expected to be initiated within the SSDP program period. This will restructure the state into federal, provincial, and local levels and will entail changes to the law and the broader regulatory framework. Given that there will be considerable changes in the federal and sub-national structure, the SSDP implementation modality and inter-ministerial coordination will have to change to accommodate the new structure of governance. It is expected that this restructuring will require a transition period of at least three years. Therefore, the implementation of the SSDP program

will follow the existing institutional arrangement led by MOE until full-fledged state restructuring takes place.

Annex 8. Comments of Development Partner Co-financiers

Preparation of the Government SSRP

1. **Context at the time the Government's SSR Program (SSRP) was prepared.** The SSRP was implemented in a context of reasonable political stability, government commitment to education and with basic institutional and aid coordination mechanisms in place but which, at the same time, contained a range of risks related to the knock-on effects of slow progress in constitutional reform and political normalization. Overall, the country was experiencing a positive momentum in terms of its hope and aspirations with the CPA signed in 2006 and the general elections for the Constituent Assembly held in 2008. This positivism was also present in the education sector with significant progress observed against the EFA MDGs and the education sector receiving over 16 percent share of the national budget. Furthermore, the interim Constitution of 2007 declared free education to secondary level as a basic right for citizens. This declaration has enabled consistently high levels of investment in the education sector and has given the needed support for several reforms in the sector. The Nepal SSRP is the latest of a series of increasingly coordinated and comprehensive programs to support the development of education in Nepal. The SSRP was designed with clearly-defined programs, objectives and targets that were relevant to this context, but which suffered to some extent from gaps in conceptualization, prioritization, sequencing and linkage, both internally and externally. Implementation has been constrained in major ways by the lack of progress on amending the Education Act in the context of generally uneven political progress. The whole SSRP was based on new definitions of Basic and Secondary Education which have not fully materialized on the ground, causing major issues for implementation and monitoring. The lack of the envisaged EPC has hampered strategic policy development in major areas and made it difficult to address complex and cross-cutting issues, to forge linkages across sub-sectors and thematic areas and between the 'schools sector' and the wider education sector and other sectors (particularly vital for TEVT).

2. **SSRP objectives and key challenges the SSRP was to address.** The overall objective of the SSRP is to contribute to poverty reduction and socio-economic development in Nepal by raising educational access and achievements of the population on an equitable basis. In the decade prior to the SSRP Nepal had achieved significant progress in areas such as access (from 67.5 percent in 1995 to 91.8 percent in 2008), and equality (GPI increased from 0.66 in 1995 to 0.98 in 2008). The SSRP appraisal in 2009 noted that these achievements have benefited from Nepal pushing some critical reforms which have been implemented during periods of instability over the past decade. These key reforms include but are not limited to: (a) devolution of decision making powers to communities and school management; (b) the expansion of demand-side intervention schemes to bring children from marginalized groups to the schooling process including per child financing and scholarships; (c) the decentralization of teacher hiring through the provision of teacher salary grants; (d) opening up of the textbook printing and distribution system to private sector players in select regions of the country, and (e) harmonizing support from across many DPs behind a set of coherent and common objectives in education. However, the school education sector was still experiencing high drop out and repetition rates and low learning achievement results and the need for assessment systems to be strengthened.

3. **Main change(s) of SSRP from former EFA program.** With the EFA program closing in 2009, the SSRP aimed to consolidate the gains made under EFA, primarily to expand access to, and quality of, Basic Schooling (Grades 1–8), and to some extent, improve access to, and quality of, Secondary Schooling (Grades 9–12), the ability to carry out learning assessments, improved efficiencies in administration of the program, and enhanced focus on M&E.

4. **SSRP results/performance/development objectives including how these were decided.** Although in the initial phase there was a broader participation of DPs in the consultation and discussions

surrounding the development of the SSRP results/performance/development objectives, it was observed by some involved in the process that at the latter phase where the result framework and targets were designed, this participation narrowed to a more selective group of DPs.

5. **Rationale for DP participation in the SSRP.** Overall, there was a strong perception that there was momentum for reform and development, with the EFA showing foundations for possible further improvement and change and the country experiencing an overall sense of optimism as a result of the ending of the 10-year armed insurgency with the signing of the peace agreement and the declaration of elections. As education serves as the key vessel for social, economic and societal development, the rationale for investing in an education sector plan focused on consolidating the gains achieved under the EFA and taking forward the reform of the school education sector and its increase in equitable access were perceived as obvious. Furthermore, the program was developed within the framework of wider poverty concerns and has been aligned to poverty reduction strategies, and appraised as relevant to the development plans, and reflect the EFA and MDGs.

SSRP Achievements

6. **Relevance.** In terms of relevance, the DPs like to echo the independent evaluation of the SSRP, which observed that the SSRP helped address existing disparities linked to caste, ethnicity, religion and geography, but also helped avert potential conflicts and political divisions. As a result of the program, general awareness about the importance of education increased during the SSRP period, which in turn has increased overall expectations and demand by stakeholders and communities for increased access and quality of education.

7. One of the most important achievements of the SSRP, has been the restructuration of the basic education which now comprises of PPC to Grade 8. The extended basic education cycle also accommodates to incorporate literacy and lifelong learning programs in DEPs and VEP through CLCs, which are decentralization initiatives crucial to enable the system to face the upcoming roll out of the federal structure.

8. **Effectiveness.** In terms of effectiveness, access and equity have increased in most levels of education, notably in ECED, primary, basic, secondary and non-formal education. Gender parity for students has been reached in primary, basic and secondary education. The percentage of female teachers decreases in the higher levels of education. Though access has increased across the board, disparities still exist. This is especially true for certain geographical areas, CwDs and children from specific castes or ethnic groups. Learning outcomes and STR have improved considerably, though there again, large disparities persist.

9. A set of MECs have been designed to provide school communities with a benchmark for their operational planning. Being often too complex, they have later been reduced to five prioritized MECs. Driven by the recommendations of the SSRP MTR, an increased focus on strengthening quality of education resulted in the initiation of, for example, the NEGRP, integration of soft-skills, competency based curriculum and the development of local curricula and mother tongue based teaching-learning materials. Although teacher trainings in content and method were provided under SSRP, new learning methods have not been transferred to the classrooms.

10. The timely distribution of textbooks also has a direct impact on learning achievements. To reduce delays in textbook distribution, the production process was decentralized and private companies were involved. Delays have been partially reduced, the inclusion of timely delivery of textbooks as a performance indicator of the SSRP is a positive development, but tracking mechanisms to allow addressing remaining problems in the delivery need further strengthening. Relevant assessment programs

are essential to the quality development. The SSRP introduced the NASA under the ERO, to provide data on learning outcomes, repetition rates and drop-outs. The NASA has a high potential for social sustainability, as it triggers important analysis about learning outcomes. Furthermore, the community's involvement has been a key approach to ensure sustainability. The new local structures have helped make SSRP activities more visible to the community and create greater acceptance. The basis for local ownership is the SIP, an instrument that links planning and budgeting to funding.

11. **Efficiency.** In terms of efficiency, education has become a priority sector for the GON, for which investments steadily increased. Education represents around 14 percent of the government budget: public investments in education have increased from 2.9 percent of GDP in 1999 to 4.2 percent in 2014. DPs' funding share has decreased from 22 percent to 13 percent in that period. Since the SSRP was launched, PFM has been considered as one of the priority areas for improvement. As such, a number of measures to mitigate fiduciary risks have been taken, namely the review of the FMIAP, the fund flow tracking mechanism, the teacher development plan, the database of student and school facilities, and the transfer of teacher salaries to their bank accounts. These measures helped reduce ineligible expenses, such as double payment of salaries and incorrect per capital funding to schools. The GON progressively took over more of the funding responsibilities, but it will not be able to take over the whole funding of the SSRP once donors have withdrawn. The government will not be able to ensure free and compulsory basic education for all. Scholarships and the annual textbook distribution in a blanket approach are not financially sustainable. Next to current funding responsibilities, additional funding is still needed to guarantee some of SSRP's objectives. For instance, more investments are required to reach out to OOSC and pupils with disabilities, as well as to extend ECED to geographically and socially marginalized groups. Investments in teacher training, material and infrastructure are also required to increase the quality of education.

12. As such, the SSRP has had considerable success in expanding access at all levels, achieving gender parity at the secondary levels (and maintaining it at the basic level as well as decreasing disparities of GPI across districts) and, most notably, accelerating progress on Dalit and Janajati enrolment. Taken as a set, the strategies implemented have been relevant and comprehensive, based on a reasonable depth of analysis of what are complex barriers and issues. A major constraint has been the delay in legislation for restructuring the education system, to enable secondary schools to re-focus on Grades 9–12.

13. There does, however, seem to be considerable scope for greater coherence, prioritization and efficiency in the conceptualization and implementation of strategies for equitable access. Implementation of a complex and dispersed scholarships program inevitably uses up significant resources that might have been more effectively employed differently, although the new approach to be used at the secondary level might provide an alternative model for the future. The tapering-off from NER gains in basic education suggests that the 'system expansion' task is now largely achieved and there is a need for a gradual re-focusing of available resources for equitable access at this level towards the remaining 'hard core' of OOSC, combined with a stronger priority to 'equity in quality'. For the EU, as the main funding focusing on the basic level, it will be essential to encourage further identification and prioritization of the strategies that are most effective.

14. As noted above, there were knock-on effects of slow progress in constitutional reform and political normalization. Moreover, the SSRP suffered from gaps in conceptualization, prioritization, sequencing and linkage, both internally and externally. Despite these challenges, the period of the SSRP has seen further improvements of primary NER, considerable gains in NER for the newly-defined basic sub-sector and in secondary education, the maintenance of gender parity enrolments (at the national level) and accelerated progress on enrolment of Dalits and Janajatis compared with the previous EFA program. However, the level of learning being acquired because of school enrolment is not yet sufficient to ensure that Nepal's substantive investments in education are achieving the desired social, economic and empowerment benefits either for individuals or for the society. Regarding access and equity, an

impressive range of strategies has been implemented and collectively these seem to have translated into the improved access and enrolment outcomes. However, there is considerable scope for greater coherence, prioritization and efficiency. The ‘blanket approach’ to scholarships seems unlikely to be sustainable in the long term and has limited funding available to target not only the most disadvantaged ‘hard core’ OOSC and at-risk children, but also to address ‘equity in quality’, an area that will require increasing the attention given as attention shifts away from system expansion.

15. **Quality and relevance of education.** Whilst results are so far disappointing in terms of learning outcomes, the greatly increased awareness of the problems gives cause for encouragement. In marked contrast to the situation at the outset of the SSRP, there is now better data to work with, a solid approach to improving reading, progress towards a more coherent and detailed Medium of Instruction/Multi-lingual Education (MoI/MLE) policy, a mechanism for ensuring that at least the minimum physical conditions to support learning are in place and some piloting of activities to improve the relevance of secondary education through the introduction of soft skills and TEVT. Prioritization of classroom processes will likely require making efficiency savings in other areas.

16. **Governance and capacity.** Regarding governance and capacity, the SSRP was reasonably coherent in design and the necessary systems, basic structures and human resources were in place. Progress has been made in several areas including planning and monitoring systems, the first national measure of learning attainment, gradually improving PFM and various steps to improve teacher distribution and other aspects of teacher management. Additionally, to continuing to press for progress in these areas, a key priority now is to create systems and structures and to build capacity that both enable and ensure that head teachers and SMCs lead and manage schools as learning institutions, complemented by improved community capacity to participate in local decision-making and accountability processes. The detailed recommendations of the Institutional Analysis and Capacity Development Report provide a good starting point for addressing these areas in the next phase of the SSDP and for progressing from ‘CD’ to ‘CID’ through more comprehensive planning, which would greatly improve sustainability both of strategies and outcomes for educational development into the medium and long terms.

17. The SSRP has benefited from strong mechanisms for policy and technical dialogue, good working relationships and commitments on all sides to coordination and harmonization from the outset. However, full harmonization was not achieved and, as the SSRP developed, the proliferation of various tranche release conditionalities, reporting requirements and ‘policy matrices’ has re-introduced some of the problems of a projectized approach that the SWAp was intended to prevent: overload on the part of the MOE and the FACS within this, duplication of effort and delay in fulfilling the criteria resulting in a ‘stop-and-start’ effect. There has been considerable support to a range of TA across the pillars and reform areas of the SSRP and to help service the needs of the SWAp itself. The Education Program Support Office (EPSO) had the potential to support the MOE in ensuring further alignment but did not achieve wide buy-in from DPs, and although there was a clear observed value of this unit being embedded as an annex to the FACS, it was not continued in the two-year extension of the SSRP (2014–2016). Since closure of the EPSO, there was a reversal to a default position of ‘ad hoc’ TA negotiated on a case-by case basis. Substantial project-level TA was not well captured within SSR Program plans in a way that could improve targeting and coverage. DPs are aware of these challenges and committed to finding ways forward to improve all aspects of aid effectiveness.

M&E, Public Financial Management, Safeguards

18. The use of EMIS and the Flash system has continued to improve in terms of quantity, quality and timeliness of available data. The development of an Equity Index (a Stretch Indicator for GPE) is expected to provide additional information on “access to opportunity and opportunities for access” across districts, to support further targeting. The undertaking of the NASA is the first step in the

institutionalization of a system for ongoing, disaggregated monitoring of learning achievement at different stages and across geographic areas and school types, enabling much more effective targeting of resources and support as well as more effective performance management. The PETS study (2014) noted that there is still further work to be done on tracking individual teachers, the teaching-learning process and school management practices. Nepal has recently joined a regional GPE-UNICEF initiative that will aim to improve participatory monitoring at the school level using School Report Cards and other tools.

19. Great efforts are put into data collection, but there remain some challenges in its analysis and effective use at the different levels of the education system. Government schools have a strong incentive to report their education data through the Flash questionnaire, as government school grants, such as the Per Capita Funding, are based on the data provided, which is not the case for institutional (that is, private) schools, as these do not receive Per Capita Funding and have therefore no strong incentives to report to the DOE (except if they want to upgrade and open new levels, as they need an authorization from the MOE). This leads to very strong response rates in terms of provision of data by community schools but also carries the risk of inflation of the number of students, as part of the Per Child Funding is directly linked to the enrolments declared through the Flash questionnaire. In anticipation of this, the DOE organizes spot checks and developed a new student records module that requires specific information for each child enrolled to reduce the risk of inflation. At the central level, Nepal collects and processes an impressive amount of data annually with relatively little capacity and resources. The EMIS Section at the DOE has strong institutional memory and a dedicated core team, but when compared to other Ministries (Health, for example), the number of statistical experts and M&E specialists is extremely small given the size of the sector and the data analysis required for sectoral policy making and annual planning and budgeting.

20. Public finance management (PFM) has been considered as one of the priority areas since the beginning of SSRP. Slow but gradual improvement has been noted and various interventions have been introduced to improve the governance of SSRP. Some of the key actions taken to improve the existing PFM system are, among others: The TSA at the national level and payment of salaries to teachers' bank accounts, the development and continuous monitoring of the FMIAP, the introduction of fund flow tracking system, linking to the FCGO's data system for FMR preparations and social auditing. However, the implementation of these reforms has not yet been able to deliver the expected results, especially because the financing is not based on the local needs. Most of the FMIAP activities have not been implemented within the deadline and there was no continuity of the already implemented activities, such as fund flow tracking. At this stage, it is unclear whether issues like excess payment or delayed payment of teachers' salaries have been addressed by the reform, as the effects are yet to be seen. In the context of the FMIAP, GON and DPs have identified problems and have elaborated activities to address these weaknesses, by enhancing the targeted use of funds. The SWAp approach has also shown the need for further harmonization of PFM requirements among the DPs, the continuous efforts of the World Bank country team was recognized and appreciated by all DPs to act as a fiduciary agent and ensure the timely release of FM reports and follow up on FMIAP actions.

Main Impacts of SSRP

21. In spite of good results in access and equity, the poor quality of education still produces school-leavers who have not acquired the necessary competencies to improve their economic situation. While KPIs show considerable progress, unless the necessary investments are made in the quality of teaching and learning, lasting impacts on learning outcomes will not be visible. Focus should be put on equity rather than access only, so that disadvantaged groups and CwDs are more systematically included. In the field of quality and relevance, actions such as the timely distribution of textbooks, the implementation of MECs, as well as the NASA and evaluations of the introduction of continuous assessment showed considerable immediate effects. These effects are envisioned to be materialized in overall improved

teaching and learning quality under the SSDP. Innovative procedures and organizational set-ups have been created to increase the good governance and capacity building of institutions. However, the processes do not always work well and closer coordination with local institutions and actors is needed. At local level, an operational dialogue between governance structures and educational institutions has to be fostered, with a special attention to include religious and ethnic institutions. While SMCs and PTAs have raised local power in decision-making, their impact on student achievement is not yet visible.

22. One of the main outcomes mentioned earlier that contributes to the positive impact of the SSRP is the increased awareness and as a result of this demand, of stakeholders for access to quality education. Especially in the context of the upcoming further decentralization of the school education sector within the wider federal roll out, this is likely to continue as a strong positive driver of reform and change at the local level. Related to this, the strengthened EMIS and thereby access that stakeholders have to education data and analysis will further strengthen this driver.

23. The amendment of the Education Act and the current revision of the education regulations to facilitate the implementation of this act, with the SSDP having been developed as the key facilitating framework to ensure the implementation of these reforms, ensures a high level of institutionalization of the policy and institutional reforms that have been achieved during the SSRP implementation period.

24. Finally, the development and implementation of the Consolidated Equity Strategy for the Nepal School Education Sector, ensures that there is an evidence based approach to identification of disparities and their drivers down to school level with the response mechanisms in terms of the development of targeted strategies by the MOE, institutionalized through the development and approval of the Equity Index and the Equity Strategy Implementation Plans (ESIPs) for the districts that have been identified as having the highest disparities in terms of access, participation and learning outcomes.

Annex 9. List of Supporting Documents

EFA SWAp

1. Joint Annual Review Meeting (2008). “Joint Annual Review Meeting of Education for all and Secondary Education Support Programme, May 12–14, 2008 Aide Memoire.”
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SSRP SWAp

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3. Joint Consultative Meeting (2011). “School Sector Reform Program Joint Consultative Meeting, 11–13 December: Aide Memoire.”
4. Joint Consultative Meeting (2012). “School Sector Reform Program Joint Consultative Meeting, 4–7 December: Aide Memoire.”
5. Joint Consultative Meeting (2013). “School Sector Reform Plan Joint Consultative Meeting, 9–13 December: Aide Memoire.”
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8. Joint Annual Review (May 12–14, 2008). Joint Annual Review of the Education for All 2004–2009 (EFA) and the Secondary Education Support Programme (SESP): Aide Memoire.
9. Joint Annual Review (19–23 April, 2010). “First Joint Annual Review: Aide Memoire.”
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12. Joint Annual Review (13–17 May, 2013). “Fourth Joint Annual Review: Aide Memoire.”
13. Joint Annual Review (26–30 May, 2014). “Fifth Joint Annual Review: Aide Memoire.”
14. Joint Annual Review (15–17 June, 2015). “Sixth Joint Annual Review: Aide Memoire.”
15. Joint Annual Review (22–25 November 2016).

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1. (2008) School Sector Reform Program: Core Document.
2. (2009) School Sector Reform Plan (2009–2015), August 2009.
3. (2009) Vulnerable Community Development Plan.

4. (2011) Vulnerable Community Development Framework (July 2011, ADB SSP).
5. (2015). “Responses to recommendations made by GPE QAR 2.”
6. (2015) Education for All National Review Report 2001–2015, July 2015.
7. (2015) “Post-Disaster Needs Assessment for the Education Sector,” June 4, 2015.

Flash Reports:

8. (2010) “Consolidated FLASH Report 2066 (2009–10).”
9. (2011) “Consolidated FLASH Report 2067 (2010–11).”
10. (2012) “Consolidated FLASH Report 2068 (2011–12).”
11. (2013) “Consolidated FLASH Report 2069 (2012–13).”
12. (2014) “Consolidated FLASH Report 2070 (2013–14).”
13. (2015) “Consolidated FLASH Report 2071 (2014–15).”
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Interviews, focus group discussions

Interviews for the ICR: All World Bank SSRP project TTLs; World Bank SSRP team members including safeguards, FM, procurement specialists; MOE Director General, Joint Secretary, Foreign Aid Coordination Section Director; DOE directors and technical staff including Budget and Planning, M&E, CDC, NCED, Non-Formal Education Center, ERO, Teacher Service Commission and other central level agencies; MoF Budget Section Secretary; Secretaries General of SAARC, National Confederation of Nepalese Teachers’ Union (CNT), Nepal National Teachers’ Association (NNTA) and other teachers’ unions; District Education Officers and regional resource persons in Lalitpur and Kathmandu districts; SSRP DPs (European Commission, UNICEF, ADB, JICA, USAID, Norwegian Agency for Development Cooperation); Director General, National Planning Commission; former Director General MOE; Secretary, National Language Commission; school visits.

Reports from stakeholder focus groups discussions over SSDP: Representatives of teachers’ unions (CNT, NNTA, Union of all Nepal National Teachers’ Organization, ANTO, ANTA, ISTU, MTF, LTY, NLTF, NNTC, NTC, NSPC, NPTA); Education Journalist Network of Nepal; Members of Parliament (representing Women, Children, Social Welfare and senior citizens’ committees; and Women Parliamentarians’ network on girls’ education); and other government representatives.

Annex 10. Educational Status of Major Caste/Ethnic Groups in Nepal

Major Caste/Ethnic Group (% of population)	Educational Status ^a	125 Caste/Ethnic Subgroups (from 2011 Census)
1. Hill Brahmin (12.2%)	Educationally advanced	Bahun (1)
2. Hill Chhetri (16.2%)		Chhetri, Thakuri, Sanyasi/Dasnami (3)
3. Madhesi Brahmin/Chhetri (0.8%)		Madhesi Brahmin, Kayastha, Rajput (3)
4. Madhesi Other Caste (14.5%)		
4.1 Madhesi Other Castes - A (Literacy > 50%)	Educationally advanced	Amat, Badhaee, Baraee, Dev, Gaderi/Bhedihar, Hajam/Thakur, Haluwai, Kalar, Kalwar, Kamar, Kanu, Kathbaniyan, Koiri/Kushwaha, Kurmi, Lohar, Rajbhar, Rajdhob, Sonar, Sudhi, Teli, Yadev (21)
4.2 Madhesi Other Caste - B (Literacy < 50%)	Educationally disadvantaged	Bin, Dhandi, Dhankar/Karika, Dhunia, Kahar, Kewat, Kori, Kumhar, Lodh, Mali, Mallaha, Natuwa, Nuniya, Nurang, Sarbaria (15)
5. Hill Dalit (8.1%)	Educationally disadvantaged	Badi, Damai/Dholi, Gaine, Kami, Sarki (5)
6. Madhesi Dalit (4.5%)		Bantar/Sardar, Chamar/Harijan/Ram, Chidimar, Dhobi, Dom, Dusahdh/Pasawan/Pasi, Halkor, Khatwe, Musahar, Tatma/Tatwa (10)
7. Mountain/Hill (M/H) Janajati (27.2%)		
7.1 Newar (5%)	Educationally advanced	Subgroups not enumerated in the Census
7.2 M/H Janajati - A (Literacy > 66%)		Sherpa, Yakkha, Jirel, Kulung, Yumphu, Mewahang, Bala, Gharti/Bhujel, Khaling, Durai, Magar, Chhantyal/Chhantel, Aathpariya, Bahing, Rai, Thulung, Gurung, Lumbu, Lepcha, Samgpang, Dura, Chamling, Bantaba, Loharung, Thakali (24)
7.3 M/H Janajati - B (Literacy < 66%)		Bhote, Bote, Brahm/Baram, Byasi/Sauka, Chepang, Danuwar, Dolpo, Ghale, Hayu, Hyolmo, Kumal, Kusunda, Lhomi, Lhopa, Majhi, Machhiring, Pahari, Raji, Raute, Sunuwar, Tmang, Thami, Tokegola, Walung (24)
8. Terai Janajati (7.6%)		
8.1 Terai Janajati - A (Literacy > 50%)	Educationally advanced	Dhimal, Gangai, Kisan, Koche, Meche, Munda, Rajbansi, Tajpuriya, Tharu (13)
8.2 Terai Janajati - B (Literacy < 50%)	Educationally disadvantaged	Satar/Santhal, Jhangad/Dhagar, Dhanuk, Pattharkatta/Kushwadiya (4)
9. Muslim (4.3%)	Educationally disadvantaged	Muslim (1)
10. Other (0.3%)		Marwardi, Punjabi/Sikh, Bangali (3)
11. Other undefined (1.0%)		Dalit others, Janajati others, Terai others, undefined others (4)
12. Foreigner		Foreign citizens

Source: NORAD. 2015. "Evaluation of Norwegian Multilateral Support to Basic Education: Nepal Case Study."

Note: a. The classification of educational status is from the NORAD evaluation; original NORAD document uses 'educationally deprived' for the term that the ICR has used ('educationally disadvantaged') in this table.

MAP

