

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Nepal	Program Title:	Supporting School Sector Development Plan
Lending/Financing Modality:	Results-based lending for programs	Department/Division:	South Asia Department/ Human and Social Development Division

### I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

**Targeting classification:** general intervention

#### A. Links to the National Poverty Reduction and Inclusive Growth Strategy, and Country Partnership Strategy

The Government of Nepal has prepared the School Sector Development Plan (SSDP), FY2017–FY2023 to align with its commitment to Sustainable Development Goal 4—“ensure equitable and inclusive quality education and promote lifelong learning opportunities”—and Nepal’s vision to graduate from least developed country status by 2022. The SSDP directly contributes to the National Poverty Reduction Strategy as outlined in the government’s Thirteenth Development Plan, 2013–2016, which targets inclusive, broad-based, and sustainable economic growth. The Thirteenth Plan aims to improve access, use, and quality standards of social service sectors (including education) in the development process. It emphasizes increased investments in education to promote economic and social development, and adoption of policy, legal, and institutional reforms to ensure equitable access to quality education at all levels. The recently promulgated Constitution guarantees the fundamental right to free and compulsory basic education up to grade 8 and free secondary education up to grade 12. The results-based lending program of the Asian Development Bank (ADB)—Supporting School Sector Development Plan—contributes to making the education system more equitable, efficient, and relevant by supporting educational reforms and helping meet development needs. The program is aligned with ADB’s country partnership strategy, 2013–2017 for Nepal, which underscores the need to broaden access to economic opportunities through quality education and investment in human capital. The program impact is a more qualified human resource base in Nepal for equitable socioeconomic development.

#### B. Results from the Poverty and Social Analysis during Project Preparation or Due Diligence

1. **Key poverty and social issues.** The proportion of the population below the poverty line fell from 25.4% in 2010 to 23.8% in 2015.<sup>a</sup> Urban poverty is lower at 15.4% than rural poverty (27.4%). Glaring disparities exist across various social groups.<sup>b</sup> The average literacy rate in 2011 was 75.0% for men and 57.4% for women.<sup>c</sup> At the basic education level, 12.0% of the relevant age group of students are out of school. Out-of-school children are particularly numerous in 15 districts.<sup>d</sup> A high dropout rate is seen among students from Terai-Madadesh, Dalit, and Muslim communities. Access to science subjects in grades 11–12 is limited, usually linked to weak performance in earlier grades, low completion rates, and lack of affordability. Education for children with disabilities continues to be a challenge. The SSDP will address disparities in students’ access, participation, and learning outcomes through the implementation of targeted interventions. A major intervention will be a revised scholarship scheme that will be predominantly pro-poor and offer higher levels of finance to reflect the real cost of school participation. The equity thrust is incorporated in teacher recruitment (more women teachers and teachers from disadvantaged groups), teacher training (with equal opportunities) and classroom teaching (pedagogy that is inclusive). A comprehensive equity strategy will be implemented and an equity index will be used to allocate adequate resources and eliminate disparities in three dimensions—enrollments, student cohorts continuing from grade 1 to grade 8 (survival), and student pass rate in grade 10.

2. **Beneficiaries.** The primary beneficiaries of the SSDP are about 6.3 million students enrolled in grades 1–12, of which 50.0% will be girls. The program will directly benefit students from poor, rural, socially excluded, and highly marginalized communities as well as children with disabilities through scholarship and targeted interventions. Capacity development under various program interventions will benefit about 153,200 teachers (of which 30% are women) as well as school management committee members and other staff at schools.

3. **Impact channels.** The SSDP directly impacts the poor, girls, and other marginalized groups through expansion of equitable access to quality education. It will increase enrollment in secondary education (9–12) and in science subjects in grade 11, improve cohort survival rates, and enhance outcomes for boys and girls, not least for those from poor and disadvantaged backgrounds. Human capital is expected to improve, thereby contributing to poverty reduction.

4. **Other social and poverty issues.** Early marriage, ‘parda system’ (social segregation of women), isolation during menstruation, and caste discrimination are impediments to girls’ participation in schools.<sup>e</sup> They need to be tackled by means of mass awareness campaigns and sensitization. Role models, including girls who have graduated in a science subject, can be inspirational. Alternative livelihoods for poor parents unable to send their children to school need to be offered through other actors.

5. **Design features.** The program includes an equity focus on access, quality, and learning achievements. Four key outputs are: (a) access to basic and secondary schools improved, (b) quality of school education improved, (c) model school program implemented, and (d) school system governance and management improved. The program has specific design features to manage poverty and social issues. For instance, a pro-poor scholarship scheme and improvements to the teaching of science, math, and English subjects will help open up opportunities for skilled jobs in the labor market. A more effective grant management system will better meet the needs of local communities.

<b>II. PARTICIPATION AND EMPOWERING THE POOR</b>	
<p>1. <b>Participatory approaches and proposed program activities.</b> MOE developed a guideline and carried out extensive public consultation to ensure adoption of lessons learned, best practices, and ownership. Participatory consultation with stakeholders included various line ministries, development partners, political party representatives, teacher unions, technical experts, parent–teacher associations, school management committees, nongovernment organizations, and civil society organizations (CSOs), as well as students and teachers. Issues and challenges faced by marginalized communities were given due attention.</p> <p>2. <b>Civil society organizations.</b> CSOs played an active role during these consultations for the SSDP. The Association of International Nongovernment Organizations in Nepal and the National Campaign for Education consolidated best practices and lessons from past programs. CSOs are expected to stay engaged throughout SSDP implementation.</p> <p>3. <b>Participation of CSOs in project implementation.</b> National and international CSOs are invited to SSDP annual missions and will be consulted for localized implementation. The annual strategic implementation plan and annual work plan of the SSDP are discussed and disclosed to stakeholders centrally and in the districts.</p> <p>4. <b>Forms of CSO participation envisaged during program implementation</b>  <input checked="" type="checkbox"/> (H) Information gathering and sharing    <input checked="" type="checkbox"/> (M) Consultation    <input checked="" type="checkbox"/> (M) Collaboration    <input checked="" type="checkbox"/> (M) Partnership</p> <p>5. <b>Participation plan.</b> <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No – A separate consultation and participation plan is not required because a broad and ongoing participatory process is already embedded in the respective framework of the SSDP.</p>	
<b>III. GENDER AND DEVELOPMENT</b>	
<b>Gender mainstreaming category:</b> gender equity as a theme (GEN)	
<p><b>A. Key issues.</b> Good progress was made in broadening access to education: the net enrollment rate is 87.6% for girls and 87.7% for boys at basic level, and parity is at 0.99 and 1.0.<sup>1</sup> However, as grades increase, the enrollment rates drop: 75.5% for girls and 73.8% for boys at lower secondary level, and only 34.7% for girls and 34.6% for boys at the overall secondary level (grades 9–12). The female population (aged 25 and over) with at least a secondary education is still lower than the comparable male population—17.9% versus 39.9% (United Nations Human Development Report, 2015). Wide disparities exist among women from different castes and regions—e.g., 83.0% of Terai-Madhesh Dalit women have no education compared with 17.0% of hill Brahman. The National Assessment of Student Achievement results for grade 8 show boys outperforming girls in math and science. Only 9.0% of girls are enrolled in science subjects in grade 11, compared with 19.0% of boys. Low quality in education compounded by poverty and sociocultural disparities across gender, caste, ethnicity, and geographic settings has a greater impact on girls' retention and learning outcomes.</p>	
<p><b>B. Key actions:</b>  <input type="checkbox"/> Gender action plan    <input checked="" type="checkbox"/> Other actions or measures: a disbursement-linked indicator (DLI) matrix with gender-related elements and definitions of indicators is incorporated.    <input type="checkbox"/> No action or measure</p> <p>Key actions include (i) distribution of targeted pro-poor scholarships to girls for taking up science subjects in grades 11 and 12; (ii) increase in women teachers in secondary education; (iii) inclusion of women teachers and those from other social groups in the new subject-specific training programs; (iv) access to information and communication technology (ICT) resources and e-learning materials for girls; (v) women teachers' participation in ICT training; (vi) gender-sensitive pedagogy in classroom teaching and learning at model schools; (vii) greater representation of women in school management committees, including involvement in monitoring of quality in schools; (viii) institutionalization of gender equality and social inclusion at all levels through capacity development; (ix) conduct of social audits and implementation of corrective measures; and (x) revision of the education management information system (EMIS) and results framework to include data disaggregated by sex, caste, and ethnicity for measuring sector performance.</p>	
<b>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</b>	
<p><b>A. Involuntary Resettlement</b> <span style="float: right;"><b>Safeguard Category:</b> <input type="checkbox"/> A    <input type="checkbox"/> B    <input checked="" type="checkbox"/> C</span></p> <p>1. <b>Key impacts.</b> No involuntary resettlement will occur under the SSDP since infrastructure construction will be small-scale and mostly within school premises. In a few exceptional cases, additional land may be required to extend school facilities beyond existing premises. In such cases, negotiated settlement (voluntary donation of the land or willing seller, willing buyer approach) will be adopted to manage the required land. Safeguard Policy Statement (2009) requirement 2 is not triggered because land management is confined to negotiated settlement.</p> <p>2. <b>Strategy to manage the impacts.</b> Procedural guideline for negotiated settlement was agreed with the executing agency to ensure that meaningful consultation is carried out during negotiation, and an adequate and fair price is offered for land and other assets. The guideline explains consultation process, applicable policies and transaction laws, third-party validation, replacement cost calculations, record-keeping and reporting requirements.</p> <p>3. <b>Actions</b>  <input checked="" type="checkbox"/> Program Safeguard System Improvements    <input type="checkbox"/> No action</p>	
<p><b>B. Indigenous Peoples</b> <span style="float: right;"><b>Safeguard Category:</b> <input type="checkbox"/> A    <input checked="" type="checkbox"/> B    <input type="checkbox"/> C</span></p> <p>1. <b>Key impacts.</b> The SSDP triggers Safeguard Policy Statement requirement 3 on indigenous peoples. Positive impacts are expected for indigenous peoples (Adivasi and Janajatis) thanks to affirmative actions under the program, which will increase the participation of indigenous communities and improve their learning outcomes. No major negative impacts on indigenous peoples are expected. However, it is necessary to monitor the impact on them at school level.</p> <p>Is broad community support triggered?    <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p>	

<p>2. <b>Strategy to manage the impacts.</b> Affirmative actions are adopted to enable participation of children from indigenous communities, such as incentive schemes relating to scholarships, free textbooks, residential facilities in remote locations, and equity-index-based resource allocation to meet specific needs of indigenous communities. A separate indigenous people plan is not needed. A draft indigenous peoples framework (IPF) was prepared to avoid any adverse impact on indigenous peoples while delivering program activities. The IPF includes provisions to ensure that indigenous peoples receive culturally appropriate education benefits, do not suffer from adverse impacts as a result of the program (such as threat to their habitats), and can actively participate in program activities and benefit from them.</p> <p>3. <b>Actions.</b> <input checked="" type="checkbox"/> Program Safeguard System Improvements <input type="checkbox"/> No action</p>
<p><b>V. ADDRESSING OTHER SOCIAL RISKS</b></p>
<p><b>A. Risks in the Labor Market</b></p> <p>1. <b>Relevance of the project for the country or region's or sector's labor market.</b>  <input checked="" type="checkbox"/> (L), unemployment <input checked="" type="checkbox"/> (L), underemployment <input checked="" type="checkbox"/> (L) retrenchment <input checked="" type="checkbox"/> (L) core labor standards</p> <p>2. <b>Labor market impact.</b> The SSDP will have positive labor market impacts through greater focus on strengthening equity and quality of education so as to be responsive to labor market needs. More graduates in science and technical subjects from grade 12 will increase the pool of skilled workers. More girls taking science subjects in secondary education will translate into stronger women's participation in the technical workforce, better career options for high-paying jobs, and a narrowing of the gender wage gap. The SSDP will follow core labor standards<sup>9</sup> while undertaking construction works.</p>
<p><b>B. Affordability.</b> Although education is free for grades 1–12 under the new Constitution, poor and disadvantaged groups may still not be able to afford the overall cost of education, which might hinder their participation. The program will revise the scholarship scheme to include equity and pro-poor dimensions, and more effective targeting.</p>
<p><b>C. Communicable Diseases and Other Social Risks</b></p> <p>1. The impact of the following risks are rated high (H), medium (M), low (L), or not applicable (NA):  <input checked="" type="checkbox"/> (N/A) Communicable diseases <input checked="" type="checkbox"/> (N/A) Human trafficking <input checked="" type="checkbox"/> (N/A) Others (please specify)</p> <p>2. Risks to people in program area. – No social risks are associated with the program.</p>
<p><b>VI. MONITORING AND EVALUATION</b></p>
<p>1. <b>Targets and indicators.</b> Design and monitoring framework, DLIs, and Program Action Plan include gender indicators and targets for women teachers in secondary education; targeted scholarships for girls in the science stream; equal numbers of male and female teachers receiving professional development training; innovative and equity-based teaching and learning methods adopted for science, math, and English; women teachers and girl students benefiting from ICT-enriched teaching–learning; learning outcomes in math, science, and English enhanced at the secondary level; and disaggregated school-based teacher and student information embedded in an upgraded EMIS.</p> <p>2. <b>Required human resources.</b> Adequate and qualified human resources for timely data compilation and analytical reporting will be ensured. Implementation arrangements will strengthen capacity for technical and monitoring support.</p> <p>3. <b>Information in program implementation document.</b> The program implementation document includes details on annual joint reviews, DLI verification missions, and joint monitoring by development partners. The document also outlines how joint financing arrangement will work in SSDP financing, monitoring, and reporting.</p> <p>4. <b>Monitoring tools.</b> The SSDP will review and revise data collection formats of the EMIS to meet SSDP monitoring and reporting requirements, including disaggregated data (sex, caste, ethnicity) on students and teachers (by specialization). Revised grant management guidelines will be developed for social audits and corrective measures to be implemented by schools.</p>

Sources<sup>i</sup>

<sup>a</sup> Government of Nepal, National Planning Commission. 2016. *Economic Survey*. Kathmandu; Government of Nepal, National Planning Commission. 2016. *Millennium Development Goal Terminal Report Final Draft*. Kathmandu.

<sup>b</sup> Poverty among Brahmin/Chhetry is 18.4%, while it is 45.5% for Dalits, 44.0% for hill Janajatis, and 41.3% for Muslims. Government of Nepal, Central Bureau of Statistics. 2015. *Nepal Living Standards Survey, 2010–2011 (NLSS Third)*. Kathmandu.

<sup>c</sup> Government of Nepal, Central Bureau of Statistics /The United Nations Children's Funds. 2015. *Multiple Indicator Cluster Survey 2014*. Kathmandu.

<sup>d</sup> Rautahat, Sarlahi, Dhanusha, Mahottari, Bara, Siraha, Parsa, Saptari, Kapilbastu, Rupendehi, Sunsari, Morang, Banke, Kailali, and Kathmandu. The highest percentage of out-of-school children is seen in the age groups 5, 6, and 16; and 18 districts have more than 10% out-of-school children in age group 5–12. Government of Nepal, Department of Education. 2012/2013. *Strategy and Action Plan on Bringing Out-of-School Children into Basic Education*. Kathmandu.

<sup>e</sup> Government of Nepal, Nepal Rastra Bank. 2006. *Achieving Millennium Development Goals: Challenges for Nepal, Special Publication, International Finance Division*. Kathmandu.

<sup>f</sup> Government of Nepal, Department of Education. 2016. *Flash Report 2014/2015*. Kathmandu.

<sup>g</sup> Core labor standards mean equal employment opportunities, equal pay for work of equal value, and no child labor.