



Report and Recommendation of the President to the Board of Directors

INTERNAL

Project Number: 49424-002
November 2022

Proposed Results-Based Loan and Technical Assistance Grant Nepal: Supporting the School Education Sector Plan

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 18 October 2022)

Currency unit	–	Nepalese rupee/s (NRe/NRs)
NRe1.00	=	\$0.0076
\$1.00	=	NRs131.7680

ABBREVIATIONS

ADB	–	Asian Development Bank
CEHRD	–	Center for Education and Human Resource Development
COVID-19	–	coronavirus disease
DLI	–	disbursement-linked indicator
E&S	–	environmental and social
EMIS	–	education management information system
GESI	–	gender equality and social inclusion
ICT	–	information and communication technology
IVA	–	independent verification agency
JFA	–	Joint Financing Arrangement
JFP	–	joint financing partner
M&E	–	monitoring and evaluation
MOEST	–	Ministry of Education, Science and Technology
NER	–	net enrollment rate
PAP	–	program action plan
ReAL	–	recovery and accelerated learning
RBL	–	results-based lending
SESP	–	School Education Sector Plan
SSDP	–	School Sector Development Plan
SWAp	–	sector-wide approach
TA	–	technical assistance
UNICEF	–	United Nations Children’s Fund
USAID	–	United States Agency for International Development

NOTES

- (i) The fiscal year (FY) of the Government of Nepal ends on 15 July. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2023 ends on 15 July 2023.
- (ii) In this report, “\$” refers to United States dollars.

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RESULTS BASED PROGRAM AT A GLANCE

1. Basic Data		Project Number: 49424-002
Project Name	Supporting the School Education Sector Plan	Department/Division SARD/SAHS
Country	Nepal	Executing Agency Ministry of Education, Science and Technology
Borrower	Nepal	
Country Economic Indicators	https://www.adb.org/Documents/LinkedDocs/?id=49424-002-CEI	
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=49424-002-PortAtaGlance	
2. Sector	Subsector(s)	ADB Financing (\$ million)
✓ Education	Education sector development	200.000
	Total	200.000
3. Operational Priorities		Climate Change Information
✓ OP1: Addressing remaining poverty and reducing inequalities		GHG reductions (tons per annum) 0
✓ OP2: Accelerating progress in gender equality		Climate Change impact on the Project Medium
✓ OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		ADB Financing
✓ OP6: Strengthening governance and institutional capacity		Adaptation (\$ million) 35.000
		Mitigation (\$ million) 0.000
		Cofinancing
		Adaptation (\$ million) 0.000
		Mitigation (\$ million) 0.000
Sustainable Development Goals		Gender Equity and Mainstreaming
SDG 1.1, 1.5		Gender Equity (GEN) ✓
SDG 4.1, 4.5, 4.6		
SDG 5.c		Poverty Targeting
SDG 10.2		General Intervention on Poverty ✓
SDG 13.a		
4. Risk Categorization:	Complex	
5. Safeguard Categorization	Environment: B Involuntary Resettlement: C Indigenous Peoples: B	
6. Financing		
Modality and Sources		Amount (\$ million)
ADB		200.000
Sovereign Results Based Lending (Concessional Loan): Ordinary capital resources		200.000
Cofinancing		196.980
ATF - Norway TA Grant - Project grant (Not ADB Administered)		6.760
European Union - Project grant (Not ADB Administered)		15.390
Government of Finland - Project grant (Not ADB Administered)		7.510
United Nations Children's Fund - Project grant (Not ADB Administered)		0.940
United States Agency for International Development - Project grant (Not ADB Administered)		6.380
World Bank - Results Based Lending (Not ADB Administered)		160.000
Counterpart		3,186.120
Government		3,186.120
Total		3,583.100
Note: An attached technical assistance will be financed on a grant basis by the Technical Assistance Special Fund (TASF-7) in the amount of \$1,000,000; ATF - Norway TA Grant in the amount of \$600,000.		
Currency of ADB Financing: US Dollar		

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed results-based loan to Nepal for Supporting the School Education Sector Plan. The report also describes proposed technical assistance (TA) for Enhanced Policy and Program Implementation in School Education, and if the Board approves the proposed loan, I, acting under the authority delegated to me by the Board, approve the TA.¹

2. The program will assist the Government of Nepal in reforming the school education system through the implementation of its School Education Sector Plan (SESP)² in a sector-wide approach (SWAp) supported by eight development partners, including the Asian Development Bank (ADB). The program will strengthen equity, quality, and resilience of school education by helping the government (i) enhance learning provisions for basic and secondary schools; (ii) strengthen teaching and learning in basic and secondary schools; (iii) accelerate the recovery from learning losses caused by the coronavirus disease (COVID-19) pandemic; and (iv) improve the capacity of governments, especially local governments, for education planning, monitoring, and reporting.

II. THE PROGRAM

A. Strategic Context

3. Nepal's economy grew rapidly at an average rate of 5% during 2010–2019 but contracted in 2020 because of the COVID-19 pandemic.³ It has since improved modestly, but recovery is a long haul given the disrupted trade flows and higher prices for oil and other commodities. The gains in reducing multidimensional poverty from 30.1% in 2014 to 17.4% in 2019 could also be reversed because of the economic downturn.⁴ Despite these challenges, Nepal remains steadfast in transforming its human capital through high-quality, affordable education as articulated in the country's Fifteenth Plan (2020–2024).⁵ Nepal has a historic opportunity to reap the demographic dividend because its young account for more than 30% of the population. Given that 79.1% of the labor force currently working or looking for work does not have secondary education, educating the youth is critical to increase productivity.⁶

4. **Sector structure and performance.** School education in Nepal consists of 1 year of pre-primary, 8 years of basic (grades 1–8), and 4 years of secondary (grades 9–12) education. It is provided through two types of schools—government-aided public (or community) and private (or institutional) schools—with 75.0% enrollment in community schools and 25.0% in institutional schools. The Constitution of Nepal guarantees school education as a fundamental right, and the state must ensure free and compulsory basic education and free secondary education. Nepal made steady progress in equitable access to education. From fiscal year (FY) 2017 to FY2022,

¹ Of which (i) \$1,000,000 will be provided by the Technical Assistance Special Fund (TASF 7) of the Asian Development Bank (ADB); and (ii) \$600,000 will be provided on a grant basis by the Government of Norway and administered by ADB.

² Government of Nepal, Ministry of Education, Science and Technology (MOEST). 2022. *School Education Sector Plan 2021–2030*. Kathmandu. Prepared in 2021 and endorsed in 2022, the plan will be implemented from FY2023. Hence, the "first 5 years" are FY2023–FY2027.

³ Government of Nepal, Ministry of Finance. 2021. [Economic Survey 2020/2021](#). Kathmandu.

⁴ Government of Nepal, National Planning Commission. 2021. [Nepal: Multi-Poverty Index Report: Analysis toward Action, 2021](#). Kathmandu.

⁵ Government of Nepal, National Planning Commission. 2020. [The Fifteenth Plan, FY2020–FY2024](#). Kathmandu.

⁶ Government of Nepal, Central Bureau of Statistics. 2019. [Report on the Nepal Labour Force Survey, 2017/18](#). Kathmandu.

the net enrollment rate (NER) for basic education increased from 88.7% to 95.1%, for grades 9–10 from 59.8% to 76.1%, and for grades 11–12 from 18.2% to 31.5%. The survival rate to grade 10 increased significantly from 37.9% in FY2017 to 66.1% in FY2022.⁷

5. **Gaps in equitable access.** Nepal significantly improved equitable access to school education: it achieved gender parity in NERs⁸ at basic and secondary levels, enrollment of Dalit children in basic education is proportional to their share of the population, and regional differences in enrollment are declining. Disaggregated data on student backgrounds are collected to monitor performance. However, inequities remain, especially at higher levels. Far fewer Dalit children are enrolled in secondary than in basic education.⁹ Access to science education is limited: only 17.2% of grade 11–12 students are studying science subjects. Also, a gap of more than 7 percentage points exists between boys and girls in science enrollments, mainly because not enough community schools are equipped to teach science. Parents prefer to enroll boys in private schools where science education is most likely offered, and boys tend to choose science subjects more than girls. Access to science education can help girls explore more diverse and better-paying career options. Among children with disabilities, who account for 1.9% of the population, only 0.52% are enrolled in basic education and even fewer (0.25%) in secondary education; and significantly more boys are enrolled than girls (footnote 7). The accessibility of physical school environments and teachers' capacity to deliver inclusive education are inadequate. Also, girls and children from disadvantaged backgrounds seem to have experienced more learning loss during the pandemic than other students (para. 10, footnote 11). To reduce the remaining inequalities, it is necessary to revise the scholarship schemes, collect and analyze more disaggregated data on students' and teachers' performance, and come up with targeted measures.

6. **Persistently low learning outcome.** Poor learning starts in the early grades and continues. The national assessment of students' reading and numeracy proficiency in grade 3 shows an average achievement score below 50% (43% in reading, 37% in numeracy), with no significant gender differences (footnote 7). The periodic national assessments of student achievement conducted for grades 5, 8, and 10 show student performance well below the national minimum standards for all assessed subjects and grades, with significant disparities between provinces, sex, rural–urban areas, private and public schools, and socioeconomic groups.

7. **Major constraints.** Nepal faces several constraints in its efforts to improve school education performance: (i) inadequate learning facilities; (ii) insufficient number and inequitable deployment of teachers, leading to a lack of subject teachers in grades 6–12; (iii) inadequate mechanisms for teachers' pre-service and continuous in-service professional development; (iv) theoretical and content-heavy curriculum and textbooks; and (v) weak student assessments and examinations that rely too much on measuring memorization (rote-learning) instead of critical analysis (footnote 7). While previous programs made incremental progress starting from a very low base, and against several disruptions from disasters and political changes, it is imperative to continue and intensify efforts to improve the quality of education (para. 14).

8. **Education sector governance and capacity.** In 2017, Nepal began its transition from a unitary to a federal system, as per the Constitution of Nepal promulgated in 2015, which included the devolution of education functions to local governments. Since the federal education bill is yet to be approved, local governments still struggle to understand their role and mandate, especially

⁷ Sector Assessment (Summary): Education (accessible from the list of linked documents in Appendix 2). The NER after grade 10 does not include enrollment in technical and vocational education and training.

⁸ The ratio of girls to boys enrolled at basic and secondary levels shows that each are represented equally.

⁹ Dalits are people suffering from caste and untouchability-based practices and religious, social, political, and cultural discrimination in Nepal.

with regard to teacher management and development. Efforts were made to improve local government capacity, but this is undermined by an inadequate number of education officers, who also lack experience, and high turnover. The envisioned fiscal decentralization of education financing is a work in progress.¹⁰ Most federal grants for school education are still conditional, with little flexibility for local governments and schools to reallocate them according to local needs. Internal control, reporting, and oversight in local governments and schools need improvement to minimize fiduciary risks.

9. **Climate and disaster resilience.** Nepal is heavily exposed to natural hazards because of extreme weather, diverse terrain and topography, and earthquake risk; and climate change makes the country even more prone to disaster. Since the disaster preparedness of infrastructure and systems is low, Nepal needs to invest urgently in risk adaptation actions.¹¹ Gains from past investments can easily be eroded by disasters, so it needs to develop physical facilities that can better withstand such events. Schools in Nepal have been playing an important role in promoting community-based disaster resilience and building climate- and disaster-resilient schools is an important adaptation strategy not only for schools but also for surrounding communities.

10. **Impact of COVID-19 pandemic.** Nepal's education sector was badly affected by the pandemic. The country imposed the longest full or partial school closures in the South Asia region in 2020 and 2021. While the closures did not result in more school dropouts, they led to significant learning losses—most students, particularly in public schools, could not participate in alternative education modes such as online learning because they lacked access to the internet and/or digital devices. A preliminary assessment revealed significant differences in learning loss depending on students' gender; place of residence; ethnic and economic background (such as belonging to a disadvantaged group); type of school attended; and/or disability.¹² Unless learning recovery and accelerated learning programs are implemented successfully, the losses will likely worsen learning outcomes and inequality, and erode Nepal's human and socioeconomic development.

B. Program Rationale

11. Reducing inequities in access and participation and improving the quality and resilience of school education are essential steps to better prepare Nepal's youth for higher education and the acquisition of skills that employers require. In line with Nepal's long-term vision and its commitment to the Sustainable Development Goals, the Ministry of Education, Science and Technology (MOEST) approved the SESP for 2021–2030 and prepared a costed program for the first 5 years (FY2023–FY2027) (footnote 2). This will be implemented through a SWAp. ADB and seven other joint financing partners (JFPs) will support the SESP with pooled financing, while other partners provide stand-alone but coordinated support.¹³

12. The JFPs will tackle the remaining inequities and constraints that lead to low learning by prioritizing and sequencing required results from the SESP. ADB's results-based lending (RBL) program is aligned with its Strategy 2030 and the operational priorities of (i) addressing remaining

¹⁰ S. Gyawali, J. Claussen, and S. Risal. 2021. [An Assessment of Nepal's School Education Financing in a Federal System](#). ADB Brief No. 197.

¹¹ Nepal ranks as 42nd most vulnerable out of 182 countries, and 120th for readiness. University of Notre Dame. 2020. [Notre Dame Global Adaptation Initiative](#).

¹² United Nations Children's Fund (UNICEF). 2021. [Continuing children's education in Nepal during the COVID-19 pandemic](#). New York.

¹³ The eight JFPs are ADB, the European Union, Finland, Global Partnership for Education, Norway, UNICEF, United States Agency for International Development (USAID), and the World Bank. The Japan International Cooperation Agency; the United Kingdom's Foreign, Commonwealth & Development Office; the World Food Programme; and international and national nongovernment agencies provide stand-alone support.

poverty and reducing inequalities; (ii) accelerating progress in gender equality; (iii) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; and (iv) strengthening governance and institutional capacity. The RBL contributes to pillar 2 (improved access to devolved services) of ADB's country partnership strategy, 2020–2024 for Nepal; and to Sustainable Development Goals 1, 4, 5, 10 and 13.¹⁴

13. **Justification for results-based lending.** The RBL modality is most suitable for ADB's support to the SESP because (i) the government has demonstrated strong ownership and commitment to a comprehensive sector plan with a medium-term expenditure framework based on wide stakeholder consultations; (ii) RBL allows to prioritize, encourage, and sequence the required results; and strengthen knowledge, innovation, and institutional development for better sector performance; (iii) it boosts coordination, harmonization, and complementarity between development partners, especially JFPs; (iv) it assesses system capacity and develops adequate measures to mitigate capacity gaps and risks; and (v) it builds on an earlier intervention using RBL that supported the government's School Sector Development Plan (SSDP).¹⁵

14. **Past achievements and lessons.** The RBL for the SSDP was satisfactorily completed in May 2022 and achieved its outcome and majority of output targets. The SSDP and preceding programs yielded key lessons.¹⁶ For one, school infrastructure development requires a comprehensive approach, rather than ad-hoc and piecemeal measures, to meet the schools' needs. That was the approach used in the SSDP's model-school pilot and ADB's earthquake reconstruction support, which led to quality secondary schools.¹⁷ Other lessons are that (i) more awareness of the availability of pro-poor scholarships for secondary students as well as expanded coverage are essential for reaching the intended beneficiaries and for solving the remaining equity issues (footnote 16); (ii) enrollments will increase if the provision of science education is extended, especially outside urban centers, for equitable access; (iii) better learning outcomes hinge on a holistic approach that concurrently improves (a) teacher placements; (b) pre-service, in-service, and school-based professional development of teachers; (c) foundational learning; and (d) assessments and examination; (iv) concerted and joint efforts to build institutional and individual capacity can be transformative, as exemplified by the financial reporting reforms in support of federalism; and (v) harmonization efforts—joint disbursement-linked indicators (DLIs), joint program action plan (PAP), and a TA framework among JFPs—yield greater development effectiveness.

C. Program Scope

15. The RBL program supports selected interventions of the government's broader program. The scope of both programs is summarized in Table 1.

¹⁴ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila; ADB. 2019. *Country Partnership Strategy: Nepal, 2020–2024—Promoting Connectivity, Devolved Services, and Resilience*. Manila; and United Nations. 2015. *Sustainable Development Goals*. New York.

¹⁵ ADB. 2016. *Report and Recommendation of the President to the Board of Directors: Proposed Results-Based Loan and Technical Assistance Grant to Nepal for Supporting School Sector Development Plan*. Manila.

¹⁶ ADB. 2017. *Completion Report: School Sector Program in Nepal*. Manila; ADB. 2019. *Performance Evaluation Report: School Sector Program in Nepal*. Manila; and footnote 13.

¹⁷ Under the SSDP, 200 model schools were completed, and the government is upgrading another 222 model schools. The program focused on quality infrastructure, the outfitting of science laboratories, and the placement of sufficient teachers, which led to increased enrollment.

Table 1: Program Scope

Item	Broader Government Program (SESP)	Results-Based Lending Program
Outcome	Well-governed, capable, and accountable public school system for relevant and quality education comparable to international standards	Equity, quality, and resilience of school education strengthened
Key outputs	<ul style="list-style-type: none"> (i) Equitable access to and participation of all children ensured (ii) Quality and relevance of overall school education enhanced (iii) All citizens made literate with basic functional skills, and opportunities for continuing education and lifelong learning expanded (iv) Effectiveness of education service delivery ensured by promoting good governance, intergovernmental coordination, and capacities 	<ul style="list-style-type: none"> (i) Learning provisions for basic and secondary schools enhanced (ii) Teaching and learning in basic and secondary schools strengthened (iii) Learning recovery accelerated (iv) Local governments' education planning, monitoring, and reporting improved
Activity types	Early childhood education and development; midday meal program; scholarship schemes for all grades; teacher recruitment and deployment; provision of textbooks and learning materials, also digital ones; construction of disaster-resilient classrooms, information and communication technology facilities, and laboratories; disability-inclusive teacher training and learning materials; revised teacher professional development framework. Professional development certification programs; examination and assessments. Strengthening education governance capacity in three tiers of government.	Revision and expansion of pro-poor scholarships; GESI-responsive and climate- and disaster-resilient construction of secondary schools for science teaching and learning; placement of adequate numbers of subject teachers in schools; access to online resources; strengthening of foundational reading and numeracy proficiencies; school-based professional support for teachers; inclusive teacher training; standardization of examinations; strengthening local government capacity for financial management, including education planning and budgeting.
Expenditure size	\$8.36 billion	\$3.58 billion
Main financiers and their respective total amounts	Government (federal): \$7,230.8 million Development partners: \$633.4 million ^a Provincial and local level governments: \$498.0 million	Government (federal): \$2,688.1 million Asian Development Bank: \$200.0 million Other JFPs: \$197.0 million ^b Provincial and local level governments: \$498.0 million
Geographic coverage	Nationwide	Nationwide
Implementation period	Fiscal years 2023–2027	Fiscal years 2023–2027

GESI = gender equality and social inclusion, JFP = joint financing partner, SESP = School Education Sector Plan.

^a Both JFP and non-pooling contributions. Several partners indicated that they may consider additional financing.

^b The JFPs have different program boundaries. The European Union, the governments of Finland and Norway, United Nations Children's Fund, and United States Agency for International Development finance the broader government program. The Asian Development Bank and the World Bank have the same program boundary. The World Bank will administer the Global Partnership for Education grant.

Sources: Asian Development Bank; Ministry of Education, Science and Technology of Nepal; and the World Bank.

D. Program Results

16. The RBL program's impact—competent and qualified citizens increased (footnote 10)—is aligned with the SESP. The outcome—equity, quality, and resilience of school education strengthened—will be measured by (i) increased share of students enrolled in science subjects in grades 11–12 (DLI 1), (ii) increased share of students with disabilities enrolled in basic education (DLI 1), (iii) improved proficiency in reading and numeracy of grade 3 students (DLI 2),

and (iv) increased survival to grade 10. The program will benefit 7.1 million students, more than 252,000 teachers, and more than 27,000 schools.

17. **Output 1: Learning provisions for basic and secondary schools enhanced.** The aim is to increase equitable access to and participation in science education by providing inclusive learning facilities based on local governments' needs assessments. Secondary schools across the country will be mapped and prioritized for science education in grades 11–12, and the school facilities will be upgraded to design standards that are responsive to gender equality and social inclusion (GESI), and disaster- and climate-resilient. Construction management will be strengthened accordingly. The corresponding guidelines for local governments will incorporate best practices in school construction, as used in the SSDP's model-school pilot and in the reconstruction of school buildings after the 2015 earthquake, to minimize the impact of disasters and climate risks on the upgraded schools (DLI 3).¹⁸ The output also involves the expansion of a GESI-responsive pro-poor scholarship scheme from grades 9–12 to grades 6–12 to provide equal opportunity to additional students, including to Dalits and other disadvantaged groups.¹⁹ This scholarship was introduced during the SSDP and will be adjusted as part of a general revision aimed at streamlining scholarship schemes (DLI 4).²⁰ Finally, the number of teachers qualified for disability-inclusive education will be increased.

18. **Output 2: Teaching and learning in basic and secondary schools strengthened.** The aim is to ensure quality education by (i) placing more qualified science, mathematics, and English teachers for grades 6–10 (DLI 5); (ii) providing additional resource materials, teacher guides, and teacher training to implement a new curriculum for grades 1–3 that will improve foundational competencies in reading and numeracy (DLI 2); (iii) piloting school-based support systems with mentorships for the professional development of teachers in 200 local governments, and introducing new pedagogical approaches such as continuous assessment (DLI 6); and (iv) further strengthening the external public examination system in grades 8 and 12, initiated under the SSDP, by using standardized test items that measure higher-order thinking skills and abilities (DLI 7). Since teachers tend to teach to the test, changing the examination approach is expected to improve teaching and learning practices. The attached TA will support generating of the standardized test items and develop an online repository for these items (footnote 30).

19. **Output 3: Learning recovery accelerated.** The aim is to mitigate learning losses caused by the COVID-19 pandemic and institutionalize measures to make school education more resilient by (i) implementing a recovery and accelerated learning (ReAL) plan—emerging from global best practices—with activities such as content catchup, individualized teaching based on classroom-specific student assessments, and engagement of community and civil society organizations to implement the plan (DLI 8); (ii) improving the accessibility, relevance, and quality of e-resources in the *Sikai Chautari* online learning portal²¹ (set up during the pandemic) to improve teaching–learning and strengthen education continuity during disasters (DLI 9), while the government keeps investing in the expansion of information and communication technology (ICT) infrastructure and connectivity in schools; and (iii) assessing the portal from a GESI perspective to further strengthen its usability to all. These steps will mitigate the impact of COVID-19, prepare the education system for future disruptions, and help improve the persistently low learning outcome.

¹⁸ ADB. 2015. [Report and Recommendation of the President to the Board of Directors: Proposed Loan and Technical Assistance Grant to Nepal for the Earthquake Emergency Assistance Project](#). Manila; and footnote 14.

¹⁹ The pro-poor scholarship scheme has a provision that girls belonging to the bottom three income quintiles and boys belonging to the bottom two income quintiles are eligible for a higher scholarship amount.

²⁰ At least 16 different scholarship schemes exist at present, with unaligned eligibility criteria and varying amounts.

²¹ Government of Nepal. MOEST, Center for Education and Human Resource Development. [Learning Portal](#).

20. **Output 4: Local governments' education planning, monitoring, and reporting improved.** This output will improve the institutional capacity for education service delivery in the federal system. The aim is to (i) strengthen local governments' capacity for preparing periodic, GESI-responsive education plans, including infrastructure planning for disaster and climate resilience with preparedness measures (DLI 10); (ii) improve local governments' financial and physical reporting systems (PAP), (iii) step up coordination with federal level agencies and development partners to operationalize the internal control system of local governments (PAP); (iv) improve the quality of schools' social audits using school report cards that are GESI-responsive, and minimizing audit observations on SESP expenditures (DLI 10); and (iv) revise the federal conditional grants for education to make them more flexible and better aligned with the needs of local governments and schools, with incentives for local governments to allocate additional resources to education (PAP).

21. **Disbursement-linked indicators.** The results indicators that are critical for achieving the RBL program outcome and outputs are chosen as DLIs. The allocation of ADB financing for each DLI is based on the significance of its achievement for the program outcome. A sizable amount is allocated to outcome DLIs (22.5%). The largest share is allocated to quality improvement-related reforms (DLIs 2, 5, 6, and 7). ADB DLIs enabled the development of the joint DLI matrix subscribed to by other JFPs to reinforce the reform efforts (para. 29).²² The DLIs and their disbursement allocations are summarized in Table 2.

Table 2: Disbursement-Linked Indicators

Indicator	Disbursement Allocated (\$ million)	Share of Total ADB Financing (%)
Outcome: Equity, quality, and resilience of school education strengthened		
DLI 1. Inequities in access to basic and secondary education decreased	20.0	10.0
DLI 2. Improved proficiency in reading and numeracy of grade 3 students	25.0	12.5
Output 1: Learning provisions to basic and secondary schools enhanced		
DLI 3. Improved facilities for equitable development of secondary schools for science education	20.0	10.0
DLI 4. Revision of the pro-poor scholarship scheme to ensure equal opportunity to students in basic and secondary education.	17.0	8.5
Output 2: Teaching and learning in basic and secondary schools strengthened		
DLI 5. Placement of qualified science, mathematics, and English teachers in schools for grades 6–10 improved	20.0	10.0
DLI 6. School-based teacher professional support through mentorship piloted in local governments	20.0	10.0
DLI 7. Examination strengthened	18.0	9.0
Output 3: Learning recovery accelerated		
DLI 8. ReAL implemented to mitigate the learning loss resulting from COVID-19 pandemic	12.0	6.0
DLI 9. Improvement on accessibility, relevance, and quality of e-resources in the <i>Sikai Chautari</i> (online learning portal)	16.0	8.0
Output 4: Local governments' education planning, monitoring, and reporting improved		
DLI 10. Education planning, budgeting, and reporting in federal structure improved	32.0	16.0
Total	200.0	100.0

ADB = Asian Development Bank, COVID-19 = coronavirus disease; DLI = disbursement-linked indicator, ReAL= recovery and accelerated learning.

Sources: Asian Development Bank; Ministry of Education, Science and Technology of Nepal; and World Bank.

²² The joint DLI matrix is attached to Program Implementation Document (accessible from the list of linked documents in Appendix 2).

22. A rigorous verification protocol was developed (Appendix 3), and MOEST will engage a competent and credible independent verification agency (IVA) to verify and confirm the achievement of targets against the protocol. An indicative timeline for DLI achievement was set, and partial disbursement is allowed for selected DLIs (Appendix 3, Table A3.2).

E. Value Added by ADB

23. ADB is a longstanding trusted partner in Nepal's education sector and adds value by underpinning financial resources with technical knowledge and strong leadership in the design and implementation of the SESP SWAp. It supported the preparation of the program results framework. It will continue to provide strong leadership and expertise for the development of disaster- and climate-resilient and model schools; use of ICT in teaching and learning; teacher rationalization and deployment; standardization of the content and business processes of public examinations; the adaptation of local governments' financial reporting systems to the federal system; and the introduction of knowledge solutions and innovation. ADB significantly contributed to strengthening the SESP SWAp, which is the fourth generation SWAp that ADB participates in, leading to a more harmonized Joint Financing Arrangement (JFA), a joint DLI matrix, a joint PAP, and a joint TA framework to collectively reinforce the key SESP reforms.²³

F. Expenditure Framework and Financing Plan

24. **Program expenditures.** The SESP expenditure framework was developed based on clear assumptions and externally validated unit costs. The RBL program expenditure is estimated to be \$3,583.1 million for FY2023–FY2027 (Table 3). Salaries and remuneration account for 32.1% of the total program expenditure, and the program interventions for 55.3%.²⁴

Table 3: Summary of Program Expenditure Framework, FY2023–FY2027
(in FY2022 prices)

Item	Amount (\$ million)	Share of Total (%)
1. Salaries and remuneration	1,150.90^a	32.12
2. Program interventions	1,979.82	55.25
a. Textbooks and learning materials	197.35	5.51
b. Scholarships	220.72	6.16
c. Incentive schemes	464.58	12.97
d. Information and communication technology	140.03	3.91
e. Civil works	682.03	19.03
f. Training and capacity development	44.26	1.24
g. All other items ^b	230.85	6.44
3. Management and administration	452.38	12.63
Total	3,583.10	100.00

Note: Percentages in item 2 may not sum precisely because of rounding.

^a Represents 20% of total salaries and remuneration under the broad government program.

^b Includes costs for inclusive education, monitoring, program and/or school operation costs, costs of review and development of policy guidelines, and other program costs.

Sources: Asian Development Bank and Ministry of Education, Science and Technology of Nepal.

25. **Program financing.** The Government of Nepal has requested a concessional loan of \$200.0 million from ADB's ordinary capital resources to help finance the program. The loan will have a 32-year term, including a grace period of 8 years; an interest rate of 1.0% per year during

²³ The joint TA framework will ensure coordination and complementarity of TA activities for better results and reduced transaction costs. It will include regularly updated TA mapping and government-led TA governance structure.

²⁴ Program Expenditure and Financing Assessment (accessible from the list of linked documents in Appendix 2).

the grace period and 1.5% per year thereafter; and such other terms and conditions set forth in the draft loan agreement. The federal government will provide \$2,688.1 million to the program, while ADB and the other JFPs are expected to contribute about \$397.0 million. The provincial and local level governments are expected to finance about \$498.0 million (Table 4).

Table 4: Program Financing Plan, FY2023–FY2027

Source	Amount (\$ million)	Share of Total (%)
A. Federal government	2,688.12	75.02
B. Asian Development Bank ordinary capital resources (concessional loan)	200.00	5.58
C. Other joint financing partners ^a	196.98	5.50
Subtotal (B+C)	396.98	11.08
D. Local level and provincial governments (estimated) ^b	498.00	13.90
Total	3,583.10	100.00

^a Support is estimated based on commitments indicated so far and will be provided as joint collaborative financing with no administration by the Asian Development Bank. Other joint financing partners are the European Union (\$15.39 million equivalent); Finland (\$7.51 million equivalent); Norway (\$6.76 million equivalent); United Nations Children's Fund (\$0.94 million); United States Agency for International Development (\$6.38 million); and the World Bank (\$160.00 million, including the administration of a Global Partnership for Education grant of \$60 million).

^b Contribution of local level and provincial governments is estimated based on contribution of internal revenue and federal equalization grants.

Source: Asian Development Bank.

26. ADB climate financing, \$35 million, is 100% adaptation costs as part of DLI 3 (supporting GESI-responsive and disaster- and climate-resilient secondary school upgrades); of DLI 9 (supporting content development for the online portal to strengthen resilience of school education provision in case of calamities); and of DLI 10 (strengthening local governments' capacity to prepare equitable local education plans, and their climate and disaster preparedness).²⁵

G. Capacity Development and Program Action Plan

27. The effective implementation of the program requires continuous institutional capacity and system strengthening at all levels of government in the recently federalized system. Key priority areas are defined and included in the joint PAP, which was agreed with the JFPs and the government. The joint PAP is annexed to the JFA for effective monitoring and reporting.²⁶ Its actions cover technical aspects; fiduciary management; safeguards management; monitoring and evaluation, including the education management information system (EMIS); and GESI. The TA was identified and mobilized using government and development partner resources to support the implementation of the PAP and achieving the DLIs. PAP progress will be reviewed during the biannual review missions.

H. Implementation Arrangements

28. MOEST is the executing agency responsible for education policy, planning, and overall coordination with various stakeholders, including development partners, assisted by technical and program management experts. The Center for Education and Human Resource Development (CEHRD), an agency under MOEST, will coordinate and manage the program, which includes preparing annual strategic implementation plans, and annual work plans and budget for the program; and consolidating federal, provincial, and local level program reporting in coordination

²⁵ Climate Change Assessment (accessible from the list of linked documents in Appendix 2).

²⁶ Program Action Plan and Program Implementation Document (accessible from the list of linked documents in Appendix 2).

with MOEST's other central agencies. The 753 local governments will be the implementing agencies. They will be guided by CEHRD's annual plans and a program implementation manual and submit regular progress reports. The district-based education development and coordination units will provide technical support to local governments to implement the program and coordinate with federal and provincial levels. Provinces are responsible for administration of Grade 10 examination, teacher examination and in-service teacher training.²⁷ CEHRD will consolidate local government reports and provide periodic progress reports on DLIs, the PAP, and other performance indicators. MOEST will share the achievement reports and the IVA verification reports with the JFPs. Upon IVA's confirmation of the DLI achievement, CEHRD will submit a withdrawal application to ADB for disbursement.

29. **Development partner coordination and complementarity.** The SESP team will implement the fourth generation of SWAp drawing on lessons from earlier SWAp generations to improve coordination (para. 14). Development partners will leverage each other's expertise as appropriate. ADB, the World Bank, and other partners harmonized the DLIs, PAP, and TA, and mobilized adequate staff resources to support program implementation and complement each other's efforts. ADB will take the lead in upgrading schools' physical infrastructure, placing subject teachers, reforming examinations, and developing e-resources. The World Bank will lead the implementation of the ReAL plan, school-based professional development support for teachers, national student assessments, and foundational learning; the European Union, the Government of Finland, and United States Agency for International Development (USAID) will lead teachers' pre- and in-service professional development; and the United Nations Children's Fund (UNICEF) and USAID will spearhead inclusive education. All partners have an interest in strengthening the capacity of local governments and schools for sound fiduciary management. The TA framework ensures the complementarity of TA activities (footnote 21).

30. **Disbursement arrangements.** Disbursements will be made following ADB's *Loan Disbursement Handbook* (2022, as amended from time to time) and detailed arrangements agreed between the Government of Nepal and ADB. The loan proceeds will be disbursed to the government's account. ADB disbursement will be made upon the achievement of DLIs and their subsequent verification by the IVA in accordance with the verification protocol (para. 22). Where achievement is partial, partial disbursement may be made as per the verification protocol. The prior results linked to \$12 million are expected to be achieved within 12 months before signing the loan agreement. The prior results will support expedient implementation in the reform areas of school construction (DLI 3); implementation of the ReAL plan (DLI 8); and education planning, budgeting, and reporting (DLI 10).

31. **Procurement arrangement.** The program does not include any high-value procurement contracts and packages.²⁸ All procurement, mainly for the school upgrades, will be low-value and implemented by local governments. The program will be jointly financed by ADB and seven other JFPs, and the financial resources of each financier will be co-mingled and administered by the borrower for the program. Therefore, universal procurement will be applicable.²⁹

III. ATTACHED TECHNICAL ASSISTANCE

32. The attached transaction TA is estimated to cost \$1,600,000; of which (i) \$1,000,000 will

²⁷ Program Implementation Document (accessible from the list of linked documents in Appendix 2).

²⁸ High-value contracts are contracts of \$50 million for works, \$30 million for goods, \$20 million for ICT systems and non-consulting services, and \$15 million for consulting services.

²⁹ ADB. 2015. [Enhancing Operational Efficiency of the Asian Development Bank](#). Manila (paras. 25 and 90 [iii]).

be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 7); and (ii) the equivalent of \$600,000 will be financed on a grant basis by the Government of Norway and administered by ADB. The Government of Nepal will provide counterpart support in the form of counterpart staff, office accommodation, and other in-kind contributions. The TA will support SESP implementation by (i) improving program management and coordination between the three tiers of government, (ii) strengthening the technical capacity for examination reform and online learning, and (iii) further enhancing MOEST's capacity for monitoring and reporting.³⁰

IV. SUMMARY OF ASSESSMENTS

A. Program Technical Assessments

33. **Program soundness and results assessment.** The program is highly relevant to the government's priority of enhancing equitable access to quality and resilient school education, improving students' learning outcomes, and ensuring effective delivery of school education. It is in line with Nepal's long-term vision and its commitment to the Sustainable Development Goals. The program aims to fill the remaining gaps in equitable access with an adequate mix of interventions to improve learning outcomes at all levels. This includes introducing a new school-based teacher mentorship program using innovative pedagogy; strengthening foundational skills in early grades; reforming examination by introducing higher-order test items and an item banking software; strengthening e-resources for students and teachers; and mitigating the learning loss caused by the COVID-19 pandemic—all of which will set a path for accelerated learning and quality improvements. The program's focus on stronger disaster and climate resilience will bolster education continuity. Boosting the capacity of federal, provincial, and local level institutions will ensure effective ownership, implementation, and sustainability of program interventions. The RBL program is informed by the government's broader 5-year costed program and a robust results framework based on extensive consultations with different stakeholders (footnote 12). The DLIs, the PAP, and the design and monitoring framework are also the result of extensive consultations with federal agencies, local governments, and the local education development partners group. The DLIs and PAP are harmonized with all JFPs to ensure adequacy and complementarity of resources and value addition. The DLIs aim to sustain and further expand critical reforms initiated during the SSDP. Prior results will trigger expedient reforms. The PAP, and the TA-supported capacity development measures, will be instrumental in achieving program results and DLIs.³¹

34. **Economic analysis.** The program's strong focus on equity, quality, and resilience to overcome the systemic causes of inequality and low learning outcomes, and an accelerated recovery from the pandemic-induced learning loss will help more students achieve better qualifications. This is expected to strengthen their labor market position and lead to higher earnings and related socioeconomic benefits. Since the program uses the RBL modality to contribute to an ongoing government program, a cost-benefit analysis was not conducted.

35. **Poverty, social, and gender aspects.** The program is categorized *gender equity theme*. The education sector has made good progress in expanding equitable and inclusive access and achieving gender parity, especially in basic education. However, inequities in access persist in secondary education, especially for students from disadvantaged groups, for students with disabilities, and for girls in science subjects. To ensure equitable access of disadvantaged children, including those with disabilities, schools and teachers need to be better equipped. The COVID-19-related learning loss seems to be bigger for children from disadvantaged groups and

³⁰ Attached Technical Assistance Report (accessible from the list of linked documents in Appendix 2).

³¹ Program Soundness and Program Results Assessment (accessible from the list of linked documents in Appendix 2).

for girls. To fully assess the GESI dimensions, additional data disaggregation and analyses are needed. The program design has a strong GESI focus. All outcome indicators and relevant output indicators are sex-disaggregated, and additional disaggregation to monitor participation of Dalits and other disadvantaged groups is included in the PAP. In particular, DLI 1 is linked to more enrollment of girls in science education in grades 11–12, and more enrollment of students with disabilities; DLI 3 to GESI-responsive designs and the expansion of secondary school provision of science subjects outside urban areas; DLI 4 to the expansion of pro-poor scholarships; and DLI 8 to the implementation of the ReAL plan, which includes individual learning loss assessments to design individualized learning plans. ReAL activities aim to include a specific targeting mechanism and complementary TA to reach the neediest. The plan will be implemented in schools and communities. Improving the capacity of local governments to prepare periodic education plans that are GESI-responsive as well as climate- and disaster-resilient is included in DLI 10. An estimated 50% of girl students are likely to benefit from the early-grade reading and numeracy proficiency program. The usability of the online learning portal *Sikai Chautari* from a GESI perspective will be assessed under ADB TA. The PAP includes the training of teachers in inclusive teaching–learning practices and the implementation of the EMIS disability module, as well as reporting on inclusive schools.³²

B. Program Systems Assessments

36. **Monitoring and evaluation system.** The assessment of the monitoring and evaluation (M&E) system for the program focused on coverage and quality of data and on plans for further improvements to the system.³³ For each indicator, the data collection method and source are identified in the program results framework. Schools enter education data twice yearly in the web-based EMIS, which was developed under SSDP. Financial progress is captured in the government-wide financial reporting system. To evaluate learning outcomes, national student assessments are conducted for grades 3, 5, 8, and 10. To monitor progress not captured in these systems, such as the number of local governments implementing ReAL activities or completing their education plans, MOEST will develop dedicated data collection methods, as per past practice. The annual financing bill for FY2022 instructed local governments to report both physical and financial progress on earmarked funds received from the federal level. The newly integrated EMIS strategy aims to align the national vital registries for people and institutions with all education data. CEHRD has a dedicated unit responsible for M&E and EMIS, including capacity development activities. Provided that the mitigating actions set out in the DLIs and the PAP, and supported by TA from several partners, are implemented, the M&E system is deemed adequate.

37. **Fiduciary systems.** A program fiduciary systems assessment was carried out for the RBL program, covering financial management, procurement, and anticorruption systems at the federal, provincial, local, and school levels.³⁴ The overall pre-mitigation financial management risk is *substantial*, and mitigation measures are required to address weaknesses in budget planning, budget execution, contract management, internal audit, and financial reporting by local governments and schools. Mitigation measures are included in DLI 10, stipulating that (i) at least 80% of local governments prepare a multiyear costed education plan, (ii) school social audits are improved, and (iii) average recurring audit observations remain no more than 5% of expenditures. The PAP has additional actions. All mitigation measures have clearly defined time frames, targets, and responsibilities, and will be monitored by the JFPs and supported by TA from the development

³² Summary Poverty Reduction and Social Strategy (accessible from the list of linked documents in Appendix 2).

³³ Program Monitoring and Evaluation System Assessment (accessible from list of linked documents in Appendix 2).

³⁴ Program Fiduciary Systems Assessment (accessible from list of linked documents in Appendix 2).

partners. The Guidelines to Prevent or Mitigate Fraud, Corruption, and Other Prohibited Activities in Results-Based Lending for Programs were explained to and discussed with the government.³⁵

38. **Safeguard systems.** The RBL program is categorized *B for environment*, *B for indigenous peoples*, and *C for involuntary resettlement* safeguards. Following ADB's and the World Bank's respective safeguard policies, an assessment of environmental and social (E&S) systems has examined Nepal's existing legal, regulatory, and institutional framework for E&S management systems.³⁶ Site-specific and temporary construction-related environmental impacts are anticipated from upgrading secondary school facilities. No involuntary resettlement is anticipated since infrastructure works will take place within existing school premises. The program will ensure that no involuntary resettlement occurs during construction. Indigenous peoples will benefit from affirmative actions designed to increase their participation and improve their learning. The program will ensure that affirmative actions are relevant, and culturally appropriate and inclusive. Indigenous peoples are included in key GESI actions as part of the disadvantaged groups. While these impacts are already being addressed through existing frameworks, gaps and challenges exist locally in connection with institutional arrangements and capacity. The PAP includes three key measures to strengthen system performance for E&S management: (i) consolidation and simplification of the E&S management frameworks, (ii) each local government to establish a committee responsible for E&S risk management, and (iii) enhancement of local governments' grievance redress mechanisms. The progress of the PAP will be monitored and reported annually. There are no known programmatic or contextual risks. TA financed by the government and JFPs will support the implementation of E&S safeguards.

C. Sustainability

39. The program's outcomes and outputs will be maintained beyond the program period since they represent the core priorities of the government's education reforms and build on the previous reform programs. The receptivity to critical quality-enhancing interventions—e.g., foundational proficiency improvements in reading and numeracy, subject teacher placements, teachers' professional support, examination reforms, and equitable expansion of science education—remains high because many of these reforms build on the lessons from the SSDP. Financial sustainability will be ensured as the government continues to prioritize education, and local and provincial governments allocate additional resources to school education from their equalization grants and internal revenue resources. As an added safeguard, the JFA includes a disbursement condition for JFPs providing budget support: that the education budget needs to increase annually. Allocations from local governments' equalization grants and internal revenue sources are expected to increase, estimated at 5% of the broad government expenditure based on a sample survey. The program will build greater local ownership by reinforcing intergovernmental coordination mechanisms, and the capacity of local governments for planning, budgeting, and reporting, and using medium-term expenditure frameworks to project education resources.

D. Summary of Risk Assessment and Risk Management Plan

40. Major risks and mitigating measures are summarized in Table 5 and described in detail in the risk assessment and risk management plan.³⁷

³⁵ ADB. 2021. Guidelines to Prevent or Mitigate Fraud, Corruption, and Other Prohibited Activities in Results-Based Lending for Programs. Attachment in ADB. 2021. [Staff Instruction on Business Processes for Results-Based Lending for Programs](#). Manila. These guidelines are also attached as Annex 3 to Program Implementation Document (accessible from the list of linked documents in Appendix 2).

³⁶ Program Safeguard Systems Assessment (accessible from list of linked documents in Appendix 2).

³⁷ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2).

Table 5: Summary of Risks and Mitigating Measures

Risks	Mitigating Measures
Results. Delays in enacting the federal education bill will delay the creation of new permanent teacher positions, which may hamper adequate placement of sufficient subject teachers.	Sufficient allocation of budget to local governments through the conditional grants will allow them to hire contractual teachers and mitigate the shortage of subject teachers, based on MOEST's annual updates of the teacher placement and redeployment plan in close coordination with the local governments.
Expenditure and financing. Inability of the federal government to motivate local governments to allocate funds to education to meet the SESP expenditure framework	The program supports the preparation of periodic education plans by local governments, which will enable them to plan and budget for education effectively. The revision of the federal conditional grant for education to local governments will ensure resource mobilization based on local and school needs.
Fiduciary. Most local governments show weakness in internal control because they are without functional internal audit units, and the absence of public account committees also limits oversight.	Internal audit standards applicable to all three tiers of government have been developed. The MOFAGA-implemented programs (Public Financial Management Reform Program, and Provincial and Local Government Support Program) support the strengthening of internal audit capacity. Regular coordination between MOEST, the joint financing partners, and MOFAGA is planned to ensure that program targets—establishing functional internal audit units and public account committees in local governments—are met.
Operating environment. Institutional capacity for sustained technical and program management to achieve SESP targets is weak because the transition to federalism is still in progress.	A robust program coordination, accountability, and reporting arrangement has been put in place at MOEST and the Center for Education and Human Resource Development to enable coordination and accountability among its federal level agencies, and among federal, provincial, and local level governments. Capacity development activities will strengthen program management and reporting requirements in all three tiers of government.
Overall RBL Program Risk	Substantial

MOEST = Ministry of Education, Science and Technology, MOFAGA = Ministry of Federal Affairs and General Administration, SESP = School Education Sector Plan.

Sources: Asian Development Bank and the World Bank.

V. ASSURANCES

41. The government and MOEST have agreed with ADB on certain covenants for the RBL program, which are set forth in the draft loan agreement.

VI. RECOMMENDATION

42. I am satisfied that the proposed results-based loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve the loan of \$200,000,000 to Nepal for Supporting the School Education Sector Plan, from ADB's ordinary capital resources, in concessional terms, with an interest charge at the rate of 1.0% per year during the grace period and 1.5% per year thereafter; for a term of 32 years, including a grace period of 8 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan agreement presented to the Board.

Masatsugu Asakawa
President

11 November 2022

DESIGN AND MONITORING FRAMEWORK

Impact of the Program is Aligned with Competent and qualified citizens increased ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<p>Outcome Equity, quality, and resilience of school education strengthened</p>	<p>By 2028:</p> <p>a. No. of students enrolled in science in grades 11–12 as a share of total enrollment increased—boys to 20.0%, girls to 14.0% (disaggregation by ethnic and economic background [Dalits and other DAGs] and disability)^b (FY2022 baseline: 13.8% (boys: 16.9%, girls: 10.9%) (DLI 1i) (OP 1.1.1 and OP 2.2.1)</p> <p>b. Share of students with disabilities in basic education enrollment increased to 1.00% (boys: 1.12%, girls: 0.98%), (disaggregation by background).^b (FY2022 baseline: 0.52%, male: 0.59%, female: 0.45%) (DLI 1 ii) (OP 1.1.1)</p> <p>c. Grade 3 students achieving minimum proficiency in reading and numeracy increased by 3 percentage points (disaggregation by sex, background, and disability)^b (Baseline to be established by 2025)^c (DLI 2) (OP 1.1.1 and OP 6.2)</p> <p>d. Survival to grade 10 increased to 75.00% (boys: 74.59%, girls: 75.37%) (disaggregation by background and disability)^b (FY2022 baseline: 66.14%, male: 65.77%, female: 66.51%) (OP 6.2)</p>	<p>a. EMIS/National Examinations Board: annual consolidated status report</p> <p>b. EMIS annual consolidated status report</p> <p>c. Education Review Office: NARN report</p> <p>d. EMIS annual consolidated status report</p>	<p>R: Institutional capacity for sustained technical and program management to achieve SESP targets is weak because the transition to federalism is still in progress.</p> <p>A: Leveraging development partners' complementarity in achieving outcome and outputs in education sector-wide approach</p>
<p>Outputs</p> <p>1. Learning provisions for basic and secondary schools enhanced</p>	<p>By 2027, for output indicators unless specified:</p> <p>1a. All secondary schools offering science subjects in grades 11–12 selected in the approved needs assessment plan have GESI-responsive^d and disaster- and climate-resilient infrastructure (2022 baseline: 400 schools offer science subject in grades 11–12 [not meeting criteria]) (DLI 3) (OP 1.3.1, OP 2.5.2, and OP 3.2.5)</p> <p>1b. Revised pro-poor scholarship scheme for equal opportunity among students implemented nationwide in grades 6–12 (2022 baseline: pro-poor^e scholarship implemented for grades 9–12) (DLI 4) (OP 1.1.3)</p>	<p>1a–c. EMIS annual consolidated status report</p>	<p>A: Availability of adequate numbers of students interested in enrolling in science in grades 11–12</p> <p>R: Lack of political will to rationalize existing multiple scholarships schemes may delay the approval of the pro-poor scholarship scheme</p> <p>R: Delays in enacting federal education bill will delay the creation of new permanent teacher positions, which may</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
	1c. Number of teachers demonstrating improved knowledge of disability-inclusive education increased to 500 (disaggregation by sex, background, and disability) ^b (FY2022 baseline: 152 teachers)		hamper adequate placement of sufficient subject teachers. A: Different federal, provincial, and local agencies continue to prioritize the expansion and improvement of rural internet connectivity.
2. Teaching and learning in basic and secondary schools strengthened	<p>2a. Basic schools with full complement of math, science, and English subject teachers in grades 6–8 increased to 40% (2022 baseline: 25.8%) (DLI 5 i) (disaggregation by sex and background)^b</p> <p>2b. Secondary schools with full complement of math, science, and English subject teachers in grades 9–10 increased to 38% (2022 baseline: 21%) (DLI 5 ii) (disaggregation by sex and background)^b</p> <p>2c. Activities to improve foundational proficiencies in reading and numeracy for grades 1–3 implemented in all 753 local governments, covering at least 80% of schools in each local government, and at least 50% of beneficiaries are girls (2022 baseline: not applicable) (DLI 2)</p> <p>2d. Evaluation of implementation of teacher mentoring systems endorsed and disseminated by MOEST (2022 baseline: not applicable) (DLI 6)</p> <p>2e. At least 80% of local governments conducting basic level examination for grade 8 by using the standardized test items (2022 baseline: not applicable) (DLI 7)</p> <p>2f. Framework for standardization of grade 12 examination approved by 2023 (2022 baseline: not applicable) (DLI 7)</p>	<p>2a–b. EMIS annual consolidated status report</p> <p>2c, 2e, and 2f. MOEST annual status reports</p> <p>2d. MOEST evaluation report</p>	<p>R: Inability of federal level government to motivate local governments to allocate funds to education to meet the SESP expenditure framework</p> <p>R: Most local governments have weak internal control because they are without functional internal audit units, and the absence of public account committees also limits oversight.</p>
3. Learning recovery accelerated	<p>3a. 150 local governments implementing activities as per the recovery and accelerated learning plan^l in at least 80% schools by 2024 (2022 baseline: not applicable) (DLI 8)</p> <p>3b. E-resource materials developed for the online learning portal <i>Sikai Chautari</i> for at least grade 9–12 science and mathematics subjects are relevant, accessible, and quality-assured by 2025 (2022 baseline: not applicable) (DLI 9) (OP 3.2.2)</p> <p>Under Transaction TA [49424-002]</p>	<p>3a. EMIS annual consolidated status report</p> <p>3b. MOEST DLI achievement report verified by independent verification agency</p> <p>3c. Technical assistance report</p>	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
	3c. Study of the usability of the online learning portal <i>Sikai Chautari</i> from a GESI perspective completed and disseminated (2022 baseline: no study)		
4. Local governments' education planning, monitoring, and reporting improved.	<p>4a. GESI-responsive,⁹ and disaster- and climate-resilient local education plans approved by 753 local governments and uploaded on their websites (2022 baseline: not applicable) (DLI 10 i) (OP 3.2.4 and OP 6.2.2)</p> <p>4b. Schools using GESI-responsive^h school report cards from EMIS for social audits increased to 95% (FY 2022 baseline: 42%) (DLI 10 ii)</p> <p>4c. Average percentage of recurring audit observations of SESP is no more than 5.0% of the total SESP expenditures for FY2024, FY2025, and FY2026 (FY2019 baseline: 6.4%)ⁱ (DLI 10 iii)</p>	<p>4a–b. MOEST annual status reports</p> <p>4c. SESP audit reports calculation</p>	

Key Program Actions

1. Learning provisions for basic and secondary schools enhanced

- 1.1 Approve School Physical Facilities Development and Implementation Guideline (2022) [prior result DLI 3]
- 1.2 Local governments/districts endorses needs assessment plan for development of secondary schools that provide science education in grades 11–12 to improve equitable access endorsed by (2022) [prior result DLI 3]
- 1.3 Complete school development plan preparation of all schools selected based on needs assessment plan, detailing the year-wise targets of science facilities to be improved in the selected schools (2022–2023)
- 1.4 Local governments complete school upgrades and approval to offer science in grades 11–12 (2027)
- 1.5 Approve pro-poor scholarship scheme guideline (2023)
- 1.6 Implement pro-poor scholarship scheme for grades 6–12 (2023–2027)
- 1.7 Complete training of resource teachers on disability-inclusive education (2022–2027)

2. Teaching and learning in basic and secondary schools strengthened

- 2.1 Update teacher deployment and rationalization plan annually to ensure equitable distribution of available permanent positions by local governments (2022–2027)
- 2.2 Teacher grant through conditional grants to hire contractual teachers for basic and secondary schools provisioned in local governments annually (2022–2027)
- 2.3 Develop supplemental learning materials in reading and numeracy for grades 1–3 (2022)
- 2.4 Complete phase-wise selection of local governments for distribution of supplemental learning materials in reading and numeracy, teacher guides, and teacher training for grades 1–3 (2022)
- 2.5 Revise teacher professional development framework (2022–2023)
- 2.6 Approve standard operating procedure for teachers' professional support through mentorship (2022–2023)
- 2.7 Approve selection of local governments to implement professional support through mentorship (2022–2023)
- 2.8 Train local governments on using standardized test items for basic level examination (2022–2027)

3. Learning recovery accelerated

- 3.1 Approve recovery and accelerated learning framework (2022) [prior result DLI 8]
- 3.2 Implement catchup program (2023–2025)
- 3.3 Continuously revise and update e-resources in *Sikai Chautari* revised and (2022–2027)
- 3.4 Implement dissemination plan on the use of *Sikai Chautari* to schools and teachers (2022–2027)
- 3.5 Complete the study on the usability of *Sikai Chautari* based on GESI and socioeconomic background (2024)

4. Local governments' education planning, monitoring, and reporting improved

- 4.1 Prepare detailed institutional arrangements for the SESP (2022) [prior result DLI 10]
- 4.2 Approve and disseminate guidelines for local governments on formulating periodic education plans (2023)
- 4.3 Issue guidance for schools on using school report card generated by EMIS for social audit (2022)

<p>4.4 Develop annual work plan for audit settlement and review the work plan quarterly (2022–2027)</p> <p>Financing Plan</p> <p>Total program financing (2022–2027): \$3,583.10 million ADB: \$200.0 million (loan)</p> <p>Joint financing partners not administered by ADB: \$196.98 million (European Union: \$15.39 million, Government of Finland: \$7.51 million, Government of Norway: \$6.76 million, United Nations Children’s Fund: \$0.94 million, United States Agency for International Development: \$6.38 million, World Bank: \$160.00 million, inclusive of administration of Global Partnership for Education grant of \$60.00 million)</p> <p>Federal government: \$2,688.12 million</p> <p>Local and provincial governments (estimate): \$498.00 million</p>
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A = assumption, ADB = Asian Development Bank, DAG = disadvantaged group, DLI = disbursement-linked indicator, EMIS = education information management system, FY=fiscal year, GESI = gender equality and social inclusion, MOEST = Ministry of Education, Science and Technology, NARN = National Assessment of Reading and Numeracy, NER = net enrollment rate, OP = operational priority, R = risk, SESP = School Education Sector Plan.

- ^a Government of Nepal; Ministry of Education, Science and Technology. 2022. *School Education Sector Plan, 2022–2030*. Kathmandu.
- ^b Disadvantaged groups are defined as those groups who historically have been unable to fully access and/or benefit from social, economic, and political rights, opportunities, and resources, including investments because of their identities i.e., disability, social identity, ethnicity (like Dalits), sexual orientation/gender identity, geographic location or income poor (systematic disadvantage); and/or because of their vulnerability such as age or migrant status (situational disadvantaged). Disaggregation by ethnic and economic background (Dalits and other DAGs) as well as disability is currently not reported in EMIS. The government will disaggregate and report from 2023 onwards.
- ^c The Education Review Office is updating the framework for NARN in 2022–2023, based on which a new NARN will be conducted in 2023–2024. The baseline with disaggregation will be set by the midterm review.
- ^d GESI-responsive includes at least sex-segregated toilets, menstrual hygiene facilities, ramp, and smart lighting.
- ^e The existing pro-poor scholarship scheme for grades 9–12 provides a higher scholarship to girls belonging to the bottom three income quintiles, and to boys belonging to the bottom two income quintiles.
- ^f Includes learning loss assessment to prepare individual learning plans to accommodate individual learning needs.
- ^g GESI-responsive includes at least consultation with a wide range of stakeholders to take their concerns into account.
- ^h GESI-responsive includes at least consultation with the community; with parent–teacher associations as part of the social audit process; and sex, DAG, and Dalit-disaggregated performance data on enrollment.
- ⁱ Recurrent audit observations for FY2019 of the School Sector Development Plan are used as the baseline, as due to the very limited investments during the COVID-19 pandemic the recurrent audit observations in subsequent fiscal years are not an adequate baseline.

Contribution to Strategy 2030 Operational Priorities

The expected values and methodological details for all OP indicators to which this operation will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2).

Source: Asian Development Bank.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/RRPs/?id=49424-002-3>

1. Loan Agreement
2. Sector Assessment (Summary): Education
3. Program Soundness Assessment
4. Program Results Assessment
5. Program Results Framework
6. Program Expenditure and Financing Assessment
7. Program Monitoring and Evaluation System Assessment
8. Program Fiduciary Systems Assessment
9. Program Safeguard Systems Assessment
10. Risk Assessment and Risk Management Plan
11. Contribution to Strategy 2030 Operational Priorities
12. Summary Poverty Reduction and Social Strategy
13. Program Implementation Document
14. Attached Technical Assistance Report
15. Program Action Plan
16. Climate Change Assessment

Supplementary Document

17. Governance in a Federalized Context

DISBURSEMENT-LINKED INDICATORS, VERIFICATION PROTOCOLS, AND DISBURSEMENT SCHEDULE

Table A3.1: Disbursement-Linked Indicators

DLIs	Baseline Value and Year	Target Values					
		Prior results (2022)	2023 (Year 1)	2024 (Year 2)	2025 (Year 3)	2026 (Year 4)	2027 (Year 5)
Outcome: Equity, quality, and resilience of school education strengthened							
DLI 1: Inequities in access to basic and secondary education decreased	(i) Proportion (share) of students enrolled in science in grades 11–12 in total enrollment is 16.90%(boys) and 10.90% (girls) (FY2022) (ii) Proportion (share) of students with disabilities in total enrollment is 0.52% (FY2022)			Proportion (share) of male and female students enrolled in science in grades 11–12 in total enrollment reaches at least 18% boys and 12% girls		Proportion (share) of male and female students enrolled in science in grades 11 and 12 in total enrollment reaches at least 20% boys and 14% girls	Proportion (share) of students with disabilities in total enrollment in basic education is at least 1.0%
DLI 2: Improved proficiency in reading and numeracy of grade 3 students	(i) New Intervention: New curriculum for grades 1-3 using integrated approach approved (FY2020) (ii) New Intervention: Framework for NARN not updated.		(i) At least 100 Local Governments implement activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1–3 in at least 80% of the schools (ii) NARN framework approved	(i) At least additional 200 Local Governments implement activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1–3 in at least 80% of the schools (ii) NARN conducted and baseline in reading and numeracy proficiency established with disaggregation by gender, students with	(i) At least additional 200 Local Governments implement activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1–3 in at least 80% of the schools	(i) At least additional 100 Local Governments implement activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1–3 in at least 80% of the schools	(i) At least additional 153 Local governments implement activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1–3 in at least 80% of the schools (ii) NARN conducted and

DLIs	Baseline Value and Year	Target Values					
		Prior results (2022)	2023 (Year 1)	2024 (Year 2)	2025 (Year 3)	2026 (Year 4)	2027 (Year 5)
				disability, disadvantage group, and Dalits			three percentage point improvement over Year 2 for total students reading and numeracy proficiency
Output 1: Learning provisions for basic and secondary schools enhanced							
DLI 3: Improved facilities for equitable development of secondary schools for science education	(i) Existing school construction guidelines inadequate to undertake comprehensive, resilient and climate-friendly school facility improvement and multiyear construction works (ii) All 753 Local Governments do not have provision and facilities for teaching science in grades 11–12	'School Physical Facilities Development and Implementation Guideline' approved and the needs assessment for development of secondary schools with provision of science in grades 11–12 to enhance equitable access in local governments/districts completed in consultation with local governments and provinces.	School development plan prepared for at least 50% of secondary schools to upgrade their facilities for improved teaching-learning of science subjects in grades 9–12 as per the needs assessment.	School development plan prepared for 100% secondary schools to upgrade their facilities for improved teaching-learning of science subjects in grades 9–12 as per the needs assessment			Development of science facilities in the selected schools as per the school development plans prepared for Years 1 and 2, completed

DLIs	Baseline Value and Year	Target Values					
		Prior results (2022)	2023 (Year 1)	2024 (Year 2)	2025 (Year 3)	2026 (Year 4)	2027 (Year 5)
DLI 4: Revision of the pro-poor scholarship scheme to ensure equal opportunity to students in basic and secondary education	Pro-poor scholarship for secondary education 9–12 implemented			Revised Implementation Standards for pro-poor scholarship, at least covering Grades 6–12, approved by MOEST	Nationwide implementation of pro-poor scholarships for Grades 8–12	Nationwide implementation of pro-poor scholarships for Grades 7–12	Nationwide implementation of pro-poor scholarship in grades 6–12
Output 2: Teaching and learning in basic and secondary schools strengthened							
DLI 5: Placement of qualified science, mathematics, and English teachers in schools for grades 6-10 improved	Proportion of basic schools that have full complement of math, science and English subject teachers in grades 6–8 is 25.8% and proportion of secondary schools that have full complement of math, science and English subject teachers in grades 9–10 is 20.0%. (FY2022)		Proportion of basic schools that have full complement of math, science and English subject teachers in grades 6–8 in total number of basic schools increased to at least 28.0% and proportion of secondary schools that have full complement of math, science and English subject teachers in grades 9–10 is 24.0%	Proportion of basic schools that have full complement of math, science and English subject teachers in grades 6-8 in total number of basic schools increased to at least 31.0% and proportion of secondary schools that have full complement of math, science and English subject teachers in grades 9–10 is increased to at least 27.0%	Proportion of basic schools that have full complement of math, science and English subject teachers in grades 6-8 in total number of basic schools increased to at least 34.0% and proportion of secondary schools that have full complement of math, science and English subject teachers in grades 9–10 is increased at least to 30.0%	Proportion of basic schools that have full complement of math, science and English subject teachers in grades 6–8 in total number of basic schools increased to at least 37.0% and proportion of secondary schools that have full complement of math, science and English subject teachers in grades 9–10 is increased at least to 34.0%	Proportion of basic schools that have full complement of math, science and English subject teachers in grades 6-8 in total number of basic schools increased to at least 40.0% and proportion of secondary schools that have full complement of math, science and English subject teachers in grades 9-10 is increased at least to 38.0%
DLI 6: School-based teacher professional support through mentorship	New Intervention		Teacher Professional Development framework updated, consulted with all stakeholders, and approved by	50 Local Governments implement pilot mentoring system at basic education in at least 80% of the schools using SOP	Additional 100 Local Governments implement the pilot mentoring system at basic education in at least 80% of the schools using SOP	Additional 100 Local Governments implement the pilot mentoring system at basic education in at least 80% of the schools using SOP	Evaluation on implementation of the pilot mentoring system endorsed and disseminated by MOEST

DLIs	Baseline Value and Year	Target Values					
		Prior results (2022)	2023 (Year 1)	2024 (Year 2)	2025 (Year 3)	2026 (Year 4)	2027 (Year 5)
piloted in local governments			MOEST and Standard Operating Procedures (SOP) for implementation of Pilot teacher mentoring system in Local Governments approved by MOEST				
DLI 7: Examination strengthened	(i) Framework for conducting Basic Level Examination (BLE) by using standardized test items approved, development of test items completed for grade 8 (FY2022) (ii) National assessment framework for grade 12 not in place		(i) All 753 Local Governments (a) have access to an item bank of standardized test items for BLE, and (b) have staff trained on using standardized test items for BLE. (ii) National assessment framework for grade 12 approved	(i) At least 20% of Local Governments conducting BLE by using the standardized test items	(ii) Standardization test items developed for grade 12 external public examination using the approved national assessment framework	(i) At least 60 % of Local Governments conducting BLE by using the standardized test items	(i) At least 80% of Local Governments conducting BLE by using the standardized test items (ii) Standardization test items piloted for grade 12 external public examination
Output 3: Learning recovery accelerated							

DLIs	Baseline Value and Year	Target Values					
		Prior results (2022)	2023 (Year 1)	2024 (Year 2)	2025 (Year 3)	2026 (Year 4)	2027 (Year 5)
DLI 8: Recovery and Accelerated Learning (ReAL) implemented to mitigate the learning loss resulting from covid-19 pandemic	New intervention	ReAL plan approved by MOEST	50 Local Governments implementing activities as per ReAL plan in at least 80% of the schools	Additional 100 Local Governments implementing activities as per the ReAL plan in at least 80% of the schools			
DLI 9: Improvement on accessibility, relevancy, and quality of e-resources in the <i>Sikai Chautari</i> (online learning portal)	Online portal established		(i) Strategic roadmap for upgrading content for the online learning portal ' <i>Sikai Chautari</i> ' approved		(i) E-resource materials developed for the online learning portal ' <i>Sikai Chautari</i> ' for grade 9–12 Science and Mathematics subjects which are relevant, accessible and quality-assured as per the strategic roadmap (ii) Training/orientation to at least two teachers of 7,000 schools for using the online portal completed	(i) At least 15,000 schools are accessing the online learning portal ' <i>Sikai Chautari</i> ' (ii) Training/orientation to at least two teachers of 8,000 schools for using the online portal completed	(i) At least additional 4,000 schools are accessing the online learning portal ' <i>Sikai Chautari</i> ' (ii) Training/orientation to at least two teachers of 4,000 schools for using the online portal completed
Output 4: Local governments' education planning, monitoring, and reporting improved							
DLI 10: Education planning, budgeting, and reporting in federal	(i) No local government education plans (ii) 42% of schools use	Institutional arrangements for SESP formalized for program management	(i) Guidelines for the formulation of GESI-responsive and disaster and climate-resilient local government	(i) 40% of the 753 Local Governments (i.e., 301) approved GESI-responsive and disaster and climate-resilient local education plans	(i) 75% of the 753 Local Governments (i.e., 565) GESI-responsive and disaster and climate-resilient local	(i) All 753 Local Governments have approved GESI-responsive, and disaster and climate-resilient local	(iii) Average percentage of recurring audit observations of SESP no more than 5.0% of the total

DLIs	Baseline Value and Year	Target Values					
		Prior results (2022)	2023 (Year 1)	2024 (Year 2)	2025 (Year 3)	2026 (Year 4)	2027 (Year 5)
structure improved	school report cards generated from EMIS are used in Social Audits in FY2022 (iii) Percentage of recurring audit observations SSDP was 6.4% of the total SSDP expenditures for FY2019	, coordination, communication, and reporting	periodic education plan approved and disseminated to the Local Governments (ii) GESI-responsive School report cards from EMIS used in social audits in at least 80% of schools	approved and uploaded on their website (iii) Percentage of recurring audit observations of SESP no more than 5.0% of the total SESP expenditures for FY2023	education plans approved and uploaded on their website	education plans approved and uploaded on their website (ii) GESI-responsive School report cards from EMIS used in social audits in at least 90% of schools to improve school performance	SESP expenditures for FY2024, FY2025 and FY2026

BLE = Basic Level Education, DLI = disbursement-linked indicators, FY= fiscal year, EMIS = Education management Information System MOEST = Ministry of Education, Science, and Technology; NARN = National assessment for Reading and Numeracy, ReAL= Recovery and Accelerated Learning, SESP = School Education Sector Plan, SSDP = School Sector Development Plan.

Source: Asian Development Bank; Ministry of Education, Science and Technology of Nepal; and the World Bank.

Table A3.2: Verification Protocols

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
DLI 1: Inequities in access to basic and secondary education decreased				
<p>2024 (Year 2): Proportion (share) of students enrolled in science subjects in Grade 11 and 12 in total enrollment reaches at least t 18% Boys and 12% Girls</p> <p>2026 (Year 4): Proportion (share) of students enrolled in science subjects in Grade 11 and 12 in total enrollment reaches at least 20% Boys and 14% Girls</p> <p>2027 (Year 5) Proportion(share) of students with disabilities in total enrollment in basic education is at least 1.0%</p>	<p>Year 2 and year 4. Proportion (share) of students enrolled in science subjects in Grade 11 and 12 in total enrollment t refers to ratio of students enrolled in science in grade 11 and 12 both in community and in institutional schools to the total number of enrolled boys and girls in grade 11 and 12 in the said schools</p> <p>Year 2 and year 4. DLI is achieved when proportion share of boys and girls enrolled in science subjects in grade 11 and 12 in total enrollment for year 2 and Year 4 reaches the target percentage</p> <p>Year 5. Students with disabilities means students in basic education who have (i) physical disability, (ii) disability related to vision, (iii) disability related to hearing, (iv) deaf-blind, (v) disability related to voice and speech, (vi) mental or psycho-social disability, (vii) intellectual disability, (viii) disability associated with hemophilia, (ix) disability associated with autism, or (x) multiple disability, as defined in Schedule to the Act Relating to Rights of Persons with Disabilities, 2074 (2017)</p> <p>Year 5. DLI is achieved when the proportion of students with disabilities in the total number of enrolled students in basic</p>	<p>Year 2 and year 4. The consolidated status report for the specified year generated from the EMIS</p> <p>Year 5. The consolidated status report for the specified year generated from the EMIS with disaggregation by male and female</p>	<p>Year 2 and year 4. The MOEST submits evidence of the achievement as reported in the annual progress report derived from the EMIS. The IVA will verify the achievement based on the report generated from EMIS with data disaggregated for male and female and will include a spot-check in the field, as needed, to assess the quality of data collection</p> <p>Year 5. The MOEST submits evidence of the achievement as reported in the annual progress report derived from the EMIS</p> <p>The IVA will verify the achievement based on the report generated from EMIS with data disaggregated for boys and girls and have a spot-check in the field with interviews with Local Governments and schools, to assess the quality of data collection</p>	<p>Year 2 and year 4</p> <p>Targets for both male and female need to be met for full disbursement. Partial disbursement of 50% allowed if the target for female only is met. No disbursement will be made if the target for male is met but for female is not met</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	education for year 5 reaches the target percentage			
DLI 2: Improved proficiency in reading and numeracy of grade 3 students				
<p>2023 Year 1 (i) At least 100 Local Governments implement activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1–3 in at least 80% of the schools</p> <p>2024 Year 2 (i) At least additional 200 Local Governments implement activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1-3 in at least 80% of the schools</p> <p>2025 Year 3 (i) At least additional 200 Local Governments implement activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1-3 in at least 80% of the schools</p> <p>2026 Year 4 (i) At least additional 100 Local Governments implement activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1-3 in at least 80% of the schools</p> <p>2027 Year 5 (i) At least additional 153 Local Governments implement activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1-3 in at least 80% of the schools</p> <p>2023 Year 1 (ii) NARN framework approved</p> <p>2024 Year 2 (ii) NARN conducted and baseline in reading and numeracy proficiency established with disaggregation by gender, students with disability, disadvantage group, and Dalits</p> <p>2027 Year 5 (ii) NARN conducted and three percentage point improvement over Year 2 for total students reading and numeracy proficiency</p>	<p>2023 Year 1 (i), 2024 Year 2 (i), 2025 Year 3 (i), 2026 Year 4 (i) and 2027 Year 5 (i) The activities to improve foundational proficiency in reading and numeracy as per the integrated approach of the curriculum basic level 1–3 means:</p> <p>(i) to provide hard copies of the additional learning materials (in addition to the student textbooks cum workbooks for grades 1–3) in the areas of reading and numeracy prescribed by the CDC to the schools of the respective Local Governments and upload digital copies in the CDC website;</p> <p>(ii) to make at least accessible to teachers during training period teacher guides to teach the student textbooks cum workbooks to implement the curriculum basic level 1–3, and</p> <p>(iii) to conduct at least 5-days training, including on the use of additional learning materials, covering at least one teacher per school and to ensure that the trained teacher conducts a sharing session in</p>	<p>CEHRD will collect information from the local governments and consolidate the reports for 2023 Year 1 (i), 2024 Year 2 (i), 2025 Year 3 (i), 2026 Year 4 (i) and 2027 Year 5 (i)</p> <p>2023 Year 1 (ii), 2024 Year 2 (ii) and 2027 Year 5 (ii) NARN- ERO</p>	<p>2023 Year 1 (i), 2024 Year 2 (i), 2025 Year 3 (i), 2026 Year 4 (i) and 2027 Year 5 (i) achievement report for specified year will include:</p> <p>(i) A list of Local Governments and names of at least 80% of the schools with grades where the activities defined above are implemented. (For Local Governments who started implementation in earlier year(s) a sample-based confirmation that implementation is continuing is to be added);</p> <p>(ii) Details/data as evidence of implementation of each of the three components of the activities as defined</p> <p>2023 Year 1 (i), 2024 Year 2 (i), 2025 Year 3 (i), 2026 Year 4 (i) and 2027 Year 5 (i) DLIs IVA will verify the</p>	<p>2023 Year 1 (i), 2024 Year 2 (i), 2025 Year 3 (i), 2026 Year 4 (i) and 2027 Year 5 (i) Scalability and roll over the threshold for each year to be eligible for partial disbursement is reaching at least 60% of the target number of Local Governments implementing all three components of the activities defined above. Disbursement can be proportional to the results achieved (e.g., if 60 Local Governments have implemented the required activities for Year 1, 60% of planned DLI disbursement</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>his/her own school to other teachers</p> <p>2023 Year 1 (i), 2024 Year 2 (i), 2025 Year 3 (i), 2026 Year 4 (i) and 2027 Year 5 (i) DLI is achieved when the target number of Local Governments have implemented the activities defined above in at least 80% of schools within the jurisdiction of the respective local governments</p> <p>2023 Year 1 (ii), 2024 Year 2 (ii) and 2027 Year 5 (ii) a NARN refers to assessment of reading and numeracy proficiencies of grade 3 students conducted by the Education Review Office (ERO) on a nationally representative sample basis</p> <p>2023 Year 1(ii): The NARN framework will define the processes to be undertaken, including development of test items, pretesting of items, establishment of proficiency benchmarks etc. This DLI is achieved when MOEST submits the approved NARN framework. IVA will verify the achievement based on desk review and interviews with ERO and MOEST/CEHRD</p> <p>2024 Year 2 (ii): The NARN report will confirm the assessment was conducted as per the NARN framework and present the results and establish the baseline for</p>		<p>achievement by (i) desk review of achievement report/data submitted by MOEST and relevant secondary documents/reports (ii) interviews with relevant stakeholders (iii) field visits/survey on sample basis of Local Governments (randomly selected by IVA)</p> <p>2023 Year 1 (ii), 2024 Year 2 (ii) and 2027 Year 5 (ii) IVA will verify the achievement based on desk review and interviews with ERO and MOEST/CEHRD</p>	<p>amount for Year can be disbursed).</p> <p>2023 Year 1 (ii), 2024 Year 2 (ii) and 2027 Year 5 (ii)</p> <p>The targets for each year if not achieved within a specified year can be achieve the following year except for year 5</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>proportion of students (boys and girls respectively) that have achieved minimum competencies for numeracy and literacy of all students. Further disaggregation for Disadvantaged groups, Dalits and Students with disabilities will be added as appropriate. This DLI is achieved when NARN is conducted with baseline data established, and MOEST submits the endorsed report. IVA will verify the achievement based on desk review and interviews with ERO and MOEST/CEHRD</p> <p>2027 Year 5 (ii): This DLI is achieved when MOEST’s report confirming achievement of the target has been verified by IVA based on desk review and interviews with ERO and MOEST/CEHRD</p>			
DLI 3: Improved facilities for equitable development of secondary schools for science education				
<p>2022 Prior Results ‘<i>School Physical Facilities Development and Implementation Guideline</i>’ approved and needs assessment for development of secondary schools with provision of science in grades 11-12 to enhance equitable access in local governments/districts in consultation with local governments and provinces completed</p> <p>2023 Year 1 School development plan prepared for at least 50% of secondary schools to upgrade their facilities for improved teaching-learning of science subjects in grades 9–12 as per the needs assessment</p> <p>2024 Year 2 School development plan prepared for 100% secondary schools to upgrade their facilities for improved teaching-</p>	<p>2022 Prior Results School Physical Facilities Development and Implementation Guideline at least includes guidance to Local Governments and schools on planning for school-wise infrastructure improvement based on school mapping, minimum standards for school facilities, school upgrading needs, and standard costing approaches for development and maintenance; and construction management (including progress reporting and certification of work completion),</p>	<p>2022 Prior Results MOEST Submission of a letter comprising the approved guidelines</p> <p>2023 Year 1 and 2024 Year 2 MOEST Submission of progress report from the local governments</p> <p>2027 Year 5</p>	<p>2022 Prior Results (i) IVA will verify the achievement by (a) Desk review, (b) interviews with key stakeholders in CEHRD, MOEST, (c) sample interviews with Local Governments if guidelines were received and need assessment consulted</p> <p>2023 Year 1 and 2024 Year 2</p>	<p>2023 Year 1 and 2024 Year 2 DLI is scalable and partial disbursement is allowed, if at least 50% [of the target percentage] is achieved. Disbursement can be proportional to the share of achievement. [(e.g., if 50% of</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
<p>learning of science subjects in grades 9–12 as per the needs assessment</p> <p>2027 Year 5 Development of science facilities in the selected schools as per the school development plans prepared for Years 1 and 2, completed</p>	<p>construction requirements (resilient, green, and inclusive [child, gender and disable friendly] designs); safeguards compliance; financial management, procurement, and maintenance and; needs assessment for development of secondary school MOEST/CEHRD in consultation with Local Governments and Provinces and include the plan to upgrade secondary schools nationwide to ensure students from all Local Governments will have access to science subjects in grade 11–12</p> <p>The DLI is achieved when MOEST submits a cover letter (a) confirming that the School Physical Facilities Development and Implementation Guideline was approved by MOEST which is disseminated to the Local Governments, with a copy of the actual guideline and (b) confirming that the needs assessment which was consulted with Local Governments and Provinces, with a copy of the actual needs assessment</p> <p>2023 Year 1 and 2024 Year 2 Improved facilities for teaching-learning of science subjects in grades 9–12 includes at least (i) construction of separate laboratories for physics, chemistry and biology subjects, (ii) provision of adequate equipment and materials in the respective laboratories as per the revised</p>	<p>MOEST compilation of the progress report from the local governments</p>	<p>IVA will verify the achievement by (i) Desk Review; (ii) Interviews with selected Local Governments and schools</p> <p>2027 Year 5 IVA will verify the achievement by (i) Desk review and (ii) Selected school-visits to confirm facilities and teachers are in place</p>	<p>secondary schools have prepared the required masterplan for Year 1, 50% of planned DLI disbursement amount for Year 1 can be disbursed).</p> <p>2027 Year 5 DLI is scalable and partial disbursement is allowed, if at least 50% [of the number of schools completed teacher placement and infrastructure provision as per the master plan] is achieved. Disbursement can be proportional to the share of achievement</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>'School Physical Facilities development and Implementation Guideline' and (iii) provision of adequate subject teachers for science subjects</p> <p>School development plan of a school will include (i) drawing of available school physical infrastructures within its existing land; (ii) GESI friendly, disaster and climate-resilient school improvement plan for five years which will at least include detailed plans to construct or retrofit of school buildings, like classrooms, science laboratories, water and sanitation facilities and library and detailed plans to provide ICT facilities with adequate internet connectivity; and (iii) detailed plan for placement of science teachers and for planned enrollment of students in science subjects for Grade 11</p> <p>2023 Year 1 and 2024 Year 2 DLI is achieved when proportion of secondary schools which have prepared school development plan for facilities for improved teacher-learning of science subjects in grades 9–12 in the total number of secondary schools identified in the needs assessment reaches the target percentage, and MOEST submits Local Government-wise list and School development plans of the selected schools at least detailing the year-wise targets of science facilities to be constructed/renovated/improved</p>			

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>and subject teachers placed in the selected schools, in line with the number of secondary schools identified as per the needs assessment</p> <p>2027 Year 5 This DLI is achieved when science facilities in the selected schools as per the school development plans prepared for Year 1 and Year 2 are constructed, renovated, and/or improved, and MOEST submits the list of all secondary schools as per the needs assessment, with completed facilities for teaching-learning of science subjects in grades 9–12, including completed physical facilities and provision of science subjects and subject teachers in grades 11–12 as per subject teacher placement norms</p>			
DLI 4: Revision of the pro-poor scholarship scheme to ensure equal opportunity to students in basic and secondary education				
<p>2024 Year 2 Revised Implementation Standards (IS) for pro-poor scholarship which will contain a scholarships scheme providing equal opportunities to all students, at least covering Grades 6-12, approved by MOEST</p> <p>2025 Year 3 Nationwide implementation of pro-poor scholarships for Grades 8-12 in line with revised IS</p> <p>2026 Year 4 Nationwide implementation of pro-poor scholarships for Grades 7-12 in line with revised IS</p> <p>2027 Year 5 Nationwide implementation of pro-poor scholarship in grades 6–12 in line with revised IS</p>	<p>2024 Year 2 The Revised IS on pro-poor scholarships refers to the MOEST Guideline that includes, at a minimum, revised and updated criteria for student eligibility to the scholarship scheme including the provision of eligibility for students from grades 6–12, in place of the current grades 9-12. The revised criteria for the scholarship scheme will be widely consulted and the scheme will at least include (i) an implementation arrangement which empowers the Local Governments to implement the scheme for grades 6-12 and (ii) a comprehensive and practical</p>	<p>2024 Year 2 MOEST submission of the report</p> <p>2025 Year 3, 2026 Year 4 and 2027 Year 5 MOEST submission of the report</p>	<p>2024 Year 2 The IVA will verify the achievement through desk review and interviews with MOEST, CEHRD, and select representatives of stakeholders consulted</p> <p>2025 Year 3, 2026 Year 4 and 2027 Year 5 The IVA will verify the achievement based on desk review and interviews with MOEST/CEHRD, a subset of Local Governments,</p>	<p>2024 Year 2, 2025 Year 3, 2026 Year 4 and 2027 Year 5 The targets for each year if not achieved within a specified year can be achieved the following year except for year 5</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>targeting mechanism, which does justice to the different needs of different groups, so equal opportunity is provided to all</p> <p>This DLI is achieved when the MOEST submits the achievement report including the approved IS with the revised provisions and a short overview of the consultation process attached</p> <p>2025 Year 3, 2026 Year 4 and 2027 Year 5 Nationwide implementation of pro-poor scholarships refers to provision of the opportunity for the targeted grade students to participate in the scheme as per the revised IS including requirements for dissemination of the scheme to the targeted grades and implementation arrangements for selection and scholarship distribution are in place in all local governments. This DLI is achieved when MOEST submits an achievement report with details on nationwide Implementation or pro-poor scholarships roll-out</p>		and beneficiaries selected by IVA	
DLI 5: Placement of qualified science, mathematics, and English teachers in schools for grades 6-10 improved				
<p>2023 Year 1 Proportion of basic schools that have full complement of math, science, and English subject teachers in grades 6–8 in total number of basic schools increased to at least 28.0% and proportion of secondary schools that have full complement of math, science and English subject teachers in grades 9–10 is 24.0%</p> <p>2024 Year 2. Proportion of basic schools that have full complement of math, science, and English subject teachers in</p>	<p>2023 Year 1, 2024 Year 2, 2025 Year 3 ,2026 Year 4 and 2027 year 5 Schools that have full complement of math, science and English subject teachers means that schools in which the number of math, science and English teachers is deployed in accordance with the existing</p>	<p>2023 Year 1, 2024 Year 2, 2025 Year 3, 2026 Year 4 and 2027 year 5 Consolidated annual status report generated from EMIS with cross verification from NEB data</p>	<p>2023 Year 1, 2024 Year 2, 2025 Year 3 ,2026 Year 4 and 2027 year 5 The IVA will verify the achievement of the data by a desk review of the report and have a sample basis field verification to assess quality of data entered</p>	<p>2023 Year 1, 2024 Year 2, 2025 Year 3 ,2026 Year 4 and 2027 year 5 Partial achievement is allowed, 50% of DLI allocation</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
<p>grades 6-8 in total number of basic schools increased to at least 31.0 and proportion of secondary schools that have full complement of math, science and English subject teachers in grades 9–10 is 27.0%</p> <p>2025 Year 3 Proportion of basic schools that have full complement of math, science, and English subject teachers in grades 6-8 in total number of basic schools increased to at least 34.0% and proportion of secondary schools that have full complement of math, science and English subject teachers in grades 9-10 is 30.0%</p> <p>2026 Year 4 Proportion of basic schools that have full complement of math, science, and English subject teachers in grades 6-8 in total number of basic schools increased to at least 37.0% and proportion of secondary schools that have full complement of math, science, and English subject teachers in grades 9-10 is 34.0%</p> <p>2027 Year 5 proportion of basic schools that have full complement of math, science and English subject teachers in grades 6-8 in total number of basic schools increased to at least 40.0% and proportion of secondary schools that have full complement of math, science and English subject teachers in grades 9-10 is 34.0%</p>	<p>Education regulations and student teacher ratio norms. [If a teacher teaches both at basic and secondary levels in the same school, he/she can be counted for both levels.]</p> <p>2023 Year 1, 2024 Year 2, 2025 Year 3 ,2026 Year 4 and 2027 year 5 DLI is achieved when both the proportion of basic schools and the proportion of secondary schools that have full complement of math, science, and English for grades 6-8 and grades 9-10 respectively in the total number of basic and secondary schools reach the target percentages. MOEST submits an annual achievement report confirming achievement of the DLI targets, specifying achievements for grades 6-8 and grades 9–10 achievements</p>			<p>amount for each year can be disbursed if either target percentage for basic schools or secondary schools is achieved</p>
DLI 6: School-based teacher professional support through mentorship piloted in local governments				
<p>2023 Year 1 Teacher Professional Development framework updated, consulted with all stakeholders, and approved by MOEST and Standard Operating Procedures (SOP) for implementation of piloting of teacher mentoring system at Local Government level approved by MOEST</p> <p>2024 Year 2 50 Local Governments implementing piloting of the mentoring system at basic education in at least 80% of the schools using SOP</p>	<p>2023 Year 1 The updated Teacher Professional Development (TPD) framework will at least describe the mentoring system including the (i) roles and responsibilities of three tiers of government; (ii) required capacity building and selection criteria for mentors and mentees/teachers; and (iii) local government teacher professional support system, for this mentoring system</p>	<p>2023 Year 1 MOEST submit a report including the description of the updated TPD framework and SOP for mentoring; and approved updated TPD framework and SOP for mentoring as annex/supporting document 2024 Year 2</p>	<p>2023 Year 1 The IVA will verify the achievement by (i) desk review of achievement report/data submitted by MOEST and framework/SOP/relevant documents and (ii) interviews with MOEST/CEHRD 2024 Year 2, Year 3 and Year 4</p>	<p>2023 Year 1 Full payment meeting both. 2024 Year 2, 2025 Year 3 and 2026 Year 4 Scalability The threshold for each year to be eligible for partial disbursement is</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
<p>2025 Year 3 Additional 100 Local Governments implementing piloting of the mentoring system at basic education in at least 80% of the schools using SOP</p> <p>2026 Year 4 Additional 100 Local Governments implementing piloting of the mentoring system at basic education in at least 80% of the schools using SOP</p> <p>2027 Year 5 Evaluation on implementation of pilot mentoring system endorsed and disseminated by MOEST</p>	<p>The SOP will be a handbook for the implementation of the piloting mentoring system at least comprising of: (i) the structured mentor process (including mentor-mentee/teacher ratio), (ii) mentor and mentee/teacher selection, including qualification criteria for both mentee/teacher and mentor, (iii) expected mentoring time per mentee/teacher per month, (iv) mentoring tools and their manuals (including a mechanism for classroom observation and protocol for mentoring sessions), (v) mentor training and mentee orientation process; and (vi) reference material (including to trainings). Preparation of SOP will involve the translation and contextualization of the TEACH tool^a (or a comparable observation tool), the development and contextualization of modules for training of mentors and mentee orientation, and digitization of the teach tool, including a dashboard.</p> <p>This DLI is achieved when the updated Teacher Professional Development framework and the SOP for implementation of teacher mentoring system at local level are prepared as per the above requirements and approved by MOEST</p> <p>2024 Year 2 This DLI is achieved when at least 50 Local Governments implement the mentoring system as per the</p>	<p>CEHRD will prepare a report which at least include the list of Local Governments and corresponding schools implementing the mentoring system, mentioning the mentors, the mentees/teachers, the trainings participated by the mentors, and implementation of mentoring process.</p> <p>2025 Year 3 and 2026 Year 4 CEHRD will prepare achievement report which at least include the list of Local Governments and corresponding schools implementing the mentoring system, mentioning the mentors, the mentees/teachers, the trainings participated by the mentors, and implementation of mentoring process. (For Local Governments who started implementation in earlier year(s) a sample-based confirmation that implementation is</p>	<p>IVA will verify achievement by i) desk review of achievement report/data submitted by MOEST and relevant documents ii) interviews with relevant stakeholders (as needed) iii) field visits in representative samples (randomly selected) of enlisted Local Governments, schools and teachers who received support.</p> <p>2027 Year 5 IVA will verify the achievement by desk review of achievement report/data submitted by MOEST and relevant documents</p>	<p>reaching at least 60% of the target number of Local Governments implementing the activities based on the SOP Disbursement can be proportional to the results achieved (e.g., if 30 Local Governments have implemented the required activities for Year 2, 60% of planned DLI disbursement amount for Year can be disbursed)</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>SOP in at least 80% schools in basic level Grades. Implementation is expected to at least include, mentor and mentee/teacher selection, mentor training, orientation for mentees/teachers, classroom observation of teachers using the TEACH tool (or a comparable observation tool); and mentor-mentee/teacher coaching time</p> <p>2025 Year 3 The DLI is achieved when at least additional 100 Local Governments implement the mentoring system as per the SOP in at least 80% schools in basic level Grades (1–8). Implementation is expected to at least include, mentor and mentee/teacher selection, mentor training, orientation for mentees/teachers, classroom observation of teachers using the TEACH tool (or a comparable observation tool), and mentor-mentee/teacher coaching time</p> <p>2026 Year 4 The DLI is achieved when at least additional 100 Local Governments implement the mentoring system as per the SOP in at least 80% schools in basic level Grades (1–8). Implementation is expected to at least include, mentor and mentee/teacher selection, mentor training, orientation for mentees/teachers, classroom observation of teachers using the TEACH tool (or</p>	<p>continuing is to be added).</p> <p>2027 Year 5 The DLI achievement report will consist of the final evaluation report in English, evidence of the endorsement by MOEST, and a short description of the dissemination</p>		

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>a comparable observation tool), and mentor-mentee/teacher</p> <p>2027 Year 5 Evaluation on implementation of mentoring system refers independent evaluation of the implementation process and initial results of the mentoring system conducted by MOEST. The draft evaluation report will be widely consulted with all relevant stakeholders</p>			
DLI 7: Examination strengthened				
<p>2023 Year 1 (i) All 753 local governments (a) have access to an item bank of standardized test items for BLE, and (b) have staff trained on using standardized test items for BLE</p> <p>(ii) National assessment framework for grade 12 approved</p> <p>2024 Year 2 (i) At least 20% of local governments conducting BLE examination by using the standardized test items</p> <p>2025 Year 3 (ii) Standardization items developed for grade 12 external public examination using the approved national assessment framework</p> <p>2026 Year 4 (i) At least 60% of local governments conducting BLE examinations by using the standardized test items</p> <p>2027 Year 5 (i) At least 80% of local governments conducting BLE examinations by using the standardized items</p> <p>(ii) Standardization items piloted for grade 12 external public examination</p>	<p>2023 Year 1 (i) BLE refers to the examination conducted by the Local Governments at the end of grade 8. Standardized test items refer to the test items developed as per the updated grade 8 standardization examination framework-2022. The DLI is achieved when (a) NEB issues a guidance on accessing an item bank by the local government and (b) NEB shares a training report of training list comprising staffs for all local governments</p> <p>2023 Year 1 (ii) National Assessment Framework for Grade 12 refers to a document that contains at least (a) principles of the assessment, (b) assessment design and structure, and (c) definition of subject domains. This DLI is achieved when National Assessment Framework for Grade 12 is approved by MOEST and MOEST submits a report that</p>	<p>2023 Year 1 (i) NEB/MOEST/CEHRD submit the report on providing guidance to local governments on sharing of the item bank and training of staff nominated by the local government (education officers, teacher, etc.) on the use of standardized test items</p> <p>2023 Year 1 (ii) NEB/MOEST submit the copy of the approved national assessment framework for grade 12</p> <p>2024 Year 2 (i), 2026 Year 4 (ii) and 2027 Year 5 (i) NEB/MOEST/CEHRD</p>	<p>2023 Year 1 (i) The IVA will verify by desk review and sample interviews with staff participating in the training</p> <p>2023 Year 1 (ii) IVA will verify the achievement by desk review and interviews with NEB and MOEST/CEHRD</p> <p>2024 Year 2 (i), 2026 Year 4 (i) and 2027 Year 5 (i) IVA will verify achievement by desk review and a sample check of the exams conducted in the Local Governments</p> <p>2025 Year 3 (ii) IVA will verify achievement by desk</p>	<p>2023 Year 1 (i) Both a and b need to be achieved to claim for the disbursement,</p> <p>2024 Year 2 (i), 2026 Year 4 (ii) and 2027 Year 5 (i) If the specified target is not met in a particular year, the target is moved to next year except for final year 5</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>includes the details of the approval of the framework (including endorsement by NEB)</p> <p>2024 Year 2 (i), 2026 Year 4 (i) and 2027 Year 5 (i) The DLI is achieved if a report is submitted with a list of local governments conducting the BLE using the standardized items based on the updated grade 8 standardization examination framework-2022 and this list represents the share of the local governments as mentioned in the targets for years 2, 4 & 5 respectively</p> <p>2025 Year 3 (i) This DLI is achieved when MOEST submits the achievement report describing process of development and a sample of test items endorsed by the NEB</p> <p>2027 year 5 (ii) This DLI is achieved when the NEB administers the pilot of standardized test items for Grade 12 examination in an external grade 12 examination and MOEST submits a report describing the process of the pilot and a copy of the examination paper which includes an endorsement by the NEB</p>	<p>Submit the report from the Local Governments</p> <p>2025 Year 3(ii) MOEST/CEHRD/NEB submitting progress report</p> <p>2027 year 5 (ii) MOEST/CEHRD/NEB submitting progress report</p>	<p>review and interviews with NEB</p> <p>2027 year 5 (ii) IVA will verify achievement by desk review and interviews with NEB</p>	
DLI 8: Recovery and Accelerated Learning (ReAL) implemented to mitigate the learning loss resulting from COVID-19 pandemic				
<p>2022 Prior Result Recovery and Accelerated Learning Plan (ReAL) approved by MOEST</p>	<p>2022 Prior Result The ReAL plan refers to the MOEST's plan to implement ReAL in 2 phases, and will include at</p>	<p>2022 Prior Result MOEST/CEHRD Achievement Report</p>	<p>2022 Prior Result IVA will verify achievement based on desk review, discussion</p>	

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
<p>2023 Year 1 50 Local Governments implementing activities as per ReAL plan in at least 80% of the schools</p> <p>2024 Year 2 Additional 100 Local Governments implementing activities as per the ReAL plan in at least 80% of the schools</p>	<p>least (i) prioritization of Local Governments and schools, (ii) a national awareness campaign on the importance of parent and community support to recovery of learning loss, (iii) a plan and material for local government based teacher training on assessing students and implementing recovery of learning loss learning activities; (iv) establishment of an online platform where local governments, teachers, parents and students can share experiences and ask questions; and (v) a SOPG for local governments on implementing the recovery of learning losses activities which shall contain at least (a) specific suggestions for the Local Governments on implementing recovery activities for grades 3-8, like best practices, assessment tools, formats of agreements with NGO's and other stakeholders to jointly implement activities, and print-ready digital teaching-learning materials, (b) conducting the training for teachers (and possible volunteers or otherwise engaged people) on assessing students and implementing learning recovery activities, (c) specific suggestions on availability and utilization of financial provisions to implement the recovery activities</p> <p>The prior result is achieved when (i) the ReAL plan is approved by</p>	<p>2023 Year 1 and 2024 Year 2 MOEST/CEHRD Achievement Report from Local Governments</p>	<p>with CEHRD/MOEST, and consulted stakeholders by the joint financing partners</p> <p>2023 Year 1 and 2024 Year 2 IVA will verify achievement by i) desk review of achievement report/data submitted by MOEST ii) interviews with relevant stakeholders (as needed) iii) field visits in representative samples (randomly selected) of local governments and schools listed in the DLI achievement report</p>	

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>MOEST, and (ii) evidence of consultation is added</p> <p>2023 Year 1 and 2024 Year 2 The year 1 and 2 DLI's are achieved when in year 1 at least 50 Local Governments and in year 2 an additional 100 Local Governments implement the activities as specified in the ReAL plan in at least 80% schools within the jurisdiction of the respective Local Governments</p> <p>The DLI achievement report will at least include the list of local governments and corresponding schools implementing the activities specified in the ReAL plan and the participants in the trainings. (For local governments who started implementation in year 1 a sample-based confirmation that implementation is continuing is to be added)</p>			
DLI 9: Improvement on accessibility, relevancy, and quality of e-resources in the <i>Sikai Chautari</i> (online learning portal)				
<p>2023 Year 1 (i) Strategic roadmap for upgrading content for the online learning portal '<i>Sikai Chautari</i>' approved</p> <p>2025 Year 3</p> <p>(i) E-resource materials developed for the online learning portal '<i>Sikai Chautari</i>' for at least grade 9–12 Science and Mathematics subjects which are relevant, accessible and quality-assured as per the strategic roadmap)</p> <p>(ii) Training/orientation to at least two teachers of 7,000 schools for using the online portal completed</p> <p>2026 Year 4:</p> <p>(i) At least 15,000 schools are accessing the online learning portal '<i>Sikai Chautari</i>'</p>	<p>2023 Year 1 (i) Online learning portal <i>Sikai Chautari</i> refers to the portal that was established by the MOEST to support in learning continuity during COVID-19 pandemic and available online at: https://learning.cehrd.edu.np/home</p> <p>Strategic Roadmap for upgrading content should at least include (i) definition of each piece of proposed content in terms of the learning outcomes it will meet, (ii) definition of the format for each</p>	<p>2023 Year 1 (i) MOEST/CEHRD submit the progress report</p> <p>2025 Year 3 (i) 2026 year 4 (i) and 2027 year 5 (i)</p> <p>MOEST/CEHRD submit the progress report</p>	<p>2023 Year 1 (i) IVA verifies by: Desk review and interviews with key CEHRD staff.</p> <p>2025 Year 3 (i) IVA verifies by desk review and online sample assessment of the e-resources</p> <p>2026 year 4 (i) and 2027 year 5 (i) IVA by desk review and sample survey of schools</p>	

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
<p>(ii) Training/orientation to at least two teachers of 8,000 schools for using the online portal completed</p> <p>2027 Year 5:</p> <p>(i) At least additional 4,000 schools are accessing the online learning portal ‘<i>Sikai Chautari</i>’</p> <p>(ii) Training/orientation to at least two teachers of 4,000 schools for using the online portal completed</p>	<p>piece of proposed content, (e.g., animation, presenter-led video, PDF, audio); (iii) an order of priority and schedule for content development; (iv) quality and accessibility standards, and (v) quality and relevance criteria for external content.</p> <p>This DLI is achieved when the MOEST’s cover letter confirming the approval by MOEST of the strategic roadmap containing at least the five agreed areas with a copy of the approved strategic roadmap has been verified by IVA by desk review and interviews with key CEHRD staff</p> <p>2025 Year 3 (i) Relevant means the e-learning materials cover the learning outcomes as stated in the National Curriculum Framework for School Education. Quality-assured means that systems are in place to ensure that the portal remains secure, up to date, actively managed and responsive to user feedback. Accessible means that the content is equally accessible to users on various platforms/devices</p> <p>This DLI is achieved when the MOEST’s report on evidence of e-resources developed (including a list of the additional content uploaded, confirming it is meeting the criteria mentioned in the roadmap, for quality, accessibility and relevance, and covering the areas for grade 9–12 Science and Mathematics as specified in the</p>	<p>2023 Year 3 (ii), 2024 Year 4 (ii) and 2027 Year 5 (ii) MOEST/CEHRD submit the progress report</p>	<p>2023 Year 3 (ii), 2024 Year 4 (ii) and 2027 Year 5 (ii) IVA by desk review and sample survey of participants</p>	

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>roadmap) has been verified by IVA by desk review and online sample assessment of the e-resources</p> <p>2026 year 4 (i) and 2027 year 5 (i) This DLI is achieved when the MOEST's report confirming achievement of the target (including list of schools accessing the online portal) has been verified by IVA by desk review and sample survey of schools</p> <p>2023 Year 3 (ii), 2024 Year 4 (ii) and 2027 Year 5 (ii) This DLI is achieved when the MOEST's report on evidence on training (including the list of school-wise name of teachers disaggregated for gender, disadvantaged groups, Dalits and disability as per the target of at least 2 teachers per school trained [(e.g., 14,000 teachers for year 3, 16,000 for year 4 and 8,000 for year 5)] has been verified by IVA by desk review and sample survey of participants</p>			
DLI 10: Education planning, budgeting, and reporting in federal structure improved				

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
<p>2022 Prior results: Institutional arrangements for SESP formalized for program management, coordination, communication, and reporting</p> <p>2023 Year 1</p> <p>(i) Guidelines for the formulation of GESI-responsive and disaster and climate-resilient local government periodic education plan approved and disseminated to the Local Governments</p> <p>(ii) GESI-responsive school report cards from EMIS used in social audits in at least 80% of schools</p> <p>2024 Year 2</p> <p>(i) 40% of the 753 Local Governments (i.e., 301) have approved GESI, disaster and climate-resilient local education plans and uploaded on their website</p> <p>(iii) Percentage of recurring audit observations of SESP no more than 5.0% of the total SESP expenditures for FY2023</p> <p>2025 Year 3</p> <p>(i) 75% of the 753 Local Governments (i.e., 565) have approved GESI-responsive and disaster and climate-resilient local education plans and uploaded on their website</p> <p>2026 Year 4</p> <p>(i) All 753 Local Governments have approved GESI-responsive and, disaster and climate-resilient local education plans and uploaded on their website</p> <p>(ii) GESI-responsive school report cards from EMIS used in social audits in at least 90% of schools to improve school performance</p> <p>2027 Year 5</p> <p>(iii) Average percentage of recurring audit observations of SESP no more than 5.0% of the total SESP expenditures for FY2024, FY2025 and FY2026</p>	<p>2022 Prior results</p> <p>Institutional arrangement refers to the establishment of a SESP steering committee, a SESP implementation committee, focal agencies at federal level with terms of reference for each specific program action and result area as specified in the JFA (e.g., for the joint DLI Matrix and joint Program Action Plan), and a focal agency with terms of reference for overall program coordination, communication, and reporting. This DLI is achieved when MOEST approves the institutional arrangement for SESP and submits a copy of the official decision to be part of the JFA annex on institutional arrangement</p> <p>2023 Year 1 (i)</p> <p>This DLI is achieved when the report submitted by MOEST confirming that the CEHRD has approved Guideline for the local governments for preparing the GESI-responsive and disaster and climate-resilient periodic plan that at least ensures (i) equal opportunity for females and vulnerable groups in access and learning; (ii) disaster and climate change mitigation measures to improve preparedness of schools; (iii) consultations with relevant stakeholders including associations of women, Dalits, DAG and persons with disabilities through participatory approach to understand their concerns on local education system and how those</p>	<p>2022 Prior results MOEST Progress Report</p> <p>2023 Year 1 (i) MOEST progress report</p> <p>2023 Year 1 (ii) and 2026 Year 4</p> <p>MOEST progress report</p> <p>2024 year 2 (i), 2025 year 3 (i) and 2026 Year 4 (i)</p> <p>MOEST progress report from Local Governments</p>	<p>2022 Prior results Joint Financing Partners will jointly verify the submitted documents and JFA annex is updated</p> <p>2023 Year 1 (i) Guideline verified by the IVA by desk review.</p> <p>2023 Year 1 (ii) and 2026 Year 4 (ii) Data verified by IVA on a sample basis, that the school report card has been generated and used in social audits in the targeted percentage of all schools for the targeted academic years as reported by MOEST</p> <p>2024 year 2 (i), 2025 year 3 (i) and 2026 Year 4 (i) IVA will verify achievement by desk review and sample checking of Local Governments' websites.</p> <p>2024 Year 2 (iii) and 2027 Year 5 (iii)</p> <p>The DLI is achieved when IVA verifies based on desk review that the percentage of audit observations for respective FYs is no more than 3.0% of the</p>	<p>2024 year 2 (i), 2025 year 3 (i) and 2026 Year 4 (i)</p> <p>Partial disbursement allowed. Disbursement calculated based on total amount divided by local governments for specified year</p>

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	<p>could be addressed, and disseminated the guidelines to the local governments, is verified by the IVA by desk review</p> <p>2023 Year 1 (ii) and 2026 Year 4 (ii) The GESI-responsive school report card refers to an EMIS-generated school report, which at least includes information on student enrollments disaggregated by sex, Dalit, DAG and students with disabilities, repetition, dropout, survival and completion rates, teacher availability, and student teacher ratio. Social audit refers to the annual audit of the school's financial and educational performance conducted by the PTA and publicly disseminated at the school level, the information of which is entered in the EMIS. This DLI is achieved when the MOEST submits report of the number of schools conducting social audits using school report cards, which is verified by IVA</p> <p>2024 year 2 (i), 2025 year 3 (i) and 2026 Year 4 (i) The DLI is achieved when the number of local governments approve periodic plans as per the approved guidelines is uploaded in the Local Government's website and reported by MOEST for the respective years.</p> <p>2024 Year 2 (iii) and 2027 Year 5 (iii)</p>		total SESP expenditures for the same FYs	

DLIs	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Disbursement Formula
	Recurring audit observations for SESP refer to observations made by OAG in its annual audit report that is repeated more than one year for the period specified. The DLI is achieved when the percentage of audit observations for respective FYs is no more than 5.0% of the total SESP expenditures for the same FYs			

CEHRD = Center for Human Resource and Development, DLI = disbursement-linked indicator, EMIS = education management information system, FY = fiscal year, GESI= Gender Equality and Social Inclusion, IVA = Independent Verification Agency, JFA = joint financing arrangement, MOEST = Ministry of Education, Science and Technology; NARN = national assessment for reading and numeracy, NEB = National Examinations Board, OAG = Office of the Auditor General.

Source: Asian Development Bank, Ministry of Education, Science, and Technology of Nepal, the World Bank

^a TEACH is a classroom observation tool to help low-and middle-income countries track and improve teaching quality. When the verification protocol refers to the TEACH tool, it implies the contextualized and translated TEACH tool

Table A3.3: Disbursement Schedule

(\$ million)

DLI	Total ADB Financing Allocation	Share of Total ADB Financing (%)	Prior Results 2022 ^a	2023 (Year 1)	2024 (Year 2)	2025 (Year 3)	2026 (Year 4)	2027 (Year 5)
Outcome								
DLI 1. Inequities in access to basic and secondary education decreased	20.0	10.0			7.0		7.0	6.0
DLI 2. Improved proficiency in reading and numeracy of grade 3 students	25.0	12.5		i. 4.0 ii. 1.0	i. 4.0 ii. 1.0	4.0	4.0	i. 4.0 ii. 3.0
Outputs								
DLI 3. Improved facilities for equitable development of secondary schools for science education	20.0	10.0	4.0	5.0	5.0			6.0
DLI 4. Revision of the pro-poor scholarship scheme to ensure equal opportunity to students in basic and secondary education	17.0	8.5			5.0	4.0	4.0	4.0
DLI 5. Placement of qualified science, mathematics, and English teachers in schools for grades 6-10 improved	20.0	10.0		4.0	4.0	4.0	4.0	4.0
DLI 6. School-based teacher professional support through mentorship piloted in local governments	20.0	10.0		4.0	4.0	4.0	4.0	4.0
DLI 7. Examination strengthened	18.0	9.0		i. 3.0 ii. 2.0	i. 3.0	i. 2.0	i. 3.0	i. 3.0 ii. 2.0
DLI 8. ReAL implemented to mitigate the learning loss resulting from COVID-19 pandemic	12.0	6.0	4.0	4.0	4.0			
DLI 9. Improvement on accessibility, relevancy, and quality of e-resources in the <i>Sikai Chautari</i> (online learning portal)	16.0	8.0		i. 2.0		i. 2.0 ii. 2.0	i. 3.0 ii. 3.0	i. 2.0 ii. 2.0
DLI 10. Education planning, budgeting, and reporting in federal structure improved	32.0	16.0	4.0	i. 3.0 ii. 3.0	i. 3.0 iii. 3.0	i. 5.0	i. 3.0 ii. 3.0	iii. 5.0
Total	200.0	100.0	12.0	35.0	43.0	27.0	38.0	45.0

DLI = disbursement-linked indicator, ReAL= Recovery and Accelerated Learning, SESP = School Education Sector Plan

^a Prior results are for DLI-3 approval of 'School Physical Facilities Development and Implementation Guideline' and of 'Needs assessment for development of secondary schools with provision of science in grades 11-12', for DLI-8 approval of 'ReAL Plan', and for DLI-10 formalization of 'Institutional arrangements for SESP' for program management, coordination, communication, and reporting'.

Source: Asian Development Bank.