

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Focus and Key Activities

1. The Government of Nepal has implemented a series of national programs in school education since the early 1990s.<sup>1</sup> The government completed its implementation of the School Sector Reform Plan (SSRP) in July 2016. The SSRP built on earlier reforms in the education sector and sought to improve access, equity, and quality of the entire school education system (grades 1–12). It also aimed to consolidate the existing four-tier structure of school education (comprising 5 years of primary, 3 years of lower secondary, 2 years of secondary, and 2 years of higher secondary education) into 8 years of basic (grades 1–8) and 4 years of secondary (grades 9–12) education. The SSRP was jointly supported by development partners, including the Asian Development Bank (ADB), using a sector-wide approach (SWAp). The majority of support by development partners to school education was through a Joint Financing Arrangement (JFA) under the SWAp. Some development partners chose to remain outside the SWAp but nonetheless supported school education within the SSRP framework.<sup>2</sup> The table below shows the focus areas and programs of the major development partners supporting Nepal's school education sector. The new School Sector Development Plan for FY2017–FY2021 will also be implemented through a SWAp.

#### Major Development Partners

Development Partner	Name of Operations	Duration	Amount (million)
<b>School Education</b>			
ADB	Support to SSRP (SWAp)	2009–2016	\$165.30
Australia	Support to SSRP (SWAp)	2011–2016	A\$23.10
Denmark	Support to SSRP (SWAp)	2009–2013	DKr5.90
	Establishment of SSRP SWAp Support Unit	2009–2013	DKr11.00
DFID	Support to SSRP (SWAp)	2009–2014	€13.00
EU	Support to SSRP (SWAp)	2009–2016	€47.70
Finland	Support to SSRP (SWAp)	2009–2016	€23.00
	TEVT Soft Skills Project	2012–2016	€1.60
JICA	Support to SSRP (SWAp)	2015–2016	¥600.00
	Support for Improvement of Primary School Management	2008–2010	¥60.00
	Support for Improvement of Primary School Management Phase II	2013–2017	¥139.00
Norway	Support to SSRP (SWAp)	2009–2016	\$36.00
USAID	Improving early grade reading skill		\$1.50
	Literacy and numeracy		\$3.40
	Community Based Early Grade Reading		\$12.30
	Supporting TLCs under emergency response through UNICEF	2015	\$5.20

<sup>1</sup> World Bank. 1992. *Basic and Primary Education Project*. Washington, DC. <http://documents.worldbank.org/curated/en/1992/03/735553/nepal-basic-primary-education-project>; World Bank. 1999. *Second Basic and Primary Education Project (BPEP II)*. Washington, DC. <http://documents.worldbank.org/curated/en/1999/04/442240/nepal-second-basic-primary-education-project-bpep-ii>; ADB. 2002. *Secondary Education Support Project*. Manila; World Bank. 2004. *Education for All Project*. Washington, DC. <http://documents.worldbank.org/curated/en/2004/06/4358797/nepal-education-all-project>.

<sup>2</sup> Development partners supporting the SSRP through SWAp were ADB, Australia, Global Partnership for Education, Japan International Cooperation Agency, European Union, Finland, Norway, United Nations Children's Fund, and the World Bank.

Development Partner	Name of Operations	Duration	Amount (million)
UNESCO	Supporting Competency-Based Teacher Training Reforms to Facilitate ICT-Pedagogy Integration	2014–2017	\$0.05
	Planning effective educational services delivery in the context of structural changes under future federal states	2014–2015	\$0.38
	Strengthening Climate Change Education for Sustainable Development	2014–2015	\$0.10
	Empowering Adolescent Girls and Women	2015–2016	\$0.14
	HIV/AIDS Education through CLCs in mid and far-west regions of Nepal	2011–2015	\$0.05
	Building capacities for strengthening literacy and lifelong learning in Nepal	2009–2017	\$1.00
	Enhancing teacher profession development to improve the quality of education	2016	\$0.02
	Enhancing the quality and relevance of education for adolescent girls through gender responsive teaching and learning	2015–2020	\$0.15

ADB = Asian Development Bank, CLC = community learning center, DFID = Department of International Development of the United Kingdom, EU = European Union, ICT = information and communication technology, JICA = Japan International Cooperation Agency, SSRP = School Sector Reform Plan, SWAp = sector-wide approach, TEVT = technical education and vocational training, TLC = temporary learning center, UNESCO = United Nations Educational, Scientific and Cultural Organization, UNICEF = United Nations Children’s Fund, USAID = United States Agency for International Development.

Source: Asian Development Bank.

## B. Institutional Arrangements and Processes for Development Coordination

2. A number of instruments that were developed to enhance coordination and harmonization between the government and development partners under the SSRP have been reviewed for the School Sector Development Plan (SSDP). The JFA—the main instrument for the coordination of development partners’ contributions, consultations, and program monitoring process—was revised and will be signed towards the end of 2016 or the beginning of 2017 by all development partners that have agreed to use JFA as the common framework for support to the SSDP.<sup>3</sup> The development partners signing the JFA will be financing the SSDP through results-based financing with contributions contingent on achievement of disbursement-linked indicators (DLIs). The common DLI framework was agreed by the joint financing partners and will be used for most disbursements by development partners. This is one of the major departures from the support modality used for the SSRP. Under the SSRP, development partner contributions were linked to progress in expenditures and policy conditions, while under the SSDP, they are contingent on achievement of mutually agreed DLIs, which will ensure a stronger focus on delivery of results. The JFA will guide development partners and the government on program monitoring, and financial, social, and environmental management, including oversight functions.

## C. Achievements and Issues

3. The implementation of the SSRP SWAp through the JFA enabled better coordination and harmonization between the development partners and set the foundation for stronger government ownership of program implementation by adopting country systems. The achievements made in the SSRP were the result of significant coordination and harmonization

<sup>3</sup> The draft JFA is attached as an Annex to the Program Implementation Document (accessible from the list of linked documents in Appendix 2).

between the development partners. However, some fragmentation with regard to the prioritization of policy initiatives and program implementation remained. As a result, the government was unable to prioritize and deliver all the initiatives with due depth and breadth. The SSRP was highly ambitious and implemented during a very challenging period when Nepal underwent momentous political and constitutional changes after a decade-long civil conflict that ended in 2006. In hindsight, the development partners should have foreseen the capacity constraints of the government and mitigated it through technical assistance in a coherent approach.<sup>4</sup> The reforms envisaged under the SSRP required significant technical assistance resources, which should have been mobilized externally by the development partners to support the SSRP in all technical and program management aspects.

#### **D. Summary and Recommendations**

4. Building on the experiences from the SSRP, the SSDP is further strengthening the leadership of the Ministry of Education (MOE) and the Department of Education for focused policy direction, program management, coordination, and implementation. The renewed attention to dedicated teams within MOE, the department, and the district education offices to manage the SSDP is expected to increase accountability for achieving key results. The shift to results-based financing will foster strong leadership of MOE and the Ministry of Finance. The commonly agreed program results framework and DLI framework will ensure development partner harmonization and coordination—reducing overall transaction costs to the government. The SSDP also marks a major departure by using the treasury system for overall financing and with specific components integrated into the program for strengthening budget management, execution, and financial monitoring and reporting. The disbursements by development partners will be made to the national treasury based on the annual confirmation of yearly targets for delivery of results being met by the government. This will help in improving fund flow, and monitoring and reporting under the SSDP.

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<sup>4</sup> The TA facility (Education Policy Support Office) initiated by Denmark for the first 3 years of the SSRP was unable to fully align with the actual requirements of the SSRP. The facility was closed once Denmark exited from the SSRP SWAp in 2013.