



# Report and Recommendation of the President to the Board of Directors

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Project Number: 49424-001  
October 2016

## Proposed Results-Based Loan and Technical Assistance Grant Nepal: Supporting School Sector Development Plan

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Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 1 October 2016)

Currency unit	-	Nepalese rupee/s (NRe/NRs)
NRe1.00	=	\$0.00939
\$1.00	=	NRs106.528

## ABBREVIATIONS

ADB	-	Asian Development Bank
DEO	-	District Education Office
DLI	-	disbursement-linked indicator
DOE	-	Department of Education
EMIS	-	education management information system
ICT	-	information and communication technology
JFP	-	joint financing partner
MOE	-	Ministry of Education
NER	-	net enrollment rate
PAP	-	program action plan
RBL	-	results-based lending
SDR	-	special drawing right
SSDP	-	School Sector Development Plan
SSRP	-	School Sector Reform Program
TA	-	technical assistance

## 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., FY2016 ends on 15 July 2016.
- (ii) In this report, "\$" refers to US dollars.

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## RESULTS BASED PROGRAM AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 49424-001</b>	
<b>Project Name</b>	Supporting School Sector Development Plan	<b>Department /Division</b>	SARD/SAHS
<b>Country Borrower</b>	Nepal Nepal	<b>Executing Agency</b>	Ministry of Education
<b>2. Sector</b>		<b>ADB Financing (\$ million)</b>	
✓ <b>Education</b>	Education sector development Secondary		36.25 84.25
		<b>Total</b>	<b>120.50</b>
<b>3. Strategic Agenda</b>		<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>		<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Institutional development	Gender equity (GEN)	✓
Knowledge solutions (KNS)	Public financial governance		
Partnerships (PAR)	Knowledge sharing activities		
Private sector development (PSD)	Pilot-testing innovation and learning		
	Bilateral institutions (not client government)		
	Official cofinancing		
	Conducive policy and institutional environment		
<b>5. Poverty and SDG Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty and SDGs	Yes	Nation-wide	High
SDG-targeting (TI-S)	SDG4		
<b>6. Risk Categorization:</b>		Low	
<b>7. Safeguard Categorization</b>		Environment: B Involuntary Resettlement: C Indigenous Peoples: B	
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>120.50</b>	
Sovereign Results Based Lending: Asian Development Fund		120.00	
Sovereign Capacity development technical assistance: Technical Assistance Special Fund		0.50	
<b>Cofinancing</b>		<b>316.00</b>	
European Union - Grant		63.10	
Global Partnership for Education Fund - Grant		26.60	
Government of Australia - Grant		9.00	
Government of Finland - Grant		22.34	
Government of Norway - Grant		39.46	
Japan International Cooperation Agency - Grant		3.00	
United Nations Children's Fund - Grant		2.50	
World Bank - Loan		150.00	
<b>Counterpart</b>		<b>5,761.00</b>	
Government		5,761.00	
<b>Total</b>		<b>6,197.50</b>	
<b>9. Effective Development Cooperation</b>			
Use of country procurement systems		Yes	
Use of country public financial management systems		Yes	





## I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed loan to Nepal for Supporting School Sector Development Plan.<sup>1</sup> The report also describes proposed technical assistance (TA) for Supporting Policies and Implementation in the School Sector, and if the Board approves the proposed loan, I, acting under the authority delegated to me by the Board, approve the TA.

2. The program will support the School Sector Development Plan (SSDP), which is the government's major education initiative for FY2017–FY2023. The Asian Development Bank (ADB) and eight other joint financing partners (JFPs) will finance the program with the government during FY2017–FY2021 through a sector-wide approach.<sup>2</sup>

## II. THE PROGRAM

### A. Strategic Context

3. **Nepal at a crossroads.** Nepal has gone through major political upheavals associated with a protracted constitution-drafting process and frequent change in government. Despite these challenges, economic growth in the country averaged 4.0% annually during the past decade, and the proportion of people living below the poverty line declined from 31.0% in 2006 to 23.8% in 2015. Development of human capital is critical for Nepal's vision to emerge as an inclusive and prosperous middle-income country by 2030.<sup>3</sup> Continued investment in school education, particularly secondary education, will help the country graduate from its least developed country status by 2022 and achieve the Sustainable Development Goals. Two important recent developments are opportune to strengthen school sector reforms. First, the Constitution of Nepal 2015 envisages education as a fundamental right and provides for free school education (grades 1–12), thereby reinforcing the government's commitment. Second, the Eighth Amendment to the Education Act (2016) paves the way for restructuring the fragmented school sector into a holistic one and for implementing comprehensive reforms.<sup>4</sup>

4. **Sector performance.** Steady progress has been made in increasing access and equity in basic education (grades 1–8). The net enrollment rate (NER) for basic education increased from 73.0% in 2008 to 89.4% in 2015.<sup>5</sup> Girls' participation has increased, with gender parity achieved in enrollments in basic education. The share of students repeating classes has declined and the continued attendance of student cohorts from grade 1 to grade 8 has increased.

5. Despite good progress, challenges remain. Few students progress to secondary education (grades 9–12). Although enrollment in basic education is high, the NER for grades 9–10 is only 58.0% and falls sharply to 16.8% for grades 11–12. The share of Dalits (a historically excluded social group) in total enrollment is only 9% at the secondary level. Girls from the poorest quintiles and from disadvantaged backgrounds do not benefit adequately from

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<sup>1</sup> The design and monitoring framework is in Appendix 1.

<sup>2</sup> The eight other JFPs are Australia, the European Union, Finland, the Global Partnership for Education, Japan International Cooperation Agency, Norway, United Nations Children's Fund (UNICEF), and the World Bank.

<sup>3</sup> Government of Nepal, National Planning Commission. 2015. *Sustainable Development Goals, 2016–2030: National (Preliminary) Report*. Kathmandu.

<sup>4</sup> Nepal's school sector is now divided into basic education (grades 1–8) and secondary education (grades 9–12).

<sup>5</sup> NER denotes number of students of official school age group enrolled in the corresponding level, divided by the population of the same age group.

secondary education. The quality of student learning is inadequate. The National Assessment of Student Achievement results reveal that average scores in grade 8 in 2013 were particularly low for science (41%) and math (35%). There is a lack of subject teachers, particularly for science, math, and English and inadequate teacher professional development. School leadership is ineffective in leading school-based quality improvements. Teaching and learning processes are outdated, relying heavily on teacher centered content delivery from textbooks. The percentage of students passing the grade 10 examination in 2015 was only 47.4%. Assessments and examinations are largely focused on rote learning by students and do not adequately evaluate their ability to apply knowledge and skills.

## **B. Program Rationale**

6. **Opportunities in school education.** The SSDP is a new initiative of the government to improve access, equity, and the quality of school education. The reforms proposed are geared towards (i) the expansion of secondary education; (ii) improved teacher management to ensure adequate placement of trained subject teachers from grade 6 onward; (iii) a revamp in the way math, science, and English are taught and learned; (iv) the augmented use of information and communication technology (ICT)-enriched learning; and (v) the implementation of a model school program. Recognizing that disadvantages can be multidimensional with economic, social, and geographic aspects, the SSDP will implement a new equity strategy to reduce disparities in access, participation, and learning outcomes.<sup>6</sup> Institutional reforms are integral to SSDP. A National Examinations Board will be established to improve coherence between curriculum, textbooks, and assessments. The Education Review Office will be strengthened for regular performance audits of school education. The SSDP interventions will improve the performance of public schools in relation to private schools and upgrade the overall quality of human capital, and bring substantial individual and social returns.

7. Building on its extensive experience in education, ADB will support the government's SSDP through results-based lending (RBL). Program-based lending was the appropriate modality to support the School Sector Reform Program (SSRP) which preceded SSDP.<sup>7</sup> The RBL modality is most suited to support the SSDP because (i) the government has demonstrated strong leadership and commitment to implementing reforms in critical areas; (ii) the program requires greater emphasis on translating policies already in place to implementation; and (iii) the JFPs have agreed on a single results framework and a common disbursement-linked indicators (DLIs) framework with the government which increases harmonization, reduces administrative burden and enables effective focus on results. ADB and other JFPs have coordinated due diligence assessments, harmonized key DLIs, and agreed on joint program reviews. A program action plan (PAP) will support timely DLI achievement. ADB's due diligence assessments provide reasonable assurance for effective achievement of results through RBL, with measures to strengthen program systems.

8. The SSDP builds on achievements and lessons from the SSRP. Midterm and final evaluations of the SSRP noted that while much progress had been made in access and equity in basic education, quality needed a stronger focus. The SSDP will support comprehensive interventions to improve the quality of basic education and expand access to quality secondary education. The SSDP will ensure that all newly built schools and classrooms meet disaster risk

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<sup>6</sup> Government of Nepal, Ministry of Education. 2014. *Consolidated Equity Strategy for the School Education Sector in Nepal*. Kathmandu. <http://www.doe.gov.np/assets/uploads/files/47441f6a3f1e62dedb7bb91655b8df92.pdf>

<sup>7</sup> Program-based lending was used in SSRP to facilitate policy development which was crucial to create enabling conditions for reforms. The SSRP was implemented during FY2010–FY2016 and led to positive results in improved basic education.

resilience standards. The National Reconstruction Authority is implementing a large-scale post-earthquake program for reconstruction and retrofitting of schools in 31 districts, including an ADB project.<sup>8</sup>

9. ADB has been a leading development partner in education and the program will build on this experience. ADB funding will provide much-needed financial leverage for more investments to improve access to and quality of school education, with particular focus on secondary education. ADB financing will add value through key initiatives, such as the model school program, examination reform, provision of subject teachers, and improved school grant management system. The program will catalyze capacity building and system strengthening in the sector. ADB and other JFPs will adopt strong mitigation measures to address risks in public financial management, procurement, social and environment safeguards, and governance in school education. ADB will facilitate innovative knowledge solutions to implement key SSDP components such as (i) ICT-enriched teaching and learning; (ii) teacher professional development; (iii) activity-based pedagogy for math, science, and English; and (iv) model school development.

### C. Program Scope

10. The SSDP aims to improve the equity, quality, efficiency, governance, and management of school education. The program will reinforce the SSDP objectives by prioritizing and sequencing key outputs and targets in the first 5 years of the SSDP (Table 1). The sector-wide approach in the SSDP enables the program to leverage the entire school sector budget for greater efficiency and effectiveness of public resources.

**Table 1: Program Scope**

Item	Government Program (SSDP)	Results-Based Lending Program
<b>Outcome</b>	Equity, quality, efficiency, governance, and management of the education sector improved	Equitable access to quality secondary education enhanced <sup>a</sup>
<b>Key outputs</b>	Comprehensive program outputs for early childhood education development to grade 12 education to increase access, equity, and quality; better qualified and trained teachers; national curriculum revised; textbooks improved; assessments and examinations improved; and capacity for new federal structure developed	Same as in SSDP, but with particular focus on secondary education through the deployment of trained subject teachers, pro-poor scholarship scheme, improved examinations, pilot testing of the model school program, and improved school governance
<b>Activity types</b>	School infrastructure upgraded, teacher training revamped, curriculum renewed and textbooks developed, pro-poor scholarships and free textbooks provided, EMIS improved, school grant management system revised	Same as in SSDP, but focusing on interventions for grades 6–8 of basic education and grades 9–12 (secondary education)
<b>Program expenditure</b>	\$10.58 billion for FY2017–FY2023 (estimate)	\$6.46 billion for FY2017–FY2021 (estimate)
<b>Main financiers</b>	Government of Nepal, ADB, Australia, EU, FAO, Finland, GPE, JICA, Norway, UNESCO, UNICEF, USAID, World Bank, and national and international NGOs	Government of Nepal, ADB, Australia, EU, Finland, GPE, JICA, Norway, UNICEF and World Bank

<sup>8</sup> 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.

Item	Government Program (SSDP)	Results-Based Lending Program
<b>Geographic coverage</b>	Nationwide	Nationwide (selected schools to receive intensive focus to be model schools)
<b>Implementation period</b>	FY2017–FY2023	FY2017–FY2021

ADB = Asian Development Bank, EMIS = education management information system, EU = European Union, FAO = Food and Agriculture Organization of the United Nations, FY = fiscal year, GPE = Global Partnership for Education, JICA = Japan International Cooperation Agency, NGO = nongovernment organization, SSDP = School Sector Development Plan, UNESCO = United Nations Educational, Scientific and Cultural Organization, UNICEF = United Nations Children's Fund, USAID = United States Agency for International Development.

<sup>a</sup> As per ADB's classification, post-primary grades 6–12 are treated as secondary education. ADB. *The Project Classification System, Toward Strategy 2020: A User Guide*. Manila.

Source: Asian Development Bank.

## D. Program Results

11. The program's impact will be a more qualified human resource base for equitable socioeconomic development, aligned with Nepal's SSDP. The outcome will be enhanced equitable access to quality secondary education. The GER for secondary education will be increased by 7.0 percentage points over the baseline for boys and girls (DLI 1). The program will benefit 6.3 million students, 153,200 teachers, and more than 34,000 schools. The four outputs are:

12. **Output 1: Access to basic and secondary schools improved.** This output will help implement a revised pro-poor scholarship program in all 75 districts, and will include targeted interventions for girls to take up secondary science education (DLI 1). Many students do not progress to secondary education either because they cannot afford it or the learning environment in schools is poor. This output will redress the lack of affordability among students in the poorest quintile and the inadequate participation of girls in science subjects compared with boys. Teachers often cover several subjects and multiple grades, which hampers quality improvement, adversely affecting enrollment and retention in higher grades. This output will ensure that 4,500 schools will each get separate individual subject teachers for math, science, and English in grades 6–8 and 9–12 (DLI 2, PAP 1.4).

13. **Output 2: Quality of school education improved.** This output will support the provision of activity-based teaching and learning materials in math, science, and English to schools (DLI 3, PAP 1.11); and additional ICT and e-resources to introduce students to modern pedagogy (PAP 1.14). Schools do not have adequate access to materials to enable interactive learning. This output will also strengthen the continuous professional development of subject teachers to use the materials in the classrooms (DLI 2, PAP 1.5). An autonomous National Examination Board will be established to reform student assessment and testing to reduce the focus on rote learning and increase the emphasis on the application of knowledge and skills. Public examinations at the end of grades 8 and 10 will be reformed and standardized based on international good practice to improve the quality and relevance of student learning (DLI 4; PAP 1.8, 1.9, and 1.10).

14. **Output 3: Model school program pilot tested.** This output will support the upgrading of large secondary schools to model schools through interventions such as the provision of a separate head teacher, a full complement of subject teachers, disaster risk-resilient infrastructure, water and sanitation facilities, a library, a science laboratory, ICT facilities, internet connectivity, and e-resources. Residential facilities will be provided in selected schools to ensure that poor and marginalized students have access to high-quality education. Innovative

pedagogy to improve teaching and learning, especially in math, science, and English, will be introduced. With the provision of such comprehensive quality inputs, the model schools will act as demonstration sites for improving teaching and learning (DLI 5; PAP 1.12, 1.13, and 1.15).

15. **Output 4: School system governance and management improved.** This output aims to improve management, monitoring, and quality assurance mechanisms in the schools. It will support the implementation of a revised school grant system that responds better to contextual needs and is performance oriented. This output will lead to the rollout of a web-based accounting and procurement system in all the districts to improve fiduciary management. The education management information system (EMIS) will be upgraded to a web-based system that will have greater accuracy as a result of third-party verification (DLIs 6 and 7; PAP 1.6, 1.16, 1.17, 2.1 2.4, 3.2, and 3.3).

16. The seven DLI areas were derived from the SSDP results framework and the overall DLI framework agreed between JFPs and the government. Financing of prior results DLIs is envisaged to ensure important enabling policy actions by loan effectiveness. These include the enactment of the Eighth Amendment to the Education Act, the development of selection criteria for model schools, and formation of a dedicated program management and technical support team for the program. The DLIs include an appropriate mix of outcome, output and institutional indicators. All output DLIs contribute to outcome (DLI 1). The DLIs are sufficiently ambitious as they ensure a gradual and sustained scale-up of results, implementation of difficult reforms in teacher management, examinations and governance, and augmented use of ICT. The PAP includes key actions that are required for achieving the targets in the DLI framework and in the results framework. The DLIs and disbursement allocations are summarized in Table 2.

**Table 2: Disbursement-Linked Indicators**

Indicator	Disbursement Allocated (\$ million)	Share of Total ADB Financing (%)
<b>Outcome: Equitable access to quality secondary education enhanced</b>		
DLI 1: Increased access and participation of girls and boys in secondary education	18.0	15.0
<b>Output 1: Access to basic and secondary schools improved</b>		
DLI 2: Improved deployment of trained subject teachers for math, science, and English in basic and secondary schools	17.0	14.2
<b>Output 2: Quality of school education improved</b>		
DLI 3: Activity-based math, science, and English materials to improve teaching and learning provided	11.0	9.2
DLI 4: Examination system reforms undertaken to improve teaching and learning	7.0	5.8
<b>Output 3: Model school program pilot tested</b>		
DLI 5: Model schools pilot tested with comprehensive quality inputs and innovative teaching and learning	28.0	23.3
<b>Output 4: School system governance and management improved</b>		
DLI 6: Improved governance and strengthened fiduciary management of schools	27.0	22.5
DLI 7: Enhanced reliability and transparency of the education management information system data, including school-level data	12.0	10.0
<b>Total</b>	<b>120.0</b>	<b>100.0</b>

ADB = Asian Development Bank, DLI = disbursement-linked indicator.

Source: Asian Development Bank.

17. The annual DLI targets, verification protocols, and disbursement schedule are in Appendix 3. A rigorous verification protocol, including independent third-party verification, has been established. Verification of outcome and output DLIs will be based on the EMIS, which will be upgraded to a web-based system. An improved EMIS will have disaggregated data for

gender and social groups and increased accuracy from two rounds of independent third-party verification. The JFPs will undertake two joint review missions annually (i) to verify the achievement of DLIs, review financial management reports, and audit reports; and (ii) to review annual work plans and budgets. In addition, the attached Capacity Development TA will undertake periodic surveys to assess progress and to improve implementation. The independent Education Review Office will undertake regular quality audits of the school system.

## E. Expenditure Framework and Financing Plan

18. **Program expenditures.** The program expenditures are estimated at \$6,461 million from FY2017 to FY2021. The total SSDP expenditures for the 7-year horizon (FY2017–FY2023) are estimated at \$10,577 million. ADB and eight other JFPs will support the program expenditures of the Ministry of Education (MOE) from FY2017 to FY2021 as summarized in Table 3.

**Table 3: Summary of Program Expenditure Framework, FY2017–FY2021**  
(in FY2016 prices)

Item	Amount (\$ million)	Share of Total (%)
1. Salaries and remuneration	4,220.0	65.3
2. Program intervention costs		
a. Information and communication technology	137.0	2.1
b. Textbooks and learning materials	432.0	6.7
c. Scholarship and incentives	386.0	6.0
d. Civil works <sup>a</sup>	344.0	5.3
e. Equipment and fixtures	70.0	1.1
f. Training and capacity development	173.0	2.7
g. All other items <sup>b</sup>	218.0	3.4
3. Management and administration costs	481.0	7.4
<b>Total</b>	<b>6,461.0</b>	<b>100.0</b>

FY = fiscal year.

<sup>a</sup> Excludes expenditure of \$621 million on disaster risk-resilient reconstruction and retrofitting of schools managed directly by the National Reconstruction Authority.

<sup>b</sup> Includes costs for education of students with disabilities, monitoring and review, school operation costs, etc.

Source: Ministry of Education.

19. **Program financing.** The government will provide \$5,761 million to the program, while JFPs, including ADB, are expected to contribute about \$436 million. Although the share of JFPs in total expenditure is low, the contribution of JFPs is significant in leveraging development expenditures, excluding salaries and remuneration that contribute to developmental outcomes. The government has requested a loan in various currencies equivalent to SDR85,507,000 from ADB's Special Funds resources to help finance the program. The loan terms and conditions are in para. 34. The government is likely to request additional financing from ADB and other JFPs upon satisfactory implementation of the first 3 years to bridge the financing gap from 2019 to 2021. The financing plan is summarized in Table 4.

**Table 4: Program Financing Plan, FY2017–FY2021**

Source	Amount (\$ million)	Share of Total (%)
<b>A. Government</b>	<b>5,761.00</b>	<b>89.17</b>
<b>B. Development partners</b>	<b>436.00</b>	<b>6.75</b>
Asian Development Bank		
Special Funds resources (loan)	120.00	1.86
Other joint financing partners <sup>a</sup>		
Australia	9.00	0.14
European Union	63.10	0.98
Finland	22.34	0.34
Global Partnership for Education	26.60	0.41
Japan International Cooperation Agency	3.00	0.05
Norway	39.46	0.61

Source	Amount (\$ million)	Share of Total (%)
United Nations Children's Fund (UNICEF)	2.50	0.04
World Bank	150.00	2.32
<b>Subtotal (A+B)</b>	<b>6,197.00</b>	<b>95.92</b>
<b>C. Financing gap</b>	<b>264.00</b>	<b>4.08</b>
<b>Total</b>	<b>6,461.00</b>	<b>100.00</b>

FY = fiscal year.

<sup>a</sup> Support is estimated based on commitments indicated so far and will be provided on the basis of joint collaborative financing with no administration by ADB.

Source: Asian Development Bank.

20. **Disbursement arrangements.** The loan proceeds will be disbursed over 5 years to the government's treasury account based on the verified achievement of DLIs. The government will ensure that total program expenditures exceed the total loan amount withdrawn. ADB will provide financing for prior results (\$15 million), to be achieved by loan effectiveness. MOE, through the Ministry of Finance, will submit a withdrawal application annually, providing evidence on the achievement of DLIs, along with unaudited financial statements for the period concerned. Partial disbursements are allowed for DLIs 1, 2, 3, 5, and 6. Disbursements are allowed for early or late achievement of DLIs.

#### F. Capacity Development and Program Action Plan

21. The program will strengthen capacity in the school education sector at all levels, particularly at district and school levels. Capacity development activities include financial management, procurement, gender and social inclusion, and social and environment safeguards. Key initiatives to improve quality in education include teacher training for math, science, and English teaching; student assessment and examination reforms; improvement of the reliability of EMIS; development of model schools; and ICT-enriched teaching and learning. These are costed in the government's expenditure framework and incorporated in the PAP.

#### G. Technical Assistance

22. The attached capacity development TA is estimated to cost \$625,000, of which \$500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). MOE is the executing agency. The government will provide counterpart staff, office and meeting space, and coordination support. TA outputs include (i) annual fiduciary reviews to strengthen financial management and procurement; (ii) independent verification of achievement of DLIs; (iii) the development of teacher training to use activity-based materials for math, science, and English; (iv) a road map for model school development; (v) safeguard compliance reporting; and (vi) the development of a scheme for pro-poor targeting of scholarships. The TA will be coordinated through the Foreign Coordination Section of the Planning Division of MOE, which will function as the program coordination secretariat for the program. The TA will be implemented immediately upon approval of the loan until 31 December 2021.

#### H. Implementation Arrangements

23. MOE is the executing agency and the Department of Education (DOE) is the implementing agency. An interministerial SSDP steering committee, chaired by the MOE secretary, will be established with the participation of key officials from MOE, DOE, Ministry of Finance, Financial Comptroller General Office, and the National Planning Commission; and the heads of central line agencies in education. The Foreign Coordination Section of MOE's Planning Division will function as the program coordination secretariat. A technical working committee will be set up in DOE for timely program implementation. These arrangements will be common for all JFPs supporting the program and will include dedicated teams for SSDP

implementation to cover areas such as program management, financial management, procurement, safeguard compliance, and DLI verification.<sup>9</sup>

### III. SUMMARY OF ASSESSMENTS

#### A. Program Technical Assessments

24. Technical assessments of the program were carried out through a joint appraisal of the program by JFPs and MOE. In addition, an external appraisal was carried out on behalf of the Global Partnership for Education. The main program interventions to support the achievement of the key targets were assessed positively. JFPs and the government agreed on a single results framework with yearly targets and a common DLI framework.<sup>10</sup>

25. The program is technically sound and highly relevant to the development needs of the country. With declining enrollments in early grades because of population trends and more students completing grade 8, the program will strengthen the government's focus on secondary grades. The program envisages that more secondary schools will offer science subjects in grades 11 and 12. The pilot testing of 200 model schools will demonstrate approaches to school-based quality improvement.

26. Substantial economic and social benefits are expected from the implementation of the SSDP. The three sources of quantifiable economic benefits are: (i) increase in the number of basic and secondary education completers who earn higher wages (relative to non-completers), (ii) better quality of education resulting in a higher wage premium for all basic and secondary education completers, and (iii) less wastage of public and private resources as a result of fewer dropouts and repetitions. The economic analysis resulted in a sound economic internal rate of return of 16.0% for the program (12.6% for basic education and 23.9% for secondary education). A sensitivity analysis revealed that the wage premium resulting from the higher quality of education affects the return on investment more than other variables, implying that elevating the overall education quality of the workforce would bring a higher return on investment. Social analysis confirmed the program's strong poverty and gender focus. The program is categorized as *gender equity as theme*. Increasing the participation of girls in grades 11 and 12, particularly in science subjects, is a specific objective.

#### B. Program Systems Assessments

27. **Monitoring and evaluation system.** The EMIS is the main database for reporting on key performance indicators. Information on program and financial performance is provided through annual status reports and financial management reports. In addition, the Education Review Office conducts periodic performance audits of the MOE system. These monitoring and evaluation mechanisms will undergo further strengthening and will be used for the reporting and verification of DLI achievement. EMIS will undergo two rounds of third-party verification to ensure accuracy. EMIS data will also be used to generate school profile cards for social audits and sector performance reports.

<sup>9</sup> Under the Joint Financing Arrangement, a framework agreement between the JFPs (including ADB) and the government, the parties have agreed on a common procedure for the government to conduct, and the JFPs to monitor, the procurement of goods, works, and services under the program. As the funds of ADB and all other JFPs will be commingled to jointly finance the individual procurement packages under the program, universal procurement will apply (ADB. 2013. *Blanket Waiver of Member Country Procurement Eligibility Restrictions in Cases of Cofinancing for Operations Financed from Asian Development Fund Resources*. Manila).

<sup>10</sup> All JFPs support a common DLI framework, which will be included in the Joint Financing Arrangement. Some JFPs may have simplified procedures that do not require DLIs and will release their funds based on satisfactory joint review missions and presentation of audit reports.



28. **Fiduciary systems.** The program will use program systems for financial management, procurement, and anticorruption measures.<sup>11</sup> The program fiduciary system assessment was undertaken at country, MOE, DOE, and District Education Office (DEO) levels. The government's Public Expenditure and Financial Accountability Assessment Report in 2015 had shown improvement in 16 out of 28 public financial management performance areas, compared with the 2008 assessment report.<sup>12</sup> However, weaknesses remain in internal controls and oversight with capacity gaps in districts and schools. Problems of reconciliation between funds released by the Financial Comptroller General Office and expenditure recorded by the DEOs, and the lack of timely action on audit observations prevent efficient functioning. The overall fiduciary risk is *substantial*, which will be mitigated through a continuous program of system improvement outlined in the Fiduciary Management Action Plan agreed between JFPs and the government. A computerized government accounting system will be rolled out for timely and accurate financial management reporting. A task team on financial management in MOE will follow up on audit observations.

29. The program will follow program procurement systems. Country and sector procurement capacity was assessed, drawing on ADB's 2015 country and sector procurement assessment. Weaknesses found include: (i) lack of trained procurement staff, (ii) weak procurement planning and compliance monitoring, and (iii) inadequate monitoring of contractual performance in schools. The overall procurement risk is *substantial*, which will be mitigated by (i) filling vacant positions in DEOs to handle procurement; (ii) developing manuals for well-defined procurement procedures and training of DEO staff in procurement oversight; (iii) conducting school-level training in procurement procedures, including compliance with disclosure of contract opportunities and awards; (iv) performing an annual technical audit of the construction of schools; and (v) promoting an electronic government procurement system with training for DEOs. The annual fiduciary review will diagnose bottlenecks and provide support to solve them.

30. 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.<sup>13</sup>

31. **Safeguard systems.** A program safeguard system assessment was carried out for potential social and environment impacts, including an appraisal of applicable laws and regulations and institutional capacity for mitigating risks.<sup>14</sup> The major risks are (i) uneven compliance with safeguard regulations; (ii) weak capacity to integrate safeguard measures in program implementation; and (iii) inadequate documentation on safeguard compliance, including the transfer of land titles from communities to schools for voluntary land donations. Safeguard compliance and its reporting will be strengthened with the establishment of a safeguard desk with appropriate safeguard monitoring tools. The safeguard program actions are included in the PAP. The program safeguard systems assessment led to the categorization of B for environment, C for involuntary resettlement, and B for indigenous people.

### C. Integrated Risk Assessment and Mitigating Measures

32. Major risks and mitigating measures are summarized in Table 5. The risk ratings will be reduced from *high* and *substantial* to *moderate* and *low* with the mitigation measures. The overall benefits and impacts are expected to outweigh the risks and costs of mitigation.

<sup>11</sup> Program systems refer to country systems with measures for improvements as agreed between ADB and the Government of Nepal.

<sup>12</sup> Government of Nepal, Ministry of Finance. 2015. *Public Expenditure and Financial Accountability (PEFA) Assessment: Nepal PFM Performance Assessment II* (as of FY2013/2014). Kathmandu.

<sup>13</sup> ADB. 2013. *Piloting Results-Based Lending for Programs*. Manila (Appendix 7).

<sup>14</sup> The Program Safeguard Systems Assessment outlines the key safeguard impacts, Safeguards Policy Statement principles triggered, and main mitigation measures to be adopted for the SSDP.

**Table 5: Summary of Integrated Risk Assessment and Mitigating Measures**

<b>Risks</b>	<b>Ratings</b>	<b>Key Mitigating Measures</b>
<b>Results.</b> Sufficient qualified and trained subject teachers are not available for math, science, and English in grades 6–8 of basic education and grades 9–12 (secondary education).	High	MOE will develop and implement a teacher rationalization and deployment plan to improve teacher management and create additional positions for secondary education teachers.
Insufficient provision of teaching and learning resources to schools limits the scope of improvements in the quality of learning.	Substantial	Math, science, and English kits, and teacher training will be provided in 3,000 schools. 200 model schools will get ICT, trained head teachers, and innovative pedagogy.
<b>Expenditures and financing.</b> Inadequate budget allocation for SSDP and weak link between policy targets and budget allocations.	Substantial	Adequate budget allocation will be ensured through improved Annual Strategic Implementation Plan and Annual Work Plan and Budget with a stronger results chain of inputs and outputs.
<b>Fiduciary.</b> Weak internal controls and oversight of expenditures, particularly in the schools, delays in reconciliation of accounts and financial management reports, and uneven compliance with procurement rules with weak monitoring of procurement in the schools.	Substantial	A rolling annual fiduciary review will strengthen internal capacity for financial management and audit compliance. Nationwide implementation of CGAS will increase the efficiency and accuracy of accounting and reporting. Training to effectively monitor procurement in the schools and ensure compliance with disclosure procedures of procurement activities will increase oversight capacity.
<b>Operating environment.</b> The anticipated transition to the federal structure may need change in implementation arrangements and additional capacity; lack of a clear road map may impede sustained efforts in the education sector.	Substantial	Existing implementation arrangements for technical and management support to the program will be retained until the midterm review of the program. A task force will prepare the road map for the education sector.
<b>Overall Program Risk</b>	<b>Substantial</b>	

CGAS = computerized government accounting system, DEO = District Education Office, FCGO = Financial Comptroller General Office, ICT = information and communication technology, MOE = Ministry of Education, SSDP = School Sector Development Plan.

Source: Asian Development Bank.

#### IV. ASSURANCES

33. The Government of Nepal has agreed with ADB on certain covenants for the program, which are set forth in the loan agreement.

#### V. RECOMMENDATION

34. I am satisfied that the proposed loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and, acting in the absence of the President, under the provisions of Article 35.1 of the Articles of Agreement of ADB, I recommend that the Board approve the loan in various currencies equivalent to SDR85,507,000 to Nepal for the Supporting School Sector Development Plan, from ADB's Special Funds resources, with an interest charge at the rate of 1.0% per annum during the grace period and 1.5% per annum 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.

Stephen Groff  
Vice-President

11 October 2016

## DESIGN AND MONITORING FRAMEWORK

<b>Impact the Program is Aligned with</b> More qualified human resource base for equitable socioeconomic development (Supporting School Sector Development Plan) <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting</b>	<b>Risks</b>
<p><b>Outcome</b> Equitable access to quality secondary education enhanced</p>	<p><b>By 2022:</b></p> <p>a. GER in secondary education (grades 9–12) increased to 66.7 (girls: 66.6; boys: 66.8) (2015 baseline: 56.7 [girls: 56.6; boys: 56.8])</p> <p>b. Percentage of students enrolled in science subjects in grade 11 increased to 6.0% (girls) and 14.0% (boys) (2015 baseline: girls, 2.1%; boys, 5.0%)</p> <p>c. Cohort survival rate for grades 1–10 increased to 50.0% (2015 baseline: 37.9%)</p>	a–c. EMIS and/or MOE report	The anticipated transition to the federal structure may need change in implementation arrangements and additional capacity; lack of a clear road map may impede sustained efforts in the education sector.
<p><b>Outputs</b></p> <p>1. Access to basic and secondary schools improved</p> <p>2. Quality of school education improved</p>	<p><b>By 2021:</b></p> <p>1a. 3,000 basic schools and 1,500 secondary schools provided with full complement of math, science, and English teachers (2016 baseline: NA)</p> <p>1b. At least 20.0% of total teachers in secondary education (grades 9–12) are women (2015 baseline: 15.1%)</p> <p>1c. Revised pro-poor scholarship scheme implemented nationwide for all grades, including targeted interventions for increasing girls' participation in science subjects in grades 11 and 12 (2016 baseline: NA)</p> <p><b>By 2021:</b></p> <p>2a. 13,500 subject teachers (30% are women) for math, science, and English trained in new teacher professional development program in their respective subjects (2016 baseline: NA)</p> <p>2b. Activity-based math, science, and English kits provided for grades 6–8 in 3,000 schools (2016 baseline: NA)</p> <p>2c. All students appearing for grade 8 and grade 10 examinations (at least 45% girls) sit for standardized and improved annual examination (2016 baseline: NA)</p>	<p>1a–c. EMIS and/or MOE report</p> <p>2a–c. EMIS and/or MOE report</p>	<p>Inadequate budget allocation for SSDP and weak link between policy targets and budget allocations.</p> <p>Delays in approving new teacher positions and implementing teacher rationalization.</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
<p>3. Model school program pilot tested</p> <p>4. School system governance and management improved</p>	<p><b>By 2021:</b></p> <p>3a. Model school program implemented in 200 community schools offering grades 1–10 or grades 1–12 (2016 baseline: none)</p> <p>3b. 40,000 students (50% are girls) used new ICT resources and e-learning materials (2016 baseline: NA)</p> <p>3c. 2,000 teachers (at least 30% women) trained in new ICT and e-learning resources for classroom teaching (2016 baseline: NA)</p> <p><b>By 2021:</b></p> <p>4a. Web-based EMIS with disaggregated data for gender and social groups operationalized (2016 baseline: EMIS is not web-based)</p> <p>4b. At least 95% accuracy of EMIS student and teacher data based on third-party verification (2014 baseline: 10% variation noted in PETS)</p> <p>4c. Percentage of recurring audit observations in SSDP no more than 5.0% of total expenditure (2015 baseline: 5.8%)</p> <p>4d. A revised needs- and performance-based school grants system implemented nationwide (2016 baseline: earmarked, norm-based school grants system)</p>	<p>3a–c. EMIS and/or MOE report</p> <p>4a. Web-based EMIS; MOE report; TA report</p> <p>4b. MOE report and third-party report</p> <p>4c. OAG audit reports</p> <p>4d. Revised school grants system; MOE guidelines and/or program implementation manual</p>	
<p><b>Key Program Actions</b></p> <p><b>Output 1: Access to basic and secondary schools improved</b></p> <p>1.1 By March 2017, Teacher Rationalization and Deployment Plan for ensuring sufficient math, science, and English subject teachers in basic and secondary schools approved</p> <p>1.2 By March 2017, revised pro-poor scheme developed, with targeted interventions for increasing girls' participation in science subjects in grades 11–12</p> <p><b>Output 2: Quality of school education improved</b></p> <p>2.1 By March 2017, NEB made operational</p> <p>2.2 By November 2017 and November 2020, respectively, item bank of standardized test items for grade 8 and grade 10 examinations developed by NEB</p> <p>2.3 By March 2017, new teacher training modules for math, science, English, and ICT developed</p> <p>2.4 By November 2017, a package of activity-based math, science, and English kits for grades 6–8 developed</p> <p><b>Output 3: Model school program pilot tested</b></p> <p>3.1 By November 2016, eligibility and selection criteria for model schools developed; by March 2017, guidelines for establishment and operation of model schools approved</p> <p>3.2 By March 2017, school-specific, costed multiyear plan for 100 model schools developed; by March 2018, school-specific, costed multiyear plan for additional 100 model schools developed</p>			

- 3.3 By March 2017, separate full-time head teacher positions for model schools created and education regulations amended to strengthen the role and responsibility of head teachers
- 3.4 By March 2018, package of ICT-based e-learning resources for pilot testing innovative teaching and learning in model schools developed by subject

**Output 4: School system governance and management improved**

- 4.1 By March 2017, FMAP approved
- 4.2 By March 2017, design of web-based user interface for EMIS completed; implemented by June 2017
- 4.3 By November 2017, the first round of third-party independent verification of EMIS completed; by November 2019, second round completed
- 4.4 By July 2018, CGAS rolled out in all 75 districts
- 4.5 By July 2020, electronic government procurement system installed in all 75 DEOs
- 4.6 By July 2017, all accounting and technical (engineering) positions in all 75 DEOs filled up by regular or qualified contracted staff
- 4.7 By November 2016, simplified school-level accounting and financial reporting included in the revised education regulations
- 4.8 By November 2017, revised needs- and performance-based school grant system approved; implemented nationwide by November 2019

**Financing Plan**

Total program financing from FY2017 to FY2021: \$6,461 million (estimate)  
 Government: \$5,761 million  
 ADB: \$120 million (ADF loan)  
 \$500,000 (technical assistance)

**Assumptions for Partner Financing**

Australia (\$9.00 million), EU (\$63.10 million), Finland (\$22.34 million), GPE (\$26.60 million), JICA (\$3.00 million), Norway (\$39.46 million), UNICEF (\$2.50 million), and World Bank (\$150.00 million) will cofinance the program on a joint collaborative basis. The partner financing will be in support of outputs in a common results framework agreed between the government and all JFPs.

ADB = Asian Development Bank, ADF = Asian Development Fund, CGAS = computerized government accounting system, DEO = District Education Office, EMIS = education management information system, EU = European Union, FMAP = Financial Management Action Plan, FY = fiscal year, GER = gross enrollment rate, GPE = Global Partnership for Education, ICT = information and communication technology, JFP = joint financing partner, JICA = Japan International Cooperation Agency, MOE = Ministry of Education, NA = not applicable, NEB = National Examination Board, OAG = Office of the Auditor General, PETS = Public Expenditure Tracking Survey, SSDP = School Sector Development Plan, TA = technical assistance, UNICEF = United Nations Children's Fund.

<sup>a</sup> Government of Nepal, Ministry of Education. 2016. *School Sector Development Plan*. Kathmandu.

Source: Asian Development Bank.

### **LIST OF LINKED DOCUMENTS**

<http://www.adb.org/Documents/RRPs/?id=49424-001-3>

1. Loan Agreement
2. Country Economic Indicators
3. Summary Sector Assessment: Education
4. Program Soundness Assessment
5. Program Results Assessment
6. Program Results Framework
7. Program Expenditure and Financing Assessment
8. Program Monitoring and Evaluation System Assessment
9. Program Fiduciary Systems Assessment
10. Program Safeguard Systems Assessment
11. Integrated Risk Assessment and Mitigating Measures
12. Program Action Plan
13. Attached Technical Assistance
14. Contribution to the ADB Results Framework
15. Development Coordination
16. Summary Poverty Reduction and Social Strategy
17. Program Implementation Document

### **Supplementary Documents**

18. Detailed Financial Management Assessment
19. Economic Analysis
20. Additional Information to Program Safeguard Systems Assessment

## DISBURSEMENT-LINKED INDICATORS, VERIFICATION PROTOCOLS, AND DISBURSEMENT SCHEDULE

### Table A3.1: Disbursement-Linked Indicators

**Prior Results: Verification in November 2016; Disbursement in January 2017; Year 1: Verification in March 2017; Disbursement in April 2017; Year 2: Verification in November 2017; Disbursement in January 2018; Year 3: Verification in November 2018; Disbursement in January 2019; Year 4: Verification in November 2019; Disbursement in April 2020; Year 5: Verification in November 2020; Disbursement in January 2021**

Disbursement-Linked Indicators	Baseline Value and Year	Target Values					
		Prior Results	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Outcome: Equitable access to quality secondary education enhanced</b>							
<b>DLI 1</b> Increased access and participation of girls and boys in secondary education	GER for secondary education in 2015: Girls: 56.6% Boys: 56.8% Both: 56.7%		A revised pro-poor scholarship scheme developed that includes targeted interventions for increasing girls' participation in science subjects in grades 11 and 12.	Revised pro-poor scholarship scheme implemented in 15 districts, with targeted interventions for increasing girls' participation in science subjects in grades 11 and 12 (partial disbursement allowed).		5.0 percentage points increase in GER for secondary education over the baseline Girls: 61.6 Boys: 61.8 (partial disbursement allowed).	7.0 percentage points increase in GER for secondary education over the baseline Girls: 63.6 Boys: 63.8 (partial disbursement allowed).
<b>Output 1: Access to basic and secondary schools improved</b>							
<b>DLI 2</b> Improved deployment of trained subject teachers for math, science and English in basic and secondary schools	Provision of full complement of math, science and English subject teachers is a new initiative, and new subject-wise training modules for teachers are to be developed.		Teacher Rationalization and Deployment Plan, particularly to ensure the availability of subject teachers in basic and secondary schools, approved.		(i) 1,000 basic schools and 500 secondary schools have full complement of math, science and English subject teachers (partial disbursement allowed).  (ii) 4,500 subject teachers for math, science and English trained in new subject-wise training	2,000 basic schools and 1,000 secondary schools have full complement of math, science and English subject teachers (partial disbursement allowed).	(i) 3,000 basic schools and 1,500 secondary schools have full complement of math, science and English subject teachers. (partial disbursement allowed).  (ii) 13,500 subject teachers for math, science and English trained in new subject wise training

Disbursement-Linked Indicators	Baseline Value and Year	Target Values					
		Prior Results	Year 1	Year 2	Year 3	Year 4	Year 5
					(partial disbursement allowed).		(partial disbursement allowed).
<b>Output 2: Quality of school education improved</b>							
<b>DLI 3</b> Activity-based math, science, and English materials to improve teaching and learning provided	New package of activity-based kits to be developed.			A package of activity-based kits for math, science and English language developed for grades 6–8.	1,000 basic schools provided with activity-based kits for math, science and English language (partial disbursement allowed).		3,000 basic schools provided with activity-based kits for math, science and English language benefiting 60,000 students of which at least 50% are girls (partial disbursement allowed).
<b>DLI 4</b> Examination system reforms undertaken to improve teaching and learning	Examinations are not adequately standardized across districts and from year to year.		National Examination Board made operational.		All students appearing for the grade 8 examinations (at least 45% girls) sit for standardized and improved annual examination.		All students appearing for the grade 10 examinations (at least 45% girls) sit for standardized and improved annual examination.
<b>Output 3: Model school program pilot tested</b>							
<b>DLI 5</b> Model schools pilot tested with comprehensive quality inputs and innovative teaching and learning	Piloting of model schools is a new initiative.	Eligibility and selection criteria for model schools developed.	Guidelines for establishment and operation of model schools approved by MOE.	Implementation of approved school-specific multi-year quality improvement plans in 100 model schools initiated (partial disbursement allowed).	(i) Implementation of approved school-specific multi-year quality improvement plans in additional 100 model schools initiated (partial disbursement allowed).	The 100 schools selected in 2018 provided with science and ICT laboratories, libraries, e-resources and math, science and English language kits (partial disbursement allowed).	At least 200 secondary schools upgraded to model schools, benefiting 40,000 students of which at least 50% are girls (partial disbursement allowed).



Disbursement-Linked Indicators	Baseline Value and Year	Target Values					
		Prior Results	Year 1	Year 2	Year 3	Year 4	Year 5
					(ii) The 100 schools selected in 2017 provided with science and ICT laboratories, libraries, e-resources and math, science and English language kits (partial disbursement allowed).		
<b>Output 4: School system governance and management improved</b>							
<b>DLI 6</b> Improved governance and strengthened fiduciary management of schools	Limited fiduciary management system capacity.	(i) Eighth Amendment to the Education Act (2016) passed by the Parliament.  (ii) SSDP implementation arrangements with FM, procurement and safeguard units in place.	(i) SSDP FMAP approved by the SSDP Steering Committee.  (ii) Manual developed with well-defined procedures for procurement of works, goods and services as per PPA and PPR.	(i) A revised needs- and performance-based school grant system approved by the MOE.  (ii) Training imparted to 1,000 secondary schools in procurement procedures.	(i) e-GP system for national competitive bidding is implemented in at least 35 DEOs with training.  (ii) CGAS implemented in all 75 DEOs with training.	(i) Revised needs- and performance-based school grant system implemented in all 75 DEOs (partial disbursement allowed).  (ii) Training imparted to 2,000 secondary schools in procurement procedures.	(i) Percentage of recurring audit observations of SSDP no more than 5% of the total SSDP expenditures.  (ii) e-GP system for national competitive bidding is implemented in all 75 DEOs with training.
<b>DLI 7</b> Enhanced reliability and transparency of the EMIS data, including school-level data	Non-web-based EMIS  Self-reported EMIS			First round of sample-based independent verification of EMIS completed.	Web-based EMIS, with disaggregated data for gender and social groups, operational in all 75 DEOs.	(i) Annual sector performance report prepared with the web-based EMIS data.  (ii) Second round of sample-based independent verification of EMIS completed with at	District and school profiles from EMIS used in school social audits nationwide as a tool to improve school performance.

Disbursement-Linked Indicators	Baseline Value and Year	Target Values					
		Prior Results	Year 1	Year 2	Year 3	Year 4	Year 5
						least 95% accuracy of student and teacher data.	

CGAS = Computerized Government Accounting System, DEO = District Education Office, DLI = disbursement-linked indicator, e-GP = electronic government procurement, EMIS = education management information system, FM = financial management, FMAP = fiduciary management action plan, GER = gross enrollment rate, ICT = information and communication technology, MOE = Ministry of Education, PPA = Public Procurement Act, PPR = Public Procurement Regulations, SSDP = School Sector Development Plan.

Source: Asian Development Bank.

Table A3.2: Verification Protocols

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure
<b>DLI 1: Increased access and participation of girls and boys in secondary education</b>			
<p><b>Year 1, March 2017:</b> A revised pro-poor scholarship scheme developed that includes targeted interventions for increasing girls' participation in science subjects in grades 11 and 12.</p> <p><b>Year 2, Nov 2017:</b> Revised pro-poor scholarship scheme implemented in 15 districts, with targeted interventions for increasing girls' participation in science subjects in grades 11 and 12.</p>	<p>The <b>revised pro-poor scholarship scheme</b> is targeted at the poor and includes higher financial subsidy to reflect the real cost of secondary schooling to the disadvantaged. It will rationalize the large number of existing discrete scholarship schemes. The revised pro-poor scholarship scheme will also include the provision for scholarships for girls to study science subjects in grades 11 and 12. The DLI is achieved when JFPs review and agree on the revised pro-poor scheme guidelines.</p> <p>The revised pro-poor scholarship scheme is implemented in 15 districts, targeting the poor, girls and boys, with the objective of increasing retention and completion rates for basic and secondary grades among poor students.</p> <p>This DLI is achieved when the MOE report confirming achievement of the DLI target is verified on a sample basis by an independent, third party recruited by the JFPs.</p> <p>Partial achievement is by the number of districts implementing the pro-poor scholarship scheme and the girls' science scholarship scheme. Total disbursement divided by 15 districts for Year 2 (2017).</p>	MOE, annual	<p>PCS will submit to the JFPs a copy of the approved revised pro-poor scheme. The JFPs will jointly verify the submitted documents.</p> <p>PCS will submit a report on the implementation of the revised scholarship scheme in 15 districts, including details on student beneficiaries and their participation by grade in schooling. Independent, third party verification of the report will be conducted by the JFPs.</p>
<p><b>Year 4, Nov 2019:</b> 5.0 percentage points increase in GER for secondary education over the baseline for both girls and boys.</p> <p><b>Year 5, Nov 2020:</b> 7.0 percentage points increase in GER for secondary education over the baseline for both girls and boys.</p>	<p>The GER in secondary education (grades 9–12) for girls and boys will be 5.0 percentage points higher than the 2015 baseline, and reach 61.6% for girls and 61.8% for boys by Year 4 (2019) and will be 7.0% higher than the 2015 baseline, and reach 63.6% for girls and 63.8% for boys by Year 5 (2020).</p> <p>The DLI is achieved when EMIS data provides evidence of increase in GER as above for girls and boys in Year 4 and 5.</p> <p>Partial disbursement is by the percentage point increase in GER over the baseline. Disbursement will be proportional to the percentage point increase in GER.</p>	MOE, annual	PCS will submit a report using EMIS data on the achievement of the GER for girls and boys.
<b>DLI 2: Improved deployment of trained subject teachers for math, science and English in basic and secondary schools</b>			
<b>Year 1, March 2017:</b> Teacher Rationalization and Deployment Plan,	<b>Basic school</b> offers ECED–grade 8, and <b>secondary school</b> offers ECED–grade 10 or ECED–grade 12. Subject teachers for math, science and English have the teacher license and are recruited into approved positions to teach specific	MOE, annual	MOE and JFPs will discuss the draft Teacher Rationalization and Deployment Plan. PCS

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency and Procedure</b>
<p>particularly to ensure the availability of subject teachers in basic and secondary schools, approved.</p>	<p>subjects.</p> <p>The <b>Teacher Rationalization and Deployment Plan</b> will include: (i) a phased plan for all basic and secondary schools to have at least one math teacher, one science teacher and one English teacher per school to teach both basic (grades 1-8) and secondary (grades 9–12) levels; (ii) a time-bound plan to rationalize excess teacher positions in lower grades and shortage in higher grades; (iii) annual targets for rationalization and deployment; and (iv) annual targets for deployment of additional subject teachers for secondary levels.</p> <p>This DLI is achieved when the JFPs and MOE have jointly agreed on the Teacher Rationalization and Deployment Plan and it is approved by the MOE.</p>		<p>will submit to the JFPs a copy of the approved Teacher Rationalization and Deployment Plan. The JFPs will jointly verify the submitted documents.</p>
<p><b>Year 3 (i), Nov 2018:</b> 1,000 basic and 500 secondary schools have full complement of math, science and English subject teachers.</p> <p><b>Year 4, Nov 2019:</b> 2,000 basic schools and 1,000 secondary schools.</p> <p><b>Year 5 (ii), Nov 2020:</b> 3,000 basic schools and 1,500 secondary schools</p>	<p><b>Full complement of subject teachers</b> means that a school will have at least one math teacher, one science teacher and one English teacher each. Each of these teachers may teach both the basic and secondary levels in the same school. The 500 secondary schools exclude the model schools (see definition below in DL15). The number of schools is cumulative over the years.</p> <p>This DLI is achieved when the MOE report confirming achievement of the DLI target is verified on a sample basis by an independent, third party recruited by the JFPs. A school will be counted for the DLI only when it has at least one teacher for each of math, science and English subjects.</p> <p>Partial achievement of the DLI is by the number of schools meeting the DLI. Total disbursement divided by 1,500 schools for Year 3 (2018), total disbursement divided by 1,500 additional schools over Year 3 targets for Year 4 (2019), and total disbursement divided by 1,500 additional schools over Year 3 and Year 4 cumulative targets for Year 5 (2020).</p>	<p>EMIS, annual; Sample Survey, periodic</p>	<p>PCS will submit a report to the JFPs, providing the list of basic schools and secondary schools that have placed the full complement of math, science and English subject teachers. Independent, third party verification of the report will be conducted by the JFPs. This data will be integrated into EMIS.</p>
<p><b>Year 3 (ii), Nov 2018:</b> 4,500 subject teachers for science, math and English trained in new subject-wise training.</p> <p><b>Year 5 (ii), Nov 2020:</b> 13,500 subject teachers</p>	<p><b>Trained subject teachers</b> refer to the math, science and English subject teachers who have received the new one-month, subject-wise training implemented by the NCED. Specific training, which may be certification based, will be developed for each of the subjects (math, science and English) and will cover teachers in grades 6–8, and grades 9–10 or 9–12. The number of trained subject teachers is cumulative over the years.</p> <p>This DLI is achieved when the MOE report confirming achievement of the targets has been reviewed and agreed by the JFPs.</p>	<p>EMIS; NCED, annual</p>	<p>PCS will submit a report to JFPs on the total numbers of math, science and English subject teachers in basic and secondary schools that have received the new subject-wise training for the relevant subject.</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure
	Partial achievement of the DLI is by the number of teachers. Total disbursement divided by 4,500 teachers for Year 3 (2018), and total disbursement divided by 9,000 additional teachers over Year 3 targets for Year 5 (2020).		
<b>DLI 3: Activity-based math, science, and English materials to improve teaching and learning provided</b>			
<p><b>Year 2, Nov 2017:</b> A package of activity-based kits for math, science and English language developed for grades 6–8.</p>	<p>The <b>package of activity-based kits for math, science and English language</b> is a standardized package of resource materials for grades 6-8, based on the national curriculum, drawing on regional and international good practice.</p> <p>This DLI is achieved when independent verification confirms that the package of kits is acceptable, based on a review of the packages on a sample basis.</p>	CDC, six monthly	PCS will submit a report with description of the kits. Independent, third party verification of adequacy of the packages will be conducted by the JFPs.
<p><b>Year 3, Nov 2018:</b> 1,000 basic schools provided with kits for math, science and English language.</p> <p><b>Year 5, Nov 2020:</b> 3,000 basic schools provided with activity-based kits for math, science and English language benefiting at least 60,000 students of which 50% are girls.</p>	<p><b>Basic schools</b> refer to the same schools that benefit from one subject teacher for each of math, science and English as per DLI 2. DOE and national resource group will provide detailed specifications for the standardized package of math, science and English language kits to DEOs and schools. DEOs will provide grants to schools and schools will purchase the kits from the market.</p> <p>This DLI is achieved when an independent, third party verifies, on a sample basis, that the kits are available in the schools. The number of schools is cumulative over the years.</p> <p>Partial achievement of the DLI is by the number of schools and not students, Total disbursement divided by 1,000 schools in Year 3 (2018), and total disbursement divided by 2,000 additional schools over Year 3 targets in Year 5 (2020). MOE will provide disaggregated data on student beneficiaries in the total number of schools receiving this intervention.</p>	EMIS, six monthly	PCS will submit a report that includes the list of schools to which the math, science and English language kits for grades 6–8 have been provided and the number of students (girls and boys) benefiting. Independent, third party verification of the report will be conducted by the JFPs.
<b>DLI 4: Examination system reforms undertaken to improve teaching and learning</b>			
<p><b>Year 1, March 2017:</b> National Examination Board made operational.</p>	<p><b>National Examination Board Operational</b> refers to a notification by government of the establishment of NEB, appointment of a Head, and allocation of a budget.</p> <p>This DLI is achieved when the government notification is agreed by the JFPs.</p>	MOE/NEB, one time in 2017	PCS will submit a copy of the government notification on the establishment of NEB with details of staffing and budget.
<p><b>Year 3, Nov 2018:</b> All students appearing for grade 8 examinations (at least 45% girls) sit for standardized and improved annual examination.</p>	<p><b>Grade 8 examination</b> is conducted at the district level by the DEO and <b>grade 10 examination</b> is conducted at the regional level by the NEB.</p> <p><b>Students appearing for examinations</b> are those who have registered for the examination and have the required attendance rate to sit for the final examinations.</p>	NEB, annual on progress; 2018 and 2020 on roll out of examinations	PCS will provide an attestation letter certifying that all eligible students from grades 8 and 10 (disaggregated by gender) have undergone the annual examinations conducted using the standardized and improved

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency and Procedure</b>
<p><b>Year 5, Nov 2020:</b> All students appearing for grade 10 examinations (at least 45% girls) sit for standardized and improved annual examination.</p>	<p><b>Standardized and improved examination</b> will use improved test items that include an appropriate mix of cognitive domains, which are standardized to ensure comparability across districts/regions and over time. The test items will reduce emphasis on rote learning by students and increase emphasis on knowledge and skills.</p> <p>This DLI is achieved when MOE confirms that all students appearing for annual grade 8 and grade 10 examinations (of which 45% are girls) have participated in district and regional national examinations conducted nationwide for the respective grades by using the newly developed standardized and improved test items.</p>		<p>test items, together with copies of examination question papers. The JFPs will jointly verify.</p>
<b>DLI 5: Model schools pilot tested with comprehensive quality inputs and innovative teaching and learning</b>			
<p><b>Prior result, Nov 2016:</b> Eligibility and selection criteria for model schools developed.</p>	<p><b>Eligibility and selection criteria</b> include details on how schools can apply to be a model school and how schools are selected for upgrade to model schools.</p> <p>This DLI is achieved when the JFPs jointly agree on the eligibility and selection criteria for model schools developed by the MOE.</p>	<p>MOE, one time in November 2016</p>	<p>PCS will submit a copy of the eligibility and selection criteria for model schools to the JFPs, which will be jointly verified by the JFPs.</p>
<p><b>Year 1, March 2017:</b> Guidelines for establishment and operation of model schools approved by MOE.</p>	<p><b>Guidelines for establishment and operation of model schools</b> will include (i) key features such as separate head teacher and subject teachers; disaster resilient infrastructure; ICT laboratory; science laboratory; library; e-resources; math, science and English language kits (see DLI 3); water and sanitation facilities and offering of science subjects in grades 11 and 12; (ii) procedures for governance; and (iii) intensive support to school-based quality improvement.</p> <p>This DLI is achieved when JFPs review and agree on the guidelines.</p>	<p>MOE, one time in March 2016</p>	<p>PCS will submit a copy of the approved guidelines for the establishment and operation of model schools to the JFPs. The JFPs will jointly verify the guidelines.</p>
<p><b>Year 2, Nov 2017:</b> Implementation of approved school-specific multi-year quality improvement plans in 100 model schools initiated.</p> <p><b>Year 3 (i), Nov 2018:</b> Implementation of approved school-specific multi-year quality improvement plans in additional 100 model schools initiated</p>	<p><b>Approved school-specific multi-year quality improvement plan</b> will include needs assessment and comprehensive planning for upgrade to a model school, including construction or retrofitting of buildings, water and sanitation facilities, science laboratory, library, ICT laboratory, e-resources and playground.</p> <p>The DLI is achieved when MOE submits the school-specific plans, with detailed costs and 5-year implementation plan, and confirms deployment of head teachers (one full-time head teacher per school) and subject teachers (one subject teacher for each of math, science and English subjects to teach both basic and secondary levels), and the JFPs review and agree.</p> <p>Partial achievement of the DLI is by the number of model schools. Total disbursement divided by 100 model schools for each of Year 2 (2017) and Year 3 (2018).</p>	<p>MOE, annual</p>	<p>PCS will submit multi-year quality improvement plans and confirmation of teacher positioning to the JFPs, which will be jointly verified.</p>

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency and Procedure</b>
<p><b>Year 3 (ii), Nov 2018:</b> The 100 schools selected in 2017 provided with science and ICT laboratories; libraries; e-resources; and kits for math, science and English language kits.</p> <p><b>Year 4, Nov 2019:</b> The 100 schools selected in 2018 provided with science and ICT laboratories; libraries; e-resources; and kits for math, science and English language kits.</p>	<p>The 100 schools selected in each of 2017 and 2018 will be provided with ICT laboratories; libraries; e-resources; science laboratories; and math, science and English language kits, in accordance with the specifications in the Guidelines for the establishment and operation of model schools and with the detailed school-specific quality improvement plans.</p> <p>This DLI is achieved when the MOE report is submitted and an independent, third party verification confirms those ICT laboratories; libraries; e-resources; science laboratories; and math, science and English language kits have been provided to the 100 schools each selected in 2017 and 2018.</p> <p>Partial achievement of the DLI is by the number of model schools. Total DLI divided by 100 model schools each for Year 3 (2018) and Year 4 (2019).</p>	MOE, annual	PCS will submit a report on the provision of ICT laboratories, libraries, e-resources, science laboratories, and math, science and English language kits and an implementation progress report. Independent, third party verification of the report will be conducted by JFPs.
<p><b>Year 5, Nov 2020:</b> At least 200 secondary schools upgraded to model schools with science subjects offered in grades 11–12, benefiting 40,000 students of which 50.0% are girls.</p>	<p><b>Upgraded</b> refers to the implementation of activities as per approved school-specific quality improvement plans, and inclusion of science subjects if not done previously.</p> <p>This DLI is achieved when independent, third party verification confirms that activities in the approved school-specific plans have been undertaken for 200 schools and they offer science subjects in grades 11 and 12 and student beneficiary data is provided.</p> <p>Partial achievement of the DLI is by the number of model schools. Total disbursement divided by 200 model schools.</p>	MOE, final year report in Nov 2020	PCS will submit a completion report of model schools implementation to JFPs. Independent, third party verification of the report will be conducted by JFPs.
<b>DLI 6: Improved governance and strengthened fiduciary management of schools</b>			
<p><b>Prior result (i), Nov 2016:</b> Eighth Amendment to the Education Act (2016) passed by the Parliament.</p> <p><b>Prior result (ii), Nov 2016:</b> SSDP implementation arrangements with FM, procurement and</p>	<p><b>SSDP implementation arrangements</b> refer to dedicated staff and technical expertise in MOE, DOE, CLA and DEO for SSDP, in areas such as program management and monitoring, financial and procurement management, safeguard compliance and technical support to components jointly agreed between MOE and JFPs, and as reflected in the PID.</p> <p>This DLI is achieved when the JFPs (i) jointly verify that the Eighth Amendment to the Education Act (2016) has been passed by the Parliament and published in the Nepal Gazette, and (ii) jointly agree that adequate SSDP implementation arrangements are in place.</p>	MOE, one time in Nov 2016	<p>PCS will submit a copy, in English, of the Eighth Amendment to the Education Act (2016) passed by the Parliament.</p> <p>PCS will submit details of the SSDP implementation arrangements jointly agreed with the JFPs.</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure
safeguard units in place.			
<p><b>Year 1 (i), March 2017:</b> SSDP FMAP approved by the SC.</p>	<p><b>SSDP FMAP</b> is jointly developed by MOE and JFPs and includes measures to continuously improve fiduciary management of SSDP such as (i) plan for ensuring adequate staff in each DEO for FM, engineering and procurement functions with capacity development; (ii) plan for annual fiduciary reviews; (iii) plan for rollout of CGAS; and (iv) plan for rollout of e-GP system of PPMO for national competitive bidding at DOE and DEO levels.</p> <p>This DLI is achieved when the JFPs verify and agree on the approved FMAP.</p>	MOE/DOE, Plan shared in Mar 2017; Annual progress report	PCS will submit a copy of the FMAP approved by the SC to the JFPs.
<p><b>Year 1 (ii), March 2017:</b> Manual developed with well-defined procedures for procurement of works, goods and services as per PPA and PPR.</p> <p><b>Year 2 (ii), Nov 2017:</b> Training imparted to 1,000 secondary schools in procurement procedures.</p> <p><b>Year 4 (ii), Nov 2019:</b> Training imparted to 2,000 secondary schools in procurement procedures.</p>	<p><b>Manual</b> refers to school procurement guidelines outlining procurement procedures with emphasis on public advertisements of contract opportunities and awards, and thresholds for works, goods, and services, in accordance with the PPA and PPR.</p> <p>This DLI is achieved when the JFPs verify, and agree with MOE on the (i) Manual for school for procurement of works, goods and services, and (ii) the number of secondary schools that have received the training based on the manual.</p>		PCS will submit a copy of the (i) Manual for school for procurement of works, goods and services, and (ii) the list of secondary schools provided with training based on the manual to the JFPs. The JFPs will jointly verify.
<p><b>Year 2 (i), Nov 2017:</b> A revised needs- and performance-based school grant system approved by the MOE.</p>	<p><b>The revised needs- and performance-based school grant system</b> will redefine the guidelines, norms and procedures for the flow of grants to schools to better address critical school-specific needs and to strengthen performance of schools. This will be based on the review of the existing school grants system.</p> <p>This DLI is achieved when the JFPs verify, and agree with MOE on the revised needs- and performance-based school grant system, and MOE approves the revised school grant system.</p>	MOE, one time in Nov 2017; Annual progress report	PCS will submit a copy of the (i) revised needs- and performance-based school grant system, and (ii) updated manuals and guidelines for procurement of goods and services to the JFPs. The JFPs will jointly verify.
<p><b>Year 3 (i), Nov 2018:</b> e-GP for national competitive bidding is implemented in at least 35 DEOs with training.</p>	<p><b>e-GP</b> refers to online procurement system of the PPMO.</p> <p>This DLI is achieved when the independent, third party verification confirms that the e-GP with training has been implemented in the DEOs as per the targets of 35 in Year 3 (2018) and 75 in Year 5 (2020).</p>	MOE, annual	PCS will submit a report confirming implementation of e-GP with training for national competitive bidding in the DEOs as per targets. Independent verification will be



<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency and Procedure</b>
<b>Year 5 (ii), Nov 2020:</b> e-GP for national competitive bidding is implemented in all 75 DEOs with training			conducted by JFPs.
<b>Year 4 (i), Nov 2019:</b> Revised needs- and performance-based school grant system implemented in all 75 DEOs.	<b>The revised needs- and performance-based school grant system</b> will redefine the guidelines, norms and procedures for the flow of grants to schools to better address critical school-specific needs and to strengthen performance of schools. This will be based on the review of the existing school grants system.  This DLI is achieved when the independent, third party verification confirms that the needs- and performance-based school grant system has been implemented in all 75 DEOs. Partial achievement of the DLI is by the number of districts where the revised school grant system is implemented. Total disbursement divided by 75 districts.	MOE/DOE, Annual Progress Report	PCS will submit to JFPs a letter certifying that the new school grant system has been implemented in all 75 DEOs. Independent, third party verification will be conducted by JFPs.
<b>Year 3 (ii), Nov 2018:</b> CGAS implemented in all 75 DEOs with training	<b>CGAS</b> refers to unified web-based computerized accounting system of FCGO.  This DLI is achieved when the independent, third party verification confirms that the CGAS has been implemented in all 75 DEOs.	MOE; FCGO, annual	PCS will submit a report confirming implementation of CGAS with training in all 75 DEOs. Independent verification will be conducted by JFPs.
<b>Year 5 (i), Nov 2020:</b> Percentage of recurring audit observations of SSDP no more than 5.0% of the total SSDP expenditures.	<b>Recurring audit observations</b> for SSDP refer to observations made by OAG in its annual audit report that is repeated more than one year.  The DLI is achieved when the JFPs jointly verify that the percentage of audit observations for FY2018 is no more than 5.0% of the total SSDP expenditures for FY2018.	OAG, annual	PCS will submit to the JFPs a letter indicating audit observations on SSDP for FY2018, together with a copy of OAG audit report for FY2018. JFPs will jointly verify.
<b>DLI 7: Enhanced reliability and transparency of the education management and information system data, including school level data</b>			
<b>Year 2, Nov 2017:</b> First round of sample-based independent verification of EMIS completed.	<b>Sample-based independent verification</b> refers to a third party validation of school-wise EMIS data, based on a random sample of no less than 5.0% of the total number of public schools in the country.  This DLI is achieved when the final report of the sample-based independent verification of the EMIS data is made publicly available.	MOE/DOE, 2017	PCS will submit to the JFPs a report on the sample-based independent verification of EMIS.
<b>Year 3, Nov 2018:</b> Web-based EMIS, with	<b>Web-based EMIS</b> refers to a system in which data entry occurs on web-based user interface at the DEO level. <b>Operational</b> means EMIS data utilizes web-	DOE, Annual Report;	PCS will submit a letter to the JFPs providing evidence that a

<b>Disbursement-Linked Indicators</b>	<b>Definition and Description of Achievement</b>	<b>Information Source and Frequency</b>	<b>Verification Agency and Procedure</b>
disaggregated data for gender and social groups, operational in all 75 DEOs.	based entry of all school level information by all DEOs.  This DLI is achieved when JFPs jointly verify that a web-based EMIS is operational.	Website, ongoing	web-based EMIS with disaggregated data for gender and social groups is operational and that it is publicly accessible.
<b>Year 4 (i), Nov 2019:</b> Annual sector performance report prepared with web-based EMIS data.	<b>Annual sector performance report</b> is the analytical report of education sector performance and achievement of SSDP program results based on EMIS data analysis.  This DLI is achieved when MOE makes an annual sector performance report prepared with web-based EMIS data publicly available.	MOE, 2019	PCS will submit a copy of the annual sector performance report to the JFPs, together with an attestation letter stating that the report has been prepared with web-based EMIS data. Independent, third party verification of EMIS will confirm this.
<b>Year 4 (ii), Nov 2019:</b> Second round of sample-based independent verification of EMIS completed with 95.0% accuracy of student and teacher data.	<b>Sample-based independent verification</b> refers to a third party validation of school-wise EMIS data, based on a random sample of no less than 5.0% of the total number of schools in the country.  This DLI is achieved when the final report of the sample-based independent verification of the EMIS data, showing at least 95.0% accuracy of data on the number of students and teachers, is made publicly available.	MOE/DOE, 2019	PCS will submit to the JFPs a report on the sample-based independent verification of EMIS, which shows at least 95.0% accuracy of student and teacher data.
<b>Year 5, Nov 2020:</b> District and school profiles from EMIS used in school social audits nation-wide as a tool to improve school performance.	<b>School profile</b> refers to an EMIS-generated report of the school, which includes information on school details, students, teachers, STR, internal efficiency, with comparative information on other schools in the district and beyond. <b>Social audit</b> refers to the annual audit of the school's financial and educational performance conducted by the PTA and disseminated at the school level.  This DLI is achieved when JFPs jointly verify the report submitted by the PCS.	DOE, 2020	PCS will submit to the JFPs a report that will include data on the use of district and school profiles in school social audits.

CDG = Curriculum Development Center, CGAS = Computerized Government Accounting System, CLA = Central Line Agencies; DEO = District Education Office, DLI = disbursement-linked indicator, DOE = Department of Education, ECED = Early Childhood Education Development, EMIS = education management information system, e-GP = electronic government procurement, FCGO = Financial Comptroller General Office, FM = financial management, FMAP = fiduciary management action plan, FY = fiscal year, ICT = information and communication technology, GER = gross enrollment rate, JFP = Joint Financing Partner, MOE = Ministry of Education, NCED = National Center for Educational Development, NEB = National Education Board, OAG = Office of the Auditor General, PCS = program coordination secretariat, PID = program implementation document, PPA = Public Procurement Act, PPR = Public Procurement Regulations, PPMO = Public Procurement Management Office, PTA = parent teacher association, SC = SSDP steering committee, SSDP = School Sector Development Plan, STR = student teacher ratio.

Source: Asian Development Bank.

**Table A3.3. Disbursement Schedule**  
(\$ million)

<b>Disbursement-Linked Indicators</b>	<b>Total ADB Financing Allocation</b>	<b>Share of total ADB financing (%)</b>	<b>Financing for Prior Results</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Outcome</b>								
DLI 1 Increased access and participation of girls and boys in secondary education	18.0	15.0	—	3.0	7.0	—	4.0	4.0
<b>Outputs</b>								
DLI 2 Improved deployment of trained subject teachers for math, science, and English in basic and secondary schools	17.0	14.2	—	3.0	—	(i) 4.0 (ii) 3.0	3.0	(i) 2.0 (ii) 2.0
DLI 3 Activity-based math, science, and English materials to improve teaching and learning provided	11.0	9.2	—	—	6.0	3.0	—	2.0
DLI 4 Examination system reforms undertaken to improve teaching and learning	7.0	5.8	—	3.0	—	2.0	—	2.0
DLI 5 Model schools pilot tested with comprehensive quality inputs and innovative teaching and learning	28.0	23.3	5.0	3.0	6.0	(i) 5.0 (ii) 4.0	3.0	2.0
DLI 6 Improved governance and strengthened fiduciary management of schools	27.0	22.5	(i) 5.0 (ii) 5.0	(i) 1.5 (ii) 1.5	(i) 2.0 (ii) 2.0	(i) 2.0 (ii) 3.0	(i) 1.5 (ii) 1.5	(i) 1.0 (ii) 1.0
DLI 7 Enhanced reliability and transparency of the education management information system data, including school-level data	12.0	10.0	—	—	3.0	2.0	(i) 3.0 (ii) 2.0	2.0
<b>Total</b>	<b>120.0</b>	<b>100.0</b>	<b>15.0</b>	<b>15.0</b>	<b>26.0</b>	<b>28.0</b>	<b>18.0</b>	<b>18.0</b>

ADB = Asian Development Bank, DLI = disbursement-linked indicator.

Source: Asian Development Bank.