

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA8384

Date ISDS Prepared/Updated: 07-Oct-2014

Date ISDS Approved/Disclosed: 08-Oct-2014

I. BASIC INFORMATION

1. Basic Project Data

Country:	Nepal	Project ID:	P147010
Project Name:	Higher Education Reforms Project (P147010)		
Task Team Leader:	Mohan Prasad Aryal		
Estimated Appraisal Date:	24-Sep-2014	Estimated Board Date:	22-Dec-2014
Managing Unit:	GEDDR	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%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	795.00	Total Bank Financing:	80.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			715.00
International Development Association (IDA)			80.00
Total			795.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

To support reforms in selected institutions for improving quality, relevance, and efficiency of higher education; and to assist under-privileged students for equitable access.

3. Project Description

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. University Grants Commission (UGC) has prepared a National Program for Higher Education Reform and Development to implement recommendations of the Higher Education Policy (HEP). The document focuses on development and innovation, access and equity, quality and relevance, financing, and governance in higher education. The Higher Education Reforms Project (HERP) will support the Higher Education Reforms and Regular Program components of Nepal's National Program for Higher Education Reform and Development (NPHRD).

The project will support selected universities and institutions that meet certain eligibility criteria and agree to undertake time-bound reforms. In order to enhance equitable access to higher education, it will also provide for poverty targeted scholarship support to meritorious disadvantaged students (especially female).

The following key performance indicators will be used to measure achievement of the development objectives:

Indicator 1: Number of accredited institutions

Indicator 2: Percentage of students enrolled in identified priority areas

Indicator 3: Number of under-privileged students supported

Indicator 4: Average time taken for announcement of results of bachelors programs with centralized examination at TU

Indicator 5: Number of publications in refereed journals by research grant recipients

The Project will comprise of two components, the first supports the implementation of critical reforms in the National Program and the second capacity building and project management. The Bank support will use Investment Project Financing (IPF) through a Disbursements Linked Indicators (DLI) approach for the Implementation of Reforms component and regular IPF for the Capacity Building and Project Management component. In the DLI approach, disbursements will be linked to achievements of yearly benchmarks for pre-defined measurable and verifiable indicators.

Component 1: Implementation of Reforms:

To achieve its development objective, HERP will focus on the following four results areas:

Results area 1: Systemic/Institutional Reforms

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

a) **More effective public funding:** HERP will support continuation of performance-based funding/grants (PBF) to higher education institutions (HEIs) that meet specified eligibility conditions from project resources. In addition, the project will provide incentives for introduction of formula-based funding (FBF) for regular grants to autonomous constituent campuses and inclusion of outputs into formula-based funding to community campuses both financed from Government of Nepal (GON) resources. Similarly, the project will support continuation of formula-based funding of universities predominantly financed through non-government resources.

b) **Institutionalization of the national accreditation system:** While HERP will support the

establishment of a National Accreditation Board (NAB), it will also support, as an interim measure, the establishment of a Quality Assurance and Accreditation Agency (QAAA) within UGC with functional autonomy for administering QAA activities. About 150 HEIs are expected to be accredited during the project period.

c) Greater institutional autonomy: HERP will support TU's plan to expand autonomy of constituent campuses. It will also support the granting of academic autonomy to affiliated campuses – community and private. Within the project period at least 10 more campuses are expected to become autonomous.

d) Strengthening of the Examination System: HERP will support Tribhuvan University's (TU) plans for decentralizing and modernizing the examination system, streamlining processes, and enhancing Office of the Controller of Examinations' (OCE) capacity and efficiency. It will also support TU's initiative to maintain the academic calendars of major programs.

For the above results areas, release of IDA funds will be linked to achievement of the following DLIs: (a) National Accreditation system established and functioning (DLI1); (b) performance-based financing extended higher education institutions (DLI2); (c) Autonomy extended to additional campuses/ schools (DLI3); and (d) examination reforms implemented and academic calendar enforced in TU (DLI4).

Results Area 2: Academic Reforms and Relevance

HERP will support academic reforms in all participating universities and campuses with a focus on: (a) better learning outcomes in all programs; and (b) introduction/expansion of programs in market relevant and priority areas of development for Nepal. This results area will be supported through the following DLI - Academic reforms introduced: Revision of existing and introduction of new programs (DLI 5).

Results Area 3: Equity

HERP will support meritorious students belonging to two poorest quintiles selected through nationwide proxy means testing (PMT) (with preferential treatment for female students) for studies in bachelor's degree programs and higher secondary science programs. About 10,000 bachelor's students and 5,000 higher secondary science students are expected to benefit from this program. This results area will be supported through the following DLI - Poverty targeted financial support for under-privileged students (DLI 6).

Results Area 4: Academic Excellence and Research

HERP will support GON in financing research, development and innovation. Building on the experience of Second Higher Education Project (SHEP), HERP will introduce competitive funding for quality research, development and innovation by students and faculty members with a focus on priority areas including selected clusters of industries. Teaching and learning will be integrated with knowledge generation. This will be facilitated through global and national networking, and university partnerships. This results area will be supported through the following DLI – Institutions supported for academic excellence in priority areas through Research, Development and Innovation (RDI) awards (DLI 7).

The Eligible Expenditure Programs (EEPs) for IDA financing for Component 1 are: research, development and innovation grants; scholarships; and salaries and allowances financed through the Regular Program and Higher Education Reforms components of NPHERD.

Component 2: Capacity Building and Project Management:

This component will specifically focus on effective project implementation and monitoring. The project includes a technical assistance and project management component to finance the necessary inputs required to achieve the above-stated results, as well as to enhance the capacity of implementing agencies and participating institutions. Technical assistance will include inputs such as: (a) services of consultants in the areas of procurement, financial management, education management information system (EMIS), information technology; (b) employer satisfaction survey, student and faculty satisfaction survey; (c) third party verification of results; (d) studies associated with implementation of the higher education policy, (e) impact assessment of various areas of project intervention, curriculum, examinations, accreditation; (f) strategic planning and institutional capacity building; and (g) national and international conferences and workshops. Inputs for project management will include: (i) salaries for project supported staff; (ii) staff training and international study tours; (iii) monitoring and evaluation including monitoring of compliance with applicable agreements and guidelines; (iv) travel and subsistence allowances; (v) vehicles, office equipment including computers, office rental and other costs associated with office operation. This component will also support activities that will need central level coordination and support for the development of networking among HEIs for tapping into the global knowledge base.

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

The project will be implemented in higher secondary and higher education institutions across the country. It is to be noted that the Eligible Expenditure Programs (EEPs) for IDA financing for Component 1 will be only research development and innovation grants, scholarships; and salaries and allowances. Bank funds will not be used for civil works. However the National program, which IDA is supporting, may support through government funds moderate civil works such as refurbishment /rehabilitation of existing structures, construction of annex buildings, addition of stories on existing facilities, construction of workshops and laboratories, etc., which will take place within the existing premises of the participating higher education institutions, thus preempting the need for acquisition of new land. As a result, OP/BP 4.12 is not triggered under the project. Client has prepared EMF for the program based on the prevailing legal and safeguard system of the country as well as considering World Bank environmental safeguard policies. The EMF has been reviewed and cleared by the World Bank. The EMF has been drafted to strengthen the current safeguard system and ensure that all the activities carried out under the reform program comply with the safeguard requirements and system.

The project has triggered OP/BP 4.10. Given the varied nature of investments under this project, and lack of information on the specific locations where the project will be implemented (due to the ex-post selection criteria envisaged under the project), a Social Management and Vulnerable Community Development Framework (SM-VCDF) has been prepared to ensure compliance with the Government of Nepal (GON)'s policies as well as World Bank's safeguard policies. The SM-VCDF outlines measures that will be developed by the project in the event that the implementation of the project in a specific area triggers one of the Bank's safeguards policies. In addition, a Gender Development Plan has been prepared as part of the SM-VCDF to ensure that project benefits to IPs, women and other vulnerable communities is maximized while any potential adverse effects are mitigated. At sub project level, a VCDP/IPDP will be prepared and disclosed, if required.

Potential environmental impacts of the moderate civil works, which are small scale and dispersed far

and wide, are considered moderate to low depending on the location and type of activity. Sub-projects with high environmental risk will not be supported. Other likely environmental concerns include safety, water supply & sanitation, cleanliness, limited air, noise and water pollution during construction, material management during construction, waste management, lights & ventilations, health & safety issues (workers, students/ teachers, neighborhood community), and disposal of wastewater and water quality issues like arsenic etc. The project therefore is not anticipated to cause significant detrimental impact on the ambient environment. The project is classified as an environmental Category B. -. The proposed Project triggers Bank environmental safeguard policies on Environmental Assessment (OP/BP 4.01).

Beneficiary HEIs and the nature of civil works are not-known at this stage. Activity or subproject specific environmental issue varies depending on type of activity/ subproject and its location. Considering this, UGC has prepared an Environmental Management Framework (EMF) for managing environmental impacts/ concerns during implementation of the project as and when precise locations of the civil work/ physical activity will be known. The EMF provides approach and guidance for mainstreaming environmental safeguard in planning, design and implementation of the HERP. It contains a screening checklist for site selection under the project; legal framework for the implementation of the EMF; the basis for identifying potential environmental impacts and risks of project activities and proposes appropriate mitigation measures, monitoring plan and institutional structure that assigns responsibility for various activities and actors within the framework. EMF requires screening of each civil work/physical activity for environmental risks. During implementation site specific environmental management plans (EMP) will be developed for each sub-projects, and will be monitored.

The SMF and EMF also recommend introduction of new academic programs in social and environmental safeguard management including introduction of modules or courses on environmental management, safety and climate change, conflict resolution etc. These are the areas of national priority. HERP will support interested and competent institutions to introduce these disciplines as a separate course/electives under Results Area 2- Academic Reforms and Relevance, and Results Area 4 - Academic Excellence and Research. These interventions will further influence environmental management in policy reforms.

5. Environmental and Social Safeguards Specialists

Drona Raj Ghimire (GENDR)

Parthapriya Ghosh (GSURR)

Bandita Sijapati (GSURR)

Annu Rajbhandari (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	The Bank financing will not support infrastructure works as civil work is not included in the EEP. However under the national program, through the use of government funds, moderate civil works such as refurbishment and rehabilitation of existing structures, construction of annex buildings, addition of stories on existing facilities, construction of workshops and

		laboratories, etc. will be implemented within the 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. Bank's implementation support will review application of the EMF at macro/ system level.
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	No	Project will not fund pesticides or lead to increased use of pesticides.
Physical Cultural Resources OP/ BP 4.11	No	Does not involve significant excavation, demolition etc. and moderate civil works will not take place in the vicinity of a listed PCR.
Indigenous Peoples OP/BP 4.10	Yes	Social Management and Vulnerable Community Development Framework (SM-VCDF) has been prepared to ensure compliance with the Government of Nepal (GoN)'s policies as well as World Bank's safeguard policies. The SM-VCDF outlines measures that will be developed by the project in the event that the implementation of the project in a specific area triggers one of the Bank's safeguards policies. In addition, a Gender Development Plan has been prepared as part of the SM-VCDF to ensure that project benefits to IPs, women and other vulnerable communities is maximized while any potential adverse effects are mitigated. At sub project level, a VCDP/IPDP will be prepared and disclosed, if required.
Involuntary Resettlement OP/BP 4.12	No	No new civil works will be carried out as part of the project outside the existing premises of participating institutions. 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.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p>
<p>It is to be noted that, although the Eligible Expenditure Programs (EEPs) for IDA financing for Component 1 will include only research development and innovation grants; scholarships; and salaries and allowances under the National Program, the project needs to follow the prevailing safeguard system of the country for which EMF has been drafted by UGC and has been reviewed and approved by the World Bank. The EMF has been drafted based on the country's environmental regulations and World Bank environmental safeguard requirements. The EMF aims to strengthen client's current safeguard system and ensure that all the activities carried out under the reform program complies with the applicable environmental requirements. Bank funds will not support the procurement of infrastructure works as this is not included in the EEP. However, through the use of government fund, moderate civil works such as refurbishment/rehabilitation of existing structures, construction of annex buildings, addition of stories on existing facilities, construction of workshops and laboratories, etc. may be supported under the Program in which EMF will be applied. Hence, during implementation, role of the environmental safeguard support will be to review application of the EMF to whole national program at system level, not to review each civil works procured. There is no potential large scale, significant impact associated with the project.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>None</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>NA</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>UGC, TUPIO and SFAFDB will be responsible for ensuring implementation of EMF and SMF through recipient institutions; UGC will allocate budget for EMF and SMF implementation. Key tasks the EMF and SMF envisages are screening, preparation of EMP, monitoring including regular, trimester, and third party monitoring, grievance handling and others which are well defined the EMF and SMF. UGC allocated budget also includes costs for capacity building of the implementing agencies and beneficiary institutions. The environmental and social specialist will be outsourced by UGC to give technical support/ guidance to the recipient institution whenever required and to ensure EMF and SMF procedures and steps have been followed.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>During the preparation of EMF and SMF, range of formal and informal consultations were held with stakeholders including UGC, technical advisor, member secretary, potential HEIs, TU, etc. The consultations was mainly focused on contents of EMF, environmental and social screening process, likely impacts and mitigation measures, and capacity building measures for institutions involved in HERP. A consultation workshop to discuss EMF and SMF was also organized on August 31, 2014. The draft EMF has been disclosed through UGC website <www.ugcnepal.edu.np> (Download section) on August 24, 2014 and also on the World Bank infoshop on September 10, 2014. The comments and suggestions obtained in draft EMF/SMF have been incorporated in the final EMF/SMF, and a response matrix also prepared as an Annex to the EMF/SMF.</p>

The final EMF and SMF will be widely disseminated to the HERP recipient institutions through orientation, and printed documents.

The key stakeholders to be consulted during implementation includes:

- (a) Project beneficiaries
- (b) Information dissemination about HERP and EMF, SMF to head of institutions, campus management committee (twice a year)
- (c) Political party representatives, community leaders, and representatives of community based organizations at central level and regional level
- (d) Relevant government agencies (Central and district level)

A range of formal and informal consultative meetings will be carried out for all including, but not limited to: focus group discussions (FGDs), stakeholder's meetings, community discussions, and in-depth and key informant interviews.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	14-Aug-2014
Date of submission to InfoShop	08-Sep-2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Nepal	24-Aug-2014
<i>Comments:</i> UGC has disclosed the Draft Environmental Framework (EMF) through its website.	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	15-Aug-2014
Date of submission to InfoShop	08-Sep-2014
"In country" Disclosure	
Nepal	24-Aug-2014
<i>Comments:</i> UGC has disclosed the Draft Social Management-Vulnerable Community development framework (VCCDF) through its website.	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.10 - Indigenous Peoples	

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader:	Name: Mohan Prasad Aryal	
<i>Approved By</i>		
Regional Safeguards Advisor:	Name: Francis V. Fragano (RSA)	Date: 08-Oct-2014
Practice Manager/ Manager:	Name: Halil Dundar (PMGR)	Date: 08-Oct-2014