

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC7185

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Nepal	Project ID:	P147010
Project Name:	Higher Education Reforms Project (P147010)		
Task Team Leader:	Mohan Prasad Aryal		
Estimated Appraisal Date:	10-Jun-2014	Estimated Board Date:	16-Oct-2014
Managing Unit:	SASED	Lending Instrument:	Investment Project Financing
Sector(s):	Tertiary education (80%), Central government administration (10%), Other social services (10%)		
Theme(s):	Education for the knowledge economy (80%), Social safety nets (10%), Other human development (10%)		
Financing (In USD Million)			
Total Project Cost:	90.00	Total Bank Financing:	80.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			10.00
International Development Association (IDA)			80.00
Total			90.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

To support reforms for improving quality, relevance, equity and efficiency of the higher education system.

C. Project Description

1. Nepal's higher education system is expanding rapidly. However, it is unable to meet the

aspirations of students or respond to the current and emerging human resource needs of Nepal. Based on extensive national consultations, the UGC, in close coordination with MOE, is developing a ‘Comprehensive program of reform for the HE sector’ focusing on the issues of development and innovation, access, quality, equity, financing, and governance. The Government has requested the Bank for assistance to help implement the program. The proposed project would support mutually agreed critical reforms which need urgent attention and could be implemented in the next 3-5 years.

2. Investment Project Financing (IPF) with disbursement linked indicators (DLIs) is proposed to achieve a set of physical targets and reforms objectives in five years. Disbursements would be linked to achievement of yearly/six-monthly benchmarks in 6-7 pre-defined measurable and verifiable indicators. It would support selected universities and institutions that meet certain eligibility criteria and agree to undertake time-bound major reforms for excellence, relevance and efficiency. It would also support meritorious disadvantaged students (from poor families with preferential treatment to dalits and female) for equity.

3. The following key performance indicators are proposed to measure achievement of the development objectives:

Indicator 1: Increase in number of accredited programs/institutions (as a measure of quality assurance) by xx% (Baseline - 11)

Indicator 2: Increase in percentage of students enrolled in priority areas (as a measure of relevance to meeting Nepal’s emerging human resources needs) from yy% to zz%; (Baseline - TBD)

Indicator 3: Increase in percentage of enrolled students belonging to bottom two economic quintiles receiving scholarship (measure of equity) from aa% to bb%; (Baseline - TBD)

Indicator 4: Increase in number of research publications supported by program (measure of excellence and relevance) by mm% (Baseline - 22)

Indicator 5: Increase in percentage of undergraduate students graduating on time (as a proxy for quality of teaching and efficiency) from uu% to vv%; (Baseline – TBD)

In addition, achievement of agreed periodic milestones for reforms will be monitored and supported through a set of Disbursement Linked Indicators (DLIs).

4. The Project would comprise of two components, the first one supporting the implementation of critical reforms in the Government program and the second one focusing on technical assistance to build system capacity.

Component 1: Implementation of Reforms:

5. To achieve its development objective, HERP would aim at four results areas as follows:

Results area 1; Systemic/Institutional Reforms:

These would include major reforms for: (a) more effective public funding, (b) institutionalization of national accreditation system; (c) greater institutional autonomy and decentralization; and (d) strengthening of the examination system. Some details are indicated below:

a) More effective public funding: Public institutions are funded on cost-sharing basis through headcount of teachers and staff, student scholarship/free-ship, and other annual operating cost. Public financing is generally not linked to performance and/or output. Performance based funding in leveraging grants initiated under SHEP to selected community campuses created a great demand and impact . HERP would support the Government plan of increasingly linking of public funding to outcome measures on quality, relevance, equity and performance.

b) Institutionalization of national accreditation system: Accreditation of institutions/ programs is one of the major reforms initiated – 11 institutions have been accredited and 15 more are in pipeline. GON is administering the accreditation through an independent Quality Assurance and Accreditation Committee established at UGC. The system has now received international recognition. HERP would support the Govt. plan of establishing an independent National Accreditation Board outside of UGC, expanding the accreditation system and bringing most higher education institutions (HEIs) within this framework.

c) Greater institutional autonomy and decentralization: Tribhuvan University (TU) with a total of 383,000 students in over 900 campuses (in 2012) is one of largest universities in the world. With its highly centralized structure, it faces acute management challenges. Decentralization of 49 of its 60 constituent campuses with significant administrative and financial autonomy has helped to keep them and TU better managed. Academic autonomy granted to four of these campuses has led to significant improvement in their overall performance, innovations and new initiatives. The university faculties (mostly in professional areas) which have been given academic autonomy have better student performance (in terms of pass rate, and placement), adherence to academic calendar, and innovations. HERP would support TU's plans of further decentralization and autonomy of selected major campuses (including affiliated campuses) and faculties.

d) Strengthening of the Examination System: A major issue effecting majority of students has been failure of maintaining calendar of examinations, which are centrally administered by the TU Office of the Controller of Examination (OCE). Examinations and declaration of results are often delayed by months. HERP would support TU plan of decentralizing and modernizing examination system, streamlining processes, and strengthening OCE capacity for efficiency.

This results area (Systemic/ Institutional Reforms) would be supported through the following DLIs (which will be further elaborated during preparation):

DLI 1 – National Accreditation system established and functioning

DLI 2 - Performance based financing extended to universities and institutions

DLI 3 - Decentralization and autonomy extended to additional campuses and faculties (TU)

DLI 4 - Examination reforms implemented (TU)

Results area 2: Academic Reforms and Relevance:

Nepal universities now offer about 350 bachelors/masters level programs. However, most of the professional programs have limited intake and are confined to major campuses/ institutions. Nearly 70% of students are enrolled in basic programs in humanities, education and management with little employment prospects. Their existing curricula with main focus on annual examinations do not help develop communication and problem-solving skills. Many programs have also not been reviewed/ revised for quality and relevance for years. The Higher education policy emphasizes the need for expanding/ introducing market oriented programs relevant to national development. HERP would support academic reforms across all participating universities and campuses with focus on (a) better learning outcomes in all programs possibly including some project/ field work; and (b) expansion of programs in priority areas including science and technology. This would include: (a) curricula revisions/ consolidation of existing programs, which have not been reviewed for more than 4 years; and (b) introduction/ expansion of market relevant academic programs. It would also include recruitment/ training of teachers, publication/ acquisition of learning materials, and procurement of necessary laboratory equipment/computers. This results area would be supported through the following DLI:

DLI 5 - Academic reforms introduced: Percentage of targeted under-graduate and post-graduate programs revised and new programs introduced

Results area 3: Equity:

Due to several socio-economic factors, higher education is largely catering to students from the higher consumption quintiles. The HE policy declares that (i) access to higher education shall be open for all on the basis of individual aptitude and merit, and (ii) measures would be taken to ensure equity in terms of gender, and inclusion of dalits, disadvantaged ethnic groups, economically deprived and regionally disadvantaged. Under SHEP, financial assistance was provided to needy meritorious students selected through a Proxy-Means Testing (PMT) process developed and implemented by Student Financial Assistance Fund Development Board (SFAFDB). This process is well tested and is also being adopted by other government agencies. HERP would support Government program of equity by focusing on poverty targeting with preferential treatment for girls and dalits. This results area would be supported through the following DLI:

DLI 6 - Poverty targeted financial support for disadvantaged students Results area 4: Academic Excellence and Research:

The focus of many universities has been on undergraduate education. With the lack of attention to research as an integral part of higher education, quality of teaching-learning process has suffered. The HE policy emphasizes promoting (i) Research and innovation oriented curricula and teaching learning practices; and (ii) Professional capacity development for research and innovation. SHEP introduced an open competitive selection process for research funding. It has created a growing demand. HERP would significantly expand this to support leveraging competitive funding for quality research with a focus on priority areas. Teaching and learning will be integrated with knowledge generation, which would also be facilitated through global and national networking and university partnerships. This results area would be supported through the following DLI:

DLI 7 – Institutions supported for academic excellence in priority areas through Research, Development and Innovation (RDI) awards

Component 2: Technical Assistance and Project Management:

6. The project would include a technical assistance component to finance the necessary inputs required to achieved the above-stated results as well as to enhance the capacity to support project implementation, conduct third party validations, undertake studies and surveys, and strengthen monitoring and evaluation.

7. This component would also include necessary provision for effective project implementation and monitoring. With this funding, UGC supported by TU and SFAFDB for their parts of the project, will ensure compliance of applicable agreements, guidelines, fiduciary and safeguard requirements by all beneficiary institutions and grant recipients.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

8. The project will be implemented in selected existing higher education institutions urban/ semi-urban areas across Nepal. The country is located in the central part of the Himalayan region. About 83 percent of Nepal's geographical area is mountainous/ hilly and the remaining 17 percent is plain. The environmental conditions and nature widely vary depending on mountain or plain/Tarai area. Nepal's mountains are fragile with natural incidences of landslides and soil erosion as well as floods. There are important environmentally sensitive sites in the country such as National Parks and other protected areas, water bodies recognized as important biodiversity habitat (Ramsar sites or habitat of endangered or protected species), forests (including state and community forests) and

various cultural heritage sites. However, the project will not affect such sites or habitats as it will be confined within the existing premises of already established academic institutions. It is expected that some of the participating institutes will carry out repair works and/or minor civil works from project grants.

E. Borrowers Institutional Capacity for Safeguard Policies

9. The proposed project will be implemented by the UGC in close coordination with MOE and Tribhuvan University (TU). Participation in the project by universities, community colleges and private colleges will be optional and competitive. UGC has implemented the World Bank funded Second Higher Education Project (SHEP- P090967) for which a National Environmental Guidelines for Higher Education Institutions in Nepal (NEG) was prepared. Through the implementation of the SHEP and NEG, the implementing agency has developed general awareness and understanding of the environmental safeguard requirements as relevant to the works undertaken. However, the universities and the constituent and community colleges that may participate in the proposed project may not be aware of those requirements. The NEG also needs to be revised/ updated based on the experiences from the previous project and to reflect the proposed project component, activities and approach. Hence, environmental capacity strengthening measures needs to be designed and an environmental management framework (or updated environmental guidelines) needs to be prepared for the proposed project.

10. The project seeks to provide support to poor and disadvantaged students including disadvantaged groups including IPs, Dalits and females. The identification of individual students will be done through the Proxy Means Testing (PMT) approach. The project will prepare a Vulnerable Community Development Framework as part of the Social Management Framework to ensure that project benefits to IPs and other vulnerable communities is maximized while any potential adverse effects are mitigated.

11. At sub project level, a VCDP will be prepared and disclosed, if required.

F. Environmental and Social Safeguards Specialists on the Team

Drona Raj Ghimire (SASDI)

Parthapriya Ghosh (SASDS)

Bandita Sijapati (SASDS)

Annu Rajbhandari (SASDI)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	Repairs of buildings or minor civil works may be constructed within existing premises of the participating institutions. This can have construction related environmental issues such as noise & air pollution, health & safety (workers, students/ teachers, neighborhood community), nuisance related to construction wastes, water and sanitation, etc. Environmental Guidelines or a Framework will be prepared.

Natural Habitats OP/BP 4.04	No	No activity will take place in natural habitat.
Forests OP/BP 4.36	No	No activity will take place in forest area.
Pest Management OP 4.09	TBD	Not sure at the PCN stage if laboratories will be supported, and if yes, which chemicals are likely to be used in the laboratory. This will be further assessed during preparation, and confirmed before appraisal.
Physical Cultural Resources OP/BP 4.11	TBD	Not sure at the PCN stage if there are cultural resources within the existing premises of the participating institutions or near the civil works sites. This will be further assessed during preparation, and confirmed before appraisal.
Indigenous Peoples OP/BP 4.10	Yes	Given the widespread distribution of indigenous communities in Nepal, it is likely that there will be presence of IPs in the project area. The project seeks to provide support to poor and disadvantaged students including IPs, Dalits and female students. The identification of individual students will be done through the Proxy Means Testing (PMT) approach. The project will prepare a Vulnerable Community Development Framework as part of the Social Management Framework to ensure that project benefits to IPs and other vulnerable communities are maximized while any potential adverse effects are mitigated.
Involuntary Resettlement OP/BP 4.12	No	No new civil works will be carried out as part of the project hence there will not be any adverse impact on land or livelihood.
Safety of Dams OP/BP 4.37	No	Project activity does not involve construction of dam, or the project does not depend on an existing dam.
Projects on International Waterways OP/BP 7.50	No	No international waterway is involved.
Projects in Disputed Areas OP/BP 7.60	No	No disputed area.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 30-Jun-2014

B. Time frame for launching and completing the safeguard-related studies that may be needed.
The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

All safeguard related studies will be completed by Project Appraisal.

IV. APPROVALS

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

Task Team Leader:	Name: Mohan Prasad Aryal	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Francis V. Fragano (RSA)	Date: 27-Mar-2014
Sector Manager:	Name: Amit Dar (SM)	Date: 31-Mar-2014