



# Program Information Documents (PID)

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Appraisal Stage | Date Prepared/Updated: 08-Jul-2020 | Report No: PIDA227282

**BASIC INFORMATION****A. Basic Program Data**

Country Nepal	Project ID P174209	Program Name CoVID 19 School Sector Response (GPE)	Parent Project ID (if any) P160748
Region SOUTH ASIA	Estimated Appraisal Date 29-Jun-2020	Estimated Board Date 15-Jul-2020	Practice Area (Lead) Education
Financing Instrument Program-for-Results Financing	Borrower(s) Nepal	Implementing Agency Ministry of Education, Science and Technology	

## Program Development Objective(s)

The Program Development Objective is to improve the quality, equitable access, and efficiency of basic and secondary education in Nepal by supporting the Government's School Sector Development Program.

**COST & FINANCING****SUMMARY (USD Millions)**

<b>Government program Cost</b>	0.00
<b>Total Operation Cost</b>	10.85
Total Program Cost	0.00
IPF Component	10.85
<b>Total Financing</b>	10.85
<b>Financing Gap</b>	0.00

**FINANCING (USD Millions)**

<b>Total Non-World Bank Group and Non-Client Government Financing</b>	10.85
Trust Funds	10.85

**B. Introduction and Context**



## Country Context

- Over the past decade, Nepal's economy has performed reasonably well, though vulnerabilities have increased with COVID-19.** Real growth domestic product (GDP) growth averaged 4.9 percent (at market prices) over 2010-19. Although declining as a share in the economy, agriculture continues to play a large role, contributing over 29 percent of GDP in FY2019. The service sector has grown in importance, accounting for 46 percent of GDP in FY2019. Industry and manufacturing have grown more slowly and their relative share in the economy has averaged 14 percent of GDP over the past decade. Similarly, exports continue to struggle, while imports are fueled by remittances. Remittances remained stable, between 2010-19, with its share as a percentage of GDP averaging 24.5 percent, supported by an increased transfer of funds through formal channels in recent years. Inflation has been in single digits for most of the past decade, with the peg of the Nepalese rupee to the Indian rupee providing a nominal anchor. Fiscal balances remained sustainable owing to strong revenue growth and modest spending. However, the federal government is now sharing revenue and transferring grants to provincial and local governments, as part of the recent reforms linked to federalism. The poverty headcount ratio (at the international line of US\$1.90/day) is estimated at 8 percent in 2019, down from 15 percent in 2010. At a higher line (US\$3.20/day), 39 percent of the population is estimated to be poor in 2019. With the COVID-19 pandemic, the risk of falling into poverty has increased. About 31.2 percent of the population that are estimated to live between US\$1.9 and US\$3.2 a day face significant risks of falling into extreme poverty in 2020, primarily because of reduced remittances, foregone earnings of potential migrants, job losses in the informal sector, and rising prices for essential commodities as a result of COVID-19.
- The recent COVID-19 pandemic is expected to derail the strong growth trajectory established over the past three years.** GDP growth averaged 7.3 percent (between 2017 and 2019); and grew by 7 percent in FY19 supported by an uptick in tourist arrivals, strong agricultural growth from good monsoons and robust industrial growth due to increased electricity generation. On the demand side, the main growth drivers were private investment and private consumption, the latter supported by remittance inflows. In the first half of FY20 (mid-July to mid-January), agricultural growth slowed down with delayed monsoons and crop damage. In March 2020, stringent measures were imposed to contain the spread of COVID-19, including travel restrictions. This stopped tourist arrivals, leading to a significant reduction in hotel occupancy rates<sup>1</sup>. With lower oil prices, remittance inflows are declining, impacting services growth. Lockdowns and social distancing measures have disrupted domestic distribution channels causing shortages of fertilizer, livestock feed, labor and transportation, all of which will further reduce agricultural growth in FY20. The restrictions on trade (limited to only essential goods) has disrupted supply chains in the manufacturing sector. Shortages in imports of building materials and skilled labor have brought construction activity to a halt. Lower domestic demand has translated to lower consumption of electricity, gas and water, further reinforcing the slump in overall economic activity, with an estimated GDP growth rate of 2.3 percent in FY20. However, a widespread and protracted COVID-19 outbreak, with the attendant lockdowns and supply disruptions still has the potential to reduce GDP growth as low as 0.5 percent in FY20. In FY21, growth is expected to remain subdued at 2.1 percent. However, a widespread outbreak that extends into the high agriculture harvest and festival seasons, could cause GDP to contract by as much as 2.8 percent in FY21.
- Inflation averaged 4.5 percent year on year (y/y) in FY2019, but rose in the first half of FY2020, driven by higher food prices.** In FY2019, prices of non-food items grew by 5.8 percent, driven mainly by housing and

<sup>1</sup> As of April 2020, the Hotel Association of Nepal estimated the hotel occupancy rates among its 270-members at below 10 percent.



utilities, while food prices rose only 3.1 percent due to good agricultural production. Inflation averaged 6.4 percent (year-on-year) in the first half of FY20, driven by higher food prices (particularly vegetables) and increased import duties on certain agricultural and industrial goods. In March 2020, inflation reached 6.7 percent (year-on-year), primarily led by food prices because of disruptions in distribution channels. This widened the inflation gap with India and contributed to a 2.1 percent (real effective) appreciation of the Nepalese Rupee, over the first half of FY2020. The Nepalese rupee (NPR) is pegged to the Indian rupee (INR) at the rate of 1.6 NPR to one INR. As a result, inflation follows the price movements in India with a lag.

4. **The Nepal Communist Party led government is backed by a majority in Parliament which took office on February 15, 2018.** This follows successful elections for all three tiers (local, state and federal) of the new state architecture defined by the 2015 constitution, marking a protracted-but-successful conclusion of a political transition that began with the signing of the Comprehensive Peace Agreement in November 2006. State governments largely mirror the coalition at the center. At the sub-national level, funds, functions and functionaries hitherto managed by the central, district and village authorities are moving to the seven new provinces and 753 local governments for which new legislation, institutions and administrative procedures are being formalized as constitutionally prescribed. Meanwhile, the central level authority is being streamlined with a focus on national policies and oversight. This profound level of state restructuring is expected to result in improved outreach and service delivery in the medium term but is likely to take time before becoming fully operational.

5. **In Nepal, the first case of COVID-19 was detected on January 24, 2020.** As of July 7, 2020, there has been 16,168 confirmed cases of COVID-19 in Nepal. Government of Nepal (GON) had imposed a nationwide lockdown since March 24, 2020 to reduce the spread of COVID-19. The cabinet announced new measures to ease the lockdown on June 11, 2020. This easing of the lockdown will undergo a three-phased approach, the first phase to last three weeks beginning June 15, 2020. In the first phase, while the operation of health and essential services will continue, economic activities will open up, including work on development projects while adhering to public health and safety protocols and social distancing. Offices (government, non-government, private) will be allowed to open in two shifts together with easing of vehicular movement. However, the education sector, international and domestic flights, public transport and large gatherings will remain closed. Based on the success of the first phase, a second phase will be initiated with further easing of measures.

### Sectoral and Institutional Context

6. **While Nepal has made impressive gains in education access, learning levels remain low and unequal.** Net enrolment rate (NER) at the primary level increased from 81 to 96 percent between 2004 and 2019. At the secondary level, NER increased from 48 to 62 percent between 2007 and 2019. Nepal has also achieved gender parity in basic and secondary education. However, learning levels are low and unequal as well. National Assessment of Student Achievement (NASA) show that in Grades 3, 5, and 8, less than 20 percent of students master basic competencies in problem solving and reasoning. Moreover, there is strong inequality in learning outcomes across districts and by socioeconomic status, ethnicity, and language spoken. According to the Bank's Human Capital Index, a child born in Nepal today will be 49 percent as productive when she grows up as she could be if she enjoyed complete education and full health. While children in Nepal can expect to complete 11.7 years of schooling by age 18, adjusted for quality of learning, this is equivalent to 6.9 years: a learning gap of 4.8 years.



7. **School education is one of the sectors that is most devolved in the new federal structure.** Responsibility for basic (early childhood education and development [ECED]- Grade 8) and secondary education (Grade 9-12) has shifted to the local level, with the federal and provincial governments mainly responsible for higher education. However, the federal ministry continues to play a prominent role guiding education policy and setting standards. The Local Government Operations Act 2017, which provides further details on the functions of the local government, places 23 functions related to planning, monitoring, and management of basic and secondary education under the jurisdiction of the Local Governments (LG).

8. **The Nepal Education Cluster (NEC), led by the Ministry of Education Science and Technology (MOEST) and Center for Education Human Resource Development (CEHRD), and co-led by UNICEF and Save the Children, has developed the scenario-based Education Cluster COVID-19 Contingency Plan (ECCCP)<sup>2</sup> to mitigate and respond to the potential impacts on the education sector.** The objective of ECCCP is to: (i) ensure adequate capacity for management and coordination during the response period; (ii) strengthen disease prevention and resilience within the school system and among students, teachers, parents and caregivers; (iii) support continuity of education/learning for all children, including children with disabilities (CwD) and from marginalized backgrounds.

9. **Three education-specific scenarios have been developed in the case of extended school closure** (i) up to mid-July, (ii) up to September 2020, and (iii) for the majority or entire duration of the 2020-21 academic year. A case load projection (i.e. how many children will be affected/ in need of support) has been undertaken based on these three scenarios. In addition, a scenario in the context of second wave of infection will also need to be considered. The activities proposed in ECCCP aims to ensure continuity of learning for all children using different modalities.

10. **The ECCCP lays out the plan to support children by categorizing the needs as follows:** (i) students who have access to all services; (ii) students who have access to internet; (iii) students who have access to computers or mobile phones but no (regular/stable) access to internet; (iv) students who have access to mobile phones (non-smart phones) (v) students who have access to TV and/or radio; (vi) students who do not have access to any of the above-mentioned media; (viii) students that have additional needs (children with disabilities, children from poor or marginalized communities, etc.). Furthermore, the MOEST/CEHRD have already initiated some of the activities envisioned in the contingency plan. Mapping of the available digital learning materials has been completed and a learning portal (<http://learning.cehrd.gov.np/>) has been developed.

11. **The COVID-19 pandemic has already had profound impact on education systems around the world, including Nepal, and threatens to undo the progress and deepen inequality.** The pandemic threatens the education progress through two main channels: (i) the immediate impacts of school closures, (ii) the impact of schools being used as quarantine facilities can delay reopening of schools; and (ii) the impacts of the economic shock sparked by the policies and social distancing measures put in place to slow the transmission. Without aggressive and targeted measures to counter the effects, the shocks will lead to learning loss, increased dropout rates, and accentuate the inequality with the most vulnerable students disproportionately bearing the brunt of the shocks. It is important to prevent expected spikes in domestic abuse, teenage pregnancy, and consequent dropping out from school resulting from stay at home orders in the current pandemic.

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<sup>2</sup> The Plan has been approved and is publicly available: <https://www.doe.gov.np/article/1070/covid-19-education-cluster-contingency-plan-2020.html>



### PforR Program Scope

12. Board of Executive Directors approved the parent operation financed through International Development Association (IDA) on March 24, 2017 and the Financing Agreement was effective on September 19, 2017. An additional financing through GPE Education Sector Program Implementation Grant (ESPIG) Trust Fund was approved on August 6, 2019, signed on November 27, 2019 and became effective on February 14, 2020. WB and GPE's support to SSDP is clustered around three SSDP results areas:

- (i) Results Area 1: Improved teaching-learning and student learning outcomes: This results area supports a number of reforms focusing on student learning and improving teaching-learning through shifting from textbook-focused and lecture-oriented process to a child-centered one fostering development of core skills and creative thinking
- (ii) Results Area 2: Improved equitable access to basic and secondary education: This results area supports equitable access for the marginalized children alongside strengthening the quality of education. The Program aims to increase the basic NER from the current level of 89 percent to 97 percent and the secondary (Grades 9–12) NER from 38 percent to 53 percent by the end of the Program period;
- (iii) Results Area 3: Strengthened education system, sector planning, management and governance: The main objective of this result area is to strengthen the education system by improving the institutional capacity and accountability at all levels and to move toward results-based operation to enhance delivery and M&E of educational services.

13. The proposed Additional Financing (AF) Grant will not entail any changes to the original Program supported through IDA and GPE Education Sector Program Implementation Grant (ESPIG). The proposed AF will add a new component to the SSDP using the IPF modality with the objective to maintaining access to basic education in grant-supported local governments and build resilience for continued learning. The AF component will contribute to the implementation of MOEST's ECCCP, to support continuation of learning for approximately 6.5 million children in basic education in Nepal.

### IPF Component on COVID-19 School Sector Response

14. The proposed AF comprises of following three components:

15. **Component 1: Remote learning methods for continued learning for all children, including children with disabilities (CwD) and children from marginalized backgrounds (US\$ 0.999 million):** This component will finance activities to ensure continuity of learning for all children; communication campaign and sharing of information; design of teacher professional development programs for teachers; and strengthen the Education Management Information Systems.

- (i) **Mitigate learning loss through inclusive distance learning programs for all children:** On April 28, 2020, MOEST/ CEHRD launched a learning portal which includes digital content for Grade 1-12. The content is categorized as per grade and subject for easy user accessibility. The AF will support development of



additional disability inclusive content for basic education, including content for early childhood education. Disability inclusion in remote learning content will specifically include captioning, interpretation, use of images and examples that are inclusive and do not stigmatize. These contents could be made available on the learning portal and broadcasted through TV, radio and print-media. The availability of these contents will be advertised locally through communication campaigns nationwide through newspapers, TV, social media, mobile messaging. The communication campaign will also include (i) messages on the importance of education with special focus on girls and CwD; (ii) messages endorsed by the Ministry of Health and Population on disease prevention and good hand washing practices; (iii) sensitization campaign to prevent gender based violence (GBV), teenage pregnancy, and consequent dropping out from school resulting from stay at home orders in the current pandemic. (iv) schedule of TV and radio programs. The Project will also seek arrangements and/ or finance zero bandwidth access to learning portal in partnership with telecom companies and internet providers.

- (ii) **Development of teacher professional development programs:** The AF, in consultation and collaboration with other agencies, will support design of (i) teacher/ head-teacher professional development (TPD) program to address students' learning gaps post CoVID-19; (iii) TPD to provide psycho-social support to teachers and students and practicing health and hygiene in classrooms in accordance with school reopening framework; and (iv) TPD on digital skills. These trainings will be practical and short-term delivered through distance learning strategies/ platforms.
- (iii) **Development and updating of learning packs for children from marginalized background** with no access to media or internet: Many households in Nepal do not have access to media and/or internet. The project will support development and updating of learning materials, including for CwD.
- (iv) **Strengthening Education Management Information System (EMIS):** The EMIS is the main administrative database system capturing information related to schools, students, and teachers. The data and reports generated by the EMIS are used for the annual and trimester progress reporting of school education. Currently, there is ongoing support provided by donors (USAID, EU and ADB) to include disability module, and strengthen and enhance the web-based EMIS. The AF will fill the financing gap and support enhancement of EMIS to capture data for AF-related indicators.

16. **Component 2 Support to sub-national level to support safe re-opening and continued learning (US\$ 9.26 million).** This component will support four specific areas.

- (i) **Sub-component 2.1: Printing and distribution of learning packs to children from marginalized background** with no access to media or internet. The AF will support printing and distribution of learning packs to children from marginalized backgrounds, including for CwD. The printing and distribution of the materials will be carried out at the sub-national level by the provincial/ local government or other agencies/ INGOs/ CSOs. The most effective and efficient medium for printing and distribution of these materials/ packs will be adopted. The Project Implementation Manual (PIM) will provide details on the modality that will be adopted for this activity.
- (ii) **Sub-component 2.2: Continued Professional Development of Teachers and Head-teachers:** This sub-component will finance the implementation of the training developed under component 1 and fill any financing gap on teacher training courses on remote teaching strategies. The implementation of training will be carried out by teacher training centers at the provincial level. Other agencies, including UN agencies, INGOs/ CSOs may also be sub-contracted for the delivery of these short-term training. The details will be provided in the PIM.



(iii) **Sub-component 2.3: Schools grants to schools from selected local governments:** The AF will support most disadvantaged local governments (100-125 LGs) in regions that have been impacted by CoVID-19 through school grants to ensure safe re-opening of schools and continued learning<sup>3</sup>. Selected LGs will be required to develop a response plan for the implementation of project activities, including a timeline, physical and financial reporting mechanism. Following are the list of activities to be supported through this grant:

- a. **Welcome to School campaigns:** This involves educating parents, caregivers and communities on disease prevention for safe and sustained re-opening of schools, and motivating students to return to school. This will specifically target CwD and adolescent girls who are the most vulnerable to the effects of pandemic in terms of their return to school.
- b. **School sanitation & health protocols,** including health screening: The AF will support implementation of school reopening framework at the school-level. The project will support (i) sanitization of schools before reopening, especially schools that have been used as quarantine facilities; (ii) availability of hygiene products, including menstrual hygiene products; (iii) minor refurbishment of WASH facilities (including ensuring availability of water) with a focus on ensuring accessibility for girls and CwD; (iii) safety protocols for school re-opening; (iv) implementation of staggered shifts and alternating weeks to reduce student contact; and (v) psycho-social support for students, parents and teachers at the school level.
- c. Teaching at the right level, including conducting formative assessments in classrooms when schools reopen to understand the learning gaps and providing additional support to children falling behind, including remedial instruction.

(iv) **Sub-component 2.4 Grants to schools with resource classrooms and special schools:** The AF will support special schools and community schools in Nepal with resource classrooms that cater to the education of CwD. Activities under this sub-component will be similar to sub-component 2.3 with a focus on CwD. Selected schools will be required to develop a response plan for the implementation of project activities, including a timeline, physical and financial reporting mechanism.

17. **Component 3 Management, Coordination and Monitoring and Evaluation (US\$ 0.591 million):** The component will support (ii) analytical work, including evaluation of the remote learning practices with the objective to inform future interventions and expansion; (iii) development/ dissemination of school reopening framework and national guidelines and strategies that will enable continued learning of students; (iii) building capacity and coordination among the provinces and LGs to equip them to respond to the effects of COVID-19 and potential further disruptions; (iv) project management including operating costs, procuring audio mixtures, cameras, Computers, hiring audio and visual technicians, other experts (as per need), and monitoring and evaluation.

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<sup>3</sup> LG selection criteria will be detailed in the Project Implementation Manual. Schools with resource classrooms and special schools will receive an additional allocation to address the needs of the children with disabilities.





### C. Program Development Objective(s)

#### Program Development Objective(s)

18. The Program Development Objective is to improve the quality, equitable access, and efficiency of basic and secondary education in Nepal by supporting the Government's School Sector Development Program.

19. **Indicators:** There is no change to the PDO indicators. Intermediate Outcome Indicators have been added to monitor the results of the Additional Financing of maintaining access to basic education in grant-supported local governments and building resilience for continued learning.

### D. Environmental and Social Effects

20. There are no changes to the scope of the Environmental and Social Systems Assessment (ESSA) for the parent operation.

21. Considering the scope of activities of the project, and based on preliminary assessments, the overall environmental and social risks of the project is rated Substantial. Six of World Bank's Environmental and Social Standards (ESS) are directly relevant in managing environmental and social risks and impacts of the project: ESS1 Assessment and Management of Environmental and Social Risks and Impacts, ESS2 Labor and Working Conditions, ESS3 Resource Efficiency and Pollution Prevention and Management, ESS4 Community Health and Safety, ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and ESS10 Stakeholder Engagement and Information Disclosure. Environmental risks and impacts from COVID school sector response project are expected to be limited and include (i) water and dust pollution during the rehabilitation of water supply schemes, (ii) management of waste generated from improvement and rehabilitation of WASH facilities, (iii) unsafe use of disinfectant and chemicals and their disposal, (iv) disposal of sanitary wastes etc.. Major social risks and impacts may include: (i) the risk of exclusion and learning outcomes of children from marginalized communities (poor, Dalits, IPs), and CwD from the distance learning programs whereby the contents and teaching strategies are not responsive to their specific needs; ii) exclusion of children from remote communities, low income groups, CwD, girls, and those not having access to media/internet from the information related to education materials, remedial programs, scheduled classes in TV/radio, messages on disease prevention and handwashing, prevention of Gender-based Violence (GBV), and other coping strategies to continue schooling; iv) increased risk of drop outs including CwD, from low income and marginalized households, vulnerable and girls due to reduced family income and inability to cope with the situation of accessing and comprehending digital, distance and staggered learning portals/materials, (v) difficulties and limitations in carrying out full scale public consultations during project preparation due to restrictions on travel, public gatherings etc. in the COVID-19 pandemic environment.

22. CEHRD has been implementing projects supported by the Bank and therefore the implementing agency MOEST/CEHRD is well versed with the Bank requirements on environment and social safeguard compliance. CEHRD also has the institutional mechanism in place for monitoring the compliance both at the national and provincial/LG level. An Environmental and Social framework (ESMF) for the IPF Component (AF) shall be prepared as per the World Bank's ESF which will outline procedures, impacts, mitigations, monitoring and reporting arrangements for the related activities of the new IPF Component (AF). The ESMF will also provide guidance for mandatory screening of each investment under the project. The screening will serve as a planning tool by



providing early feedback on possible adverse impacts of the investment. The ESMF will also outline the procedures to prepare Environmental and Social Management Plans (ESMPs) as and when required to mitigate the E&S impacts. The Project will also prepare a Labor management Procedure (LMP) and incorporate aspects such as applicability of labor laws and, non-discrimination and equal opportunity, grievance mechanism to all workers, OHS protocols (especially those working under existing and post COVID-19 situation, using disinfection equipment and chemicals etc). Any investment under the project leading to economic or physical displacement will be not be financed.

23. A draft Stakeholder Engagement Plan (SEP) has been prepared. The SEP outlines a proactive outreach strategy that targets officials of government agencies both at the federal and subnational levels, teachers, parents, media, private sector and general public, and also defines the establishment of a project level grievance redress mechanism (GRM). The CEHRD will implement the activities agreed in the Environmental and Social Commitment Plan (ESCP). Component 3 will provide the resources to enable project implementers to monitor and supervise the overall project implementation including its social and environmental performance.

**E. Financing**

**Financing**

Sources	Amount (USD Million)	% of Total
<b>Trust Funds</b>	<b>10.85</b>	<b>100.00</b>
Education for All - Fast Track Initiative	10.85	100.00
<b>Total Program Financing</b>	<b>10.85</b>	

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