

Education

I. Introduction

National educational policy in Nepal is directed by the overarching national goal of poverty reduction as reflected in the Tenth Plan (2002–07) and the Dakar Framework of Action, 2000. The Tenth Plan's poverty reduction strategy is built on four pillars (i) broad based economic growth, (ii) social sector development including human development; (iii) targeted programmes including social inclusion and (iv) good governance. Within the broad spectrum of *education for poverty alleviation*, the national educational goals are to contribute towards knowledge building; human resource development and sustained human productivity; equity, inclusion and empowerment; and economic growth. The Tenth Plan has clearly emphasised that the development of the education sector, as a part of the social sector, will continue to receive specific attention and the role of the Government will remain important in the development of the sector. This is important because without substantial state support, education developmental objectives, and particularly the objective of Education For All, cannot be achieved.

Education is not only a technical and administrative process but also a political and social process. This means that any effort towards improving educational processes in the country should be based on the existing political, socio-cultural, economic, and administrative context of the country. Realising this fact, the Government has prepared a legal and institutional framework in which all concerned stakeholders could interact for the development of participatory and collaborative educational policies and programmes. The emphasis being given by the Government to decentralising the governance of local educational processes to local political bodies as well as to other agencies including local communities reflects the political and social roles these bodies can play in the development of education in the country.

II. Long term Goals, Objective and Policies

As part of Dakar framework of action to provide education for all, the Government is working towards the fulfilment of the following six goals (which incorporate two key Millennium Development Goals):

- ?? Expanding and improving comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children;
- ?? Ensuring that by 2015 all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, have access to and complete free and compulsory primary education of good quality;
- ?? Ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programmes;
- ?? Achieving a 50% improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing Education For All adults;
- ?? Eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality in education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality;
- ?? Improving all aspects of the quality of education, and ensuring excellence of all so that recognised and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life skills.

Education For All 2004-2009 is a five-year strategic programme developed in the context of the Tenth Plan and informed by the Education for All National Plan of Action (EFA-NPA) and the Medium Term Expenditure Framework (MTEF). Guided by the objective of "education for all" the education sector in the Tenth plan aims at improving access to and the quality of primary education. Government efforts to achieve the goals set out under the Dakar Framework are guided by the visions of developing inquisitive children in a conducive and safe learning environment in the country. The plan also has the objective of expanding literacy programmes to improve the livelihoods of deprived groups, especially women, Dalits and disadvantaged groups. The plan objectives also include development and expansion of secondary education,

production of a middle level technical work force through the expansion of vocational and technical education, and production of higher-level skilled labour through the development of higher education. The Ministry of Education and Sports (MoES) is earnestly working towards fulfilment of these objectives.

The major strategy adopted by the 10th plan to fulfil education objectives is the decentralisation of school governance in line with the Local Self-Governance Act (LSGA) and by handing over the school management responsibility to the School Management Committees (SMCs). Both the LSGA and the Education Act focus on the need of involving the community in educational processes with emphasis on ownership, accountability, local control over effective utilisation of resources, and local resource mobilisation. Accordingly, the role of district and central level agencies will be changed to that of facilitator, monitor and evaluator rather than controller. The strengthening of the school monitoring and supervision system, mitigating social, cultural and financial barriers in order to ensure equitable access to education are other major strategies adopted in the 10th plan. The promotion of vocational courses and private sector involvement in extending basic and middle level technical education also forms the 10th plan strategy. In higher education, cost recovery and sharing and decentralisation are the guiding principles.

The development objective of secondary education is to expand quality secondary education for the needs of national development. Although the provision of public secondary education has expanded over the past decades, quality continues to remain low in public schools. Given the likely increased demands resulting from much higher enrolment and completion rates in primary education, and the need to provide much greater opportunities for the poor as part of a pro-poor strategy, it is clear that secondary education in Nepal needs improvement. In order to address such need, the Government has recently initiated the Secondary Education Support Programme (SESP) with assistance from the Asian Development Bank and the Government of Denmark. SESP has three intermediate objectives: i) to improve the quality and relevance of public secondary schooling, ii) to improve access to public secondary schooling, with a particular emphasis on girls, students with disabilities and students from poor and disadvantaged groups and districts, and iii) to develop the institutional capacity and management of central and district educational institutions and public secondary schools based upon a decentralised system of planning and management. In line with the policy of decentralisation, MoES intends to work towards the development of a mutual relationship where the school and community contribute to each other's development, which creates space for people's participation in school governance.

In order to develop the school system as a complete and integrated system, to expand the educational opportunities to larger group of children and to de-congest higher education institutes the Government has adopted the policy of considering the higher secondary level (grades 11-12) as a part of the school system. As such, the programme is to gradually phase out the proficiency certificate level (grades 11-12) from the university system and merge it with the school system. The policy, thus, is to set-up an institutional support system for grades one to five as the primary education system and from grades 6 to 12 as the secondary education system. This is in line with the long-term policy goal of the Government to develop grades 1-8 as basic education and then grades 9-12 as secondary level.

The thrust of Technical Education and Vocational Training (TEVT) policy is to enhance the quality, relevance and efficiency of TEVT provision as well as to ensure equitable access to employment-based technical and vocational education and training to school dropouts, non-college bound youths and literate adults. It is expected that such training would contribute to increase their performance and competitiveness in national and international labour markets. Accordingly, necessary measures are being taken to redirect this sector as a contributor to poverty reduction through employment creation and income generation activities. For this, emphasis has been given towards increasing short-term training programmes for women, poor and disadvantaged and encouraging other TEVT providers to provide training access to the poor and the rural people. Encouraging private sector investment in expanding TEVT provisions in the country is one of the Government policies in this area. In line with this policy, Centre for Technical Education and Vocational Training (CTEVT) will be developed as a facilitating, coordinating and monitoring agency of TEVT provisions.

The Government has adopted the policy of integrating technical education in secondary education with the main objective of imparting vocational skill to students so that later they could

involve themselves in economically gainful activities through self-employment. The programme towards this policy is to expand the present school annex programme to increase opportunities for technical education and vocational training programmes by building partnerships with local bodies and the private sector. This programme is expected to contribute to increasing equitable access for disadvantaged and poor students in the technical and vocational stream. Similarly, it is also expected that this programme would contribute toward linking vocational training with community development, an area that needs priority attention.

In higher education, some of the major policy thrusts are academic excellence, academic, administrative and financial decentralisation, institutional strengthening, access and equity cost recovery and sharing, etc. Presently, various universities are set up and run under separate laws making it difficult to maintain academic standards and integrity. In order to avoid such problems and to co-ordinate and redirect higher education provisions towards academic excellence, autonomy, access and equity, the Government is now working towards an Umbrella Act for all universities to guide the establishment of new universities. It is expected that such an Act will contribute towards the development of higher education according to the need of the country.

In line with the policy of decentralisation, Tribhuvan University colleges will be granted autonomy both in their academic activities and in management aspects including human resource management and financing. They would be free to decide upon their academic programmes, the modality of the programme, raising fees from students or raising resources by building partnership with any other agencies. It is expected that such a policy will contribute to making these campuses demand based, competitive, and centres of academic excellence. Encouraging private sector investment in expanding and strengthening higher education opportunities in the country is one of the key aspects of the Government policy in this area. Similarly, the Government is visioning to develop national higher education institutes, collaborating with other national and international academic institutes and other agencies, as centres of academic excellence so that they could attract international students. This is an area where Nepal can work comfortably and profitably.

In order to develop a regional institutional structure of higher education, the constituent colleges of Tribhuvan University will gradually be merged into regional universities. A cost-sharing policy will be adopted with the concerned stakeholders and communities in order to facilitate such institutional development. Government policy is also to promote private sector participation in expanding the provision of higher education, its diversification and in achieving academic excellence. Following the principles of cost recovery, emphasis has been laid on diversification, quality and opportunity. The Government will adopt the policy of decreasing the subsidy level as the level of education rises.

One specific area that needs development in higher education is to expand Information Communication Technology (ICT) based educational provision in the country. Moreover, the Government is equally aware of the need to expand the use of ICT in educational management and service delivery systems. Such provision would contribute to bringing the Government closer to the people by maintaining transparency as well as by creating space for people's increased participation in governance process. The ICT and Open University system has already been adopted at the policy level. The policy is to transform the education service delivery system into an ICT based system. A Master Plan is being developed to this effect.

III. Priorities and Targets

Education For All is the major priority objective of education sector development in the 10th plan. The priority has been improving access to and the quality of primary education. Recognising the importance of basic and primary education, scholarships, and education programme in the fulfilment of poverty reduction, the outlay for the FY 2004/05 is projected to be Rs. 11.20 billion from Rs. 8.52 billion in 2002/03. Primary education is also consistently receiving the highest share of the educational budget. Secondary education and higher education are getting the second highest and third highest shares of the education budget.

However, despite the fact that the plan has recognised Technical and Vocational Training (TVT) sector as an important priority area, the budget allocation to this sector has not received priority treatment.

Some of the prioritised strategies to fulfil the objectives set out in the education sector identified by the 10th five year plan are as follows: decentralisation of school management to communities/local bodies and change in role of district and central level agencies from implementation to facilitation, monitoring and evaluation. Similarly improving and expanding teacher training programmes and strengthening school monitoring and supervision systems are priority strategies to achieve the objective of improving the quality of and access to education, especially primary education. At the same time, various incentive schemes to attract students from marginalized and disadvantaged socio-economic groups have been introduced to achieve these goals.

Integration of Community Based Organisation (CBO) based income generation activities facilitated by local bodies is expected to achieve the objective of delivery of literacy programmes with a focus on livelihood improvement. Vocational courses attached to existing secondary schools and the promotion of private provision of basic and middle level technical training strategies are expected to meet the national demand for basic and middle level technical human resources. These prioritised activities are expected to improve literacy in general and quality of human resources in particular in the context of low human development of Nepal.

Education for All Targets: Overall progress towards this vision is guided by the Education for All National Plan of Action (NPA), which was completed last year. The NPA contains a number of key targets, which are expected to be met by 2015. Within the period of the Tenth Plan, a set of interim targets has been developed to monitor progress. The full list of targets for 2015 together with the 2009 interim targets is presented in Table 1.

IV. Present State, Progress and Challenges

The education sector receives the largest sectoral share of public expenditure, but its internal efficiency is low. Dropout rates are high and the quality of education continues to remain poor, especially in public schools. However, private schools that have better quality and performance standards are unaffordable to the poor. Therefore, one of the major challenges before Nepal is to provide quality education in public schools.

Yet, Nepal has made very substantial progress in the field of education during the last 50 years. From a period of extremely limited access enjoyed exclusively by the most privileged social groups, the education system has opened up to the general population. The network of primary and secondary schools has considerably increased throughout the country facilitating access to school. Presently, there are about 26,000 schools in the country. While nearly all of them offer primary education (grades 1 to 5), about 8,000 of them offer lower secondary (grades 6 to 8) and about 4,000 offer secondary (grades 9 and 10) level education.

Table 1: Education for All: Projected Outcomes

SN	Indicators	Baseline 2001	Interim 2008/09	NPA 2015
1	Gross enrolment rate of early childhood / pre school	13	51	80
2	Percentage of new entrants at grade 1 with ECD	8	60	80
3	Gross intake rate at grade 1	141	110	102
4	Net intake rate at grade 1	53.7	95	98
5	Gross enrolment rate	123	104	105
6	Net enrolment rate	81	96	100
7	Percentage of gross national product channelled to primary	1.7	2.3	2.5

	education sub sector			
8	Percentage of total education budget channelled to primary education sub sector	55.6	60	65
9	Percentage of teachers with required qualification and training	15	99	100
10	Percentage of teachers with required certification		99	100
11	Pupil teacher ratio	39	37	30
12.1	Repetition rate: grade 1	39	10	10
12.2	Repetition rate: grade 5	9	3	8
13	Survival rate to grade 5	66	85	90
14	Coefficient of efficiency	60	83	80
15	Percentage of learning achievement at grade 5	40	60	80
16.1	Literacy rate: age group 15-24	70	82	95
16.2	Literacy rate: age group 6+ years	54	76	90
17	Adult literacy rate (15+ years)	48	66	75
18	Literacy gender parity index (15+ years)	0.6	0.9	1.0

(The minor inconsistencies in the targets for 2008/09 and 2015 are a result of additional analytical work after the completion of the NPA).

In recent years, there has been significant progress in access to primary education as illustrated by the Net Enrolment Rate (NER) of 82 per cent in 2002 compared to 70 per cent in 1998. Similarly, the cycle completion rate has improved from 42 per cent in 1998 to 60 per cent in 2001, and the dropout rate in grade one has been reduced from 19 per cent in 1998 to 15 per cent in 2001. Despite these accomplishments, there is lot of room for further improvement and many areas within the basic and primary education sub-sector need a more concerted effort through focused and targeted programmes and policies. For example, about 18 per cent of children of school-going age are still not attending primary schools, 84 per cent of primary school teachers are yet to receive full training, the repetition rate for grade one is still 37 per cent, the survival rate to grade 5 is only 68 per cent, and adult literacy is only 48 per cent with that of women only 35 per cent (2001 Census Reports).

When looking at the regional disparities in NER, it is found that Terai is the worst with only 72 per cent NER followed by 77 per cent in the Hills and 90 per cent in the Mountains implying that interventions in the Terai communities are more needed. Similarly, the mid-western region has the lowest NER (48 per cent) among the five development regions. Likewise, when looking at gender disparity, NER for girls is only 75 per cent and it is estimated that it is less than 50 per cent for disadvantaged groups. These data indicate that special intervention programmes are needed in order to bring all children of school going age from these groups into school.

When looking at the regional distribution of schools and students, it appears that Terai and the Mid-western region are the geographical areas where access to all children is still a problem. While the Hill region consists of more than half of the total schools and slightly less than half of total students in the country, the Terai consists of about 28 per cent of total primary schools but nearly 40 per cent of total primary students. The share of schools in the Mountain and Hills is higher than the share of students in these regions indicating that schools in Mountain and Hills are less crowded than schools in the Terai. Such a skewed distribution of schools shows that while resources in the Mountain and the Hills are under utilised, the situation in the Terai is less satisfactory from a quality perspective.

While the situation of public schools is generally very poor and their efficiency is low, private schools have emerged, especially in urban areas, providing a better quality education for a price that the majority of Nepalis cannot afford to pay. Nevertheless, the higher efficiency of private schools and an overall better quality of education have virtually created two different educational streams in the country contributing to widening the gap between the social classes. Strengthening the public education system is the only option available to address this widening social gap. When people assess the public education system as relevant, efficient and offering quality education, they would automatically be attracted towards it. Hence, the challenge is to reduce the existing and widening social gap by improving the quality of public education system.

Early Childhood Development: At the moment, two types of early childhood development programmes are running in the country. They are community-based Early Childhood

Development (ECD) programmes and school-based pre-primary classes (PPC). Both programmes are seen as a means for accelerating the internal efficiency of basic and primary education. They are considered instrumental for social, emotional, intellectual and physical development of children in a balanced manner. Most of the pre-primary classes, at present, are run by private schools that are not accessible for low-income families. Currently, there are 5,750 community-based ECD centres with technical support provided by Department of Education/District Education Office (DOE/DEO). However, these centres are not sufficient to accommodate all children of the age group of 3 to 5 years who cannot afford to go to private facilities.

A recent study on the impact of ECD programmes in Siraha district has shown that promotion, repetition and dropout rates for children with ECD experience are 84, 5 and 11 respectively as opposed to 42, 37 and 21 for those without ECD in grade one. This finding shows that early childhood development programmes are instrumental in increasing the efficiency of primary education, and hence expansion of such programmes is necessary. Considering the fact that the gross enrolment rate for ECD/PPC is only about 20 per cent, expanding these opportunities is a challenge.

Access and Inclusion: Ensuring access to all children to basic and primary education is the Governments' priority as stated in the Tenth Plan. At present, however, a substantial proportion of the primary school going age population still outside the school system is from the Terai and belongs to disadvantaged groups such as dalits, girls, children with disabilities and other marginalized groups. Moreover, insurgency has resulted in an increasing number of displaced families, victimised children, closure of some private schools, and has had a direct impact on schools and school going children, thereby hampering access to schooling by creating access related problems and by causing overcrowding in public schools. Due to financial constraints; extra funding to hire additional teachers for public schools is not available. In the absence of elected local bodies, support from VDCs is also missing. There are also incidences of school buildings being burnt or destroyed. The cost in terms of destroyed buildings, facilities and loss due to students leaving schools to avoid forced recruitment is substantial. Providing access to primary education to all children in the country inevitably necessitates that strategic plans and targeted interventions are designed to address the needs of children living in areas of armed conflict, violence, and areas hit by natural disasters.

One of the primary strategies of the Government is to increase access has been to provide primary education free of cost. However, 18 per cent of the school age children are still not enrolled in school and given the high dropout rate, many more are outside the school system. Free education must not only mean waiving school fees as access today is hampered by both direct, indirect and opportunity costs of education. Recognising that mitigating social and cultural barriers to access is as important as mitigating economic barriers, efforts will be made to prevent social and cultural barriers in schools by putting in place mechanisms to discourage social and cultural barriers. The provision of free textbooks has not been translated into reality under Basic and Primary Education Project II as families are not reimbursed on time for the textbooks they purchase and as textbooks are not delivered on time if at all. Furthermore, incentives and scholarship schemes meant to increase access and retention of disadvantaged children under BPEP II are centrally planned and managed with little or no room for districts and schools to participate in the process. One of the lessons of BPEP II is that there is a strong need to depart from such practices of centralised planning and move on to contextualised planning at the district, village and school levels.

Meeting All Learning Needs: The Constitution of the Kingdom of Nepal, 1990 recognises the cultural and linguistic diversity of the country. The provision made in the Education Act for the use of mother tongue in primary classes has been a positive step towards addressing the instructional needs of indigenous and linguistic minority children across the country. Despite efforts and endeavours in the past, there have been obstacles in meeting the learning needs of these children. Viable strategies have yet to find their way into classroom practices. Encouragingly, the policy environment in present-day Nepal recognises the multi-cultural and multi-lingual fabric of the nation. A move towards school-based management in order to address location specific learning needs of children will contribute to creating a conducive learning environment for linguistic minority children. There is a greater need for collaboration between the Government and ethnic and linguistic minorities to realise the vision of the

Constitution into practice in primary education. More importantly, involvement and empowerment of School Management Committees in school management is crucial for addressing children's classroom needs at the local level.

The responses from linguistic minorities for preparing curricular materials in local languages and for making instructional arrangements in schools have been encouraging. With the support from local communities and ethnic minorities, the Curriculum Development Centre has succeeded in developing curriculum and textbook materials in 11 minority languages. Ethnic and linguistic minorities are coming forward and have been offering their support to bring about changes in the primary school curricula and training materials to address the needs of the bilingual/ multilingual children. This is expected to contribute to the goal of achieving education for all.

Adult Literacy: According to the 2001 Population Census, the 6+ literacy rate is only 54% (male 65% and female 43%). This indicates that almost half of the population of the country is still illiterate. Poverty and illiteracy are always interrelated forming a vicious circle. This cycle needs to be broken through the effective implementation of literacy programmes in order to reduce poverty. Several pockets of illiteracy in rural and remote areas present a formidable challenge to raising the national literacy level.

The efforts made under BPEP II in the area of literacy and non-formal education have taught us a number of lessons. For example, NFE learners require varieties of learning materials in different languages during and after the completion of NFE programmes. Also, it has been learned that one type of NFE programme cannot cater to the learning needs of different target groups, which require modular intervention programmes. Furthermore, programmes under BPEP II have shown that income-generating activities integrated with NFE programmes targeting marginalized groups is an obvious entry point to initiate further NFE activities in low literacy and poverty stricken areas.

Gender Equity: The deep-rooted hierarchical caste system, domination of certain ethnic groups over others, prejudice against and superstitious beliefs about disabilities, and the predominant patriarchal value system have been the main elements of social and gender disparity in Nepal. Given these realities, eliminating gender disparities in primary and secondary education by 2005 is not possible and without eliminating these disparities, it will not be possible to have equality and equity in education. Also, the objective of reducing poverty can only be achieved if the human capabilities of females who constitute more than 50 per cent of the national population are enhanced, and all marginalized groups are brought under the nucleus of poverty reduction programmes.

Gender disparity is persistent in the classroom at the school level to the central management of education. Though the gender gap in school enrolment is narrowing and substantial progress has been made in girls' enrolment, the gap still persists. The difference of 13 percentage points in the NER of boys (89 per cent) and girls (76 per cent) illustrates the prevalence of the gender gap in the present context. Similarly, the literacy rate for females (6+) is only 43 as opposed to 66 per cent for males. Gender disparities among teachers is prevalent as about 11,000 primary schools still do not have a single female teacher despite the national policy that at least one female teacher will be placed in every primary school. Of all primary teachers, only about 29 per cent are females and of all head teachers, only eight per cent are females.

Quality: Education quality can be measured in better learning achievements of students which contribute towards their knowledge building and enhance their capacity to innovate and expand the knowledge building process. It is expected that such process would contribute to increase their productivity, which in turn would contribute their own individual development as well as their contribution towards the societal development process. However, as discussed, educational quality in Nepal has remained poor as a result of a number of factors such as inequitable distribution of resources leading to socio-cultural and economic disparities, the hierarchic and elitist structure of society, a lack of strong political commitment, weak leadership and poor and centralised management practices, etc. At operational level, a number of factors are responsible for poor educational quality such as poor and centralised management and monitoring and evaluation systems leading to lack of accountability and transparency in the system, poorly motivated and inadequately trained teachers, poor learning environments as a

result of over-politicisation of teaching learning and inadequate resources at the school level, etc.

Although much effort has been made in training teachers, only about 25 per cent of little more than 110 thousand all-level public teachers have received full training, and many of them do not translate the knowledge and skills gained in training into classroom practices. Similarly, while the Government has the policy of providing free textbooks, the distribution mechanism has not been successful in ensuring that children receive textbooks on time. The learning environment of public schools is far from being conducive and child-friendly as basic facilities such as playground, library, drinking water and toilet, and classroom and furniture are inadequate in many schools. Also, given the skewed distribution of schools and teachers, many schools have crowded classrooms and a shortage of teachers.

Realising the importance of classroom processes in enhancing children's learning achievements, the Government has established and strengthened support systems at all levels of education. Programmes such as on-the-job training for teachers, developing child-friendly textbooks, supplementary materials, teachers' guides, etc. are underway in order to improve classroom pedagogy. A Teacher Education Project (TEP) is in operation to help develop policies on teacher education and speed up the reform process in teacher training programmes. Though the EFA target of 100 per cent public teacher training by the year 2009 seems quite ambitious, the Ministry has a strategic plan to achieve this target by utilising several alternative measures such as institutional collaboration, accreditation of training programmes conducted by other agencies, open training system, etc.

Despite the existing support systems, studies have shown that the achievement level of primary school children in subjects like Mathematics, Social Studies and Nepali is generally low. Studies conducted by Formative Research under BPEP II have shown that unless the basic pre-requisites for making school effective are met, any discussion on improving quality at the school level is merely rhetorical. There is a very uneven distribution of teachers and absenteeism among teachers is prevalent, especially among those in the Mountain region. In addition, while overcrowded classrooms and inadequate basic physical facilities characterise schools in the Terai, some schools in the Mountain region have a very small number of students at the primary level. Also, the required number of school days and instructional hours according to the Education Act and Regulations are rarely followed.

Inputs essential for quality education at the school level are currently not reaching schools. For example, textbooks do not reach the schools in time, and teachers' guide curriculum and supplementary reading materials are not available or inadequately available. Moreover, the professional support that teachers are meant to receive through resource centres is neither adequate nor of good quality because the Resource Persons are overloaded with administrative tasks. The overall system for monitoring of schools is ineffective.

V. Gaps

Despite efforts made to meet targets based on the goals set for the educational sector, there are a number of gaps between the targets and achievements. The resource gap has naturally slowed progress. There are however, institutional bottlenecks as well as other shortcomings that are also reasons for existing gaps between targets and achievements.

Financial gaps

The budget allocated in Medium Term Expenditure Framework for different education sub-sectors are based on identified resources. However, there are still wide resource gaps in different sub-sectors. If these gaps can not be fulfilled, it will be quite difficult to achieve the policy goals and objectives for these sub-sectors.

The EFA 2004-09 Core Document has presented a total EFA budget of US\$ 815 million. Of this total budget, US\$ 480 million (59 per cent) is allocated for recurrent expenditure. The remaining US\$ 335 million (41 per cent) is for capital expenditure. The Government has committed resources for EFA of US\$ 536 million (66 per cent) both for recurrent and capital expenditures. Donors, through different bilateral agreements, have agreed to provide support of US\$ 104 million. So far, understandings have been reached with donors for an additional US\$ 158 million. Hence, there is still a resource gap of US\$ 17 million. MoES expects that donors would come forward to cover this gap and assist in achieving the EFA goals. It is to be noted that the Dakar Framework guarantees that countries committed to Education for All will not be constrained by a lack of resources. Government commitment in achieving EFA goals is expressed by the fact that it has already committed to invest two-thirds of the total EFA budget, with the remaining 279 million (34 per cent) expected from the donors.

Table 2: Total EFA Budget and Resource Gap (in million US\$)

	Recurrent	Capital	Total	
			Amount	Per cent
Government commitment	-	-	536	65.8
Donors' support				
Agreed	-	-	104	12.8
Understanding reached	-	-	158	19.4
Donors' commitment so far		-	262	32.1
Resource gap				
	-	-	17	2.1
Total EFA budget				
	480	335	815	100.0
Per cent				
	58.9	41.1	100.0	

The secondary education sub-sector is getting support from DANIDA and the Asian Development Bank through the Secondary Education Support Programme. However, there is still a critical resource gap in this sub-sector, particularly in human resource development. Large numbers of secondary schools are being managed and financially supported by people at the community level. However, local support alone is not sufficient to develop these schools as quality learning centres and hence, is in need of external support. Most of these schools are providing educational service basically to the girls, poor and children of deprived communities and remote locations. Hence, supporting these schools is necessary to achieve the rational objective of providing educational access in an equitable manner. The estimated resource requirement to support human resource development in these community-supported schools is US\$15 million for the coming five years. Similarly, the higher secondary sub-sector has an estimated resource requirement of US\$20 million. The areas needing support to implement developmental activities include teacher training, curriculum and textbook, supervision, planning and monitoring, information system, etc.

In recent years, the annual budget allocation in TEVT sectors has only been around one per cent of the total education sector budget. The sub-sector needs budget investment in the range of about four to five per cent of the total education budget in order to make it capable to effectively contribute to the national development process. Given this under funding to this critical sub-sector and based upon the long term perspective plan recently developed for the sector, the resource gap can be estimated to be about US\$30 million for the coming five years. A five-year project for Skills for Employment is in the pipeline to be supported by the Asian Development Bank. However, there would still be a resource gap of about US\$ 10 million for the establishment of two poly-technique institutes, two technical schools, expansion of school annex programmes in additional to 60 schools, programmes for linking the sub-sector with local development process, institutional strengthening, etc.

There is no donor support for higher education in the current year (2003/04) and the sub-sector is experiencing resource constraints in its development. The resource gap in this sub-sector is estimated to be around US\$30 million for the next five years. Donor inputs in this sub-sector are to be utilised in activities like reform of the higher education system, development and expansion of higher education in the country as well as its quality improvement in order to

achieve academic excellence. Similarly, strengthening its research base, institutional strengthening, development and expansion of ICT related programmes, Open University, addressing issues of access and equity, etc. are some specific areas for interventions where donor support is highly desirable. Improving the curriculum in order to make it demand based and tuned to local and national needs as well as to make it flexible enough to adapt to new knowledge, innovations and trends around the world is another area requiring additional investment; hence, in need of donor support.

Table 3: Sub-Sector Wise Resource Gap for the Next Five Years

Sub sector	<i>Resource gap (million US\$)</i>
EFA	17
Secondary and higher secondary	35
Technical and vocational	10
Higher education	30
All sector	92

Institutional and other gaps

At the institutional level, the gaps stem from an unclear conceptual model of decentralisation. LSGA describes a strong role for DDCs and VDCs in matters of development in their respective areas. This situation is largely the result of unclear political commitment towards decentralisation. Societal struggle between a traditional approach of governance that derives from hierarchic and centralised practices which works for a one-nation society and a new approach that derives from pluralistic and decentralised practices which works for a multiple-nation society is largely responsible for unclear political commitment. However, the new approach is gradually gaining space in society and as a result, policy commitments are moving towards decentralised practices. However, there is still a gap in translating policy commitments into actual practices. This is the reason behind the reality that education support to schools is still being channelled through DEOs and RCs and the unclear role of local bodies in local educational processes. Moreover, there are very few programmes to strengthen the institutional capabilities of these local bodies so that they could lead and direct the educational processes at the local level. Following the continued pressure for decentralised governance practices, necessary amendments to the Education Act to harmonise it with the LSGA is under consideration.

Lack of capacity within central level agencies to handle the transition to decentralisation is one of the critical problems and is related to the long held tradition of centralised school governance system. While policy documents emphasise decentralisation, actual practices are not well aligned with this direction making things unclear and confusing and thus, making the service delivery of the Ministry less efficient.

At the local level, significantly increased responsibility is being delegated to village level organisations, and particularly SMCs, PTAs and local NGOs, CBOs. Not only is there a lack of capacity within these organisations to perform the tasks expected of them, but there is also a lack of the practical support mechanisms necessary to build this capacity. Though participation of women, dalits, and disadvantaged groups is encouraged in school governance process, there is no legal provision to ensure their participation in SMC except that one of the members selected from among the parents must be a woman. Further, provisions are yet to be developed that would allow them to express their ideas and thus actively participate in the process of school governance.

There is also lack of mechanisms for co-ordinating the inputs from these local organisations to ensure lack of duplication and greater effectiveness as well as to develop the shared discourses of educational development.

The gap in developing realistic plans, implementing them in an efficient manner and overseeing them through an effective monitoring mechanism are long felt problems requiring improvements. Realising the local socio-cultural and political process, understanding the needs and aspirations

of people and developing a professionally sound educational development plan accordingly are aspects which are yet to be developed as a norm. Similarly, the need is to develop a culture among all educational stakeholders including the Government, bureaucrats, teachers, parents, various local and national agencies, media, etc. that sees education not only as a professional process but also as a political and cultural process. The lack of timely collection, generation and use of data for educational management information system is also a serious handicap for effective implementation of education sector programmes.

Stemming from these shortcomings many other weaknesses and gaps could be noticed, including low absorption capacity, textbooks not reaching students on time, curriculum and textbooks that do not reflect local needs and aspirations, resource persons or school supervisors are not properly mobilised and monitored, poor effectiveness of programmes like teacher training, etc. Similarly, the information system that needs to support planning, implementation and monitoring is rather weak and the whole planning and decision-making process is not based upon a comprehensive research and development practice. Due to these problems and gaps, the system always remains behind its set targets. For example, the Ninth Five-Year Plan (1997-2002) had set the 6+ literacy target as 70 per cent but the 2001 Population Census reported it only as 54 per cent.

Despite policy and programme provisions, disparity in access to and participation in schooling is one critical gap. Disparity is mainly related with gender, economic situation, location, and socio-cultural aspects. Women, poor communities, children from different ethnic communities, particularly dalits, and those living in remote areas are yet to be served in an equitable manner. Though physical distance to schooling, except in some cases, is not a big issue now, social distance is still large.

Private sector participation is one area that needs clarity in concept and approach. The policy is to promote participation and investment of the private sector in all level and all sub-sectors. Taking this as an opportunity, the private sector has made a substantial investment already. However, the public and private sectors have yet to work out a modality where each functions as complementary to the other. The private sector has always been critical and suspicious of government policies and the Government has made almost no investment for the development of the sector. The government has yet to develop a clear regulatory framework. In the absence of such regulation, the private sector does not feel pressured to move towards fulfilling social objectives from its preoccupation with profits.

One specific area that needs development in higher education is to expand ICT based educational provision. There is also an increasingly felt need to develop an Open University or open learning system. This is accepted at the policy level but has yet to be translated into reality. The open learning approach can be an effective strategy to expand educational provision, including the literacy campaign, but is yet to be utilised.

Higher education's contribution to national development processes, in the sense of providing a quality workforce that can deliver and perform according to national requirements, is limited. In order to be able to play such a role, the sub-sector needs institutional capacity building, linkage with other institutions, opportunities for professional development, and academic freedom. Similarly it is necessary to promote specialisation in areas appropriate for Nepal, a focus on applied research, and reorienting the present higher education system towards the qualitative change required for the national and international job markets.

The introduction of higher secondary level education has contributed to the expansion of educational opportunities to large numbers of those SLC completers who otherwise would have to discontinue their education. However, there is a need for specific policies and programmes in order to make it demand-based and that would contribute both towards national and local development as well as individual capacity enhancement. It needs special attention towards fulfilling its goals regarding equity and access, quality, efficiency, relevance and institutional capacity strengthening. Curriculum and textbook reform, examination reform, teacher preparation, physical facilities, management strengthening and institutionalisation, etc. are specific areas requiring interventions.

One of the main needs of TEVT sector is to link it with poverty reduction activities as well as with demand from the labour market. This is directly linked with the issue of relevance and thus there is a need for reliable information and a research base. Following this need, it is necessary to reprioritise government investment. Presently, the sector is receiving less than one per cent of the total education sector budget. This needs to be increased. Hence, there is a need for additional resources to expand the sector so that it could make a meaningful contribution to national development process.

Several government agencies are involved in providing vocational training to people outside the formal education system. They conduct training of varied nature and duration to their target groups according to their specific programme objectives. These vocational training programmes are generally directed toward income generation and small enterprise development leading to self-employment as well as toward increasing productivity. They also provide an in-service type of training to their own employees. However, there is a lack of co-ordination. The close co-ordination and integration is desirable to make its impact felt.

Efforts to fill the gaps

Against these various shortcomings and gaps, several programmes are underway to achieve the set targets and reduce gaps. The education sector programmes in the Tenth Plan aims at achieving a few strategic objectives through prioritised interventions. Firstly, basic and primary education or Education for All is a national priority which focuses upon access of all sections and communities of the population to the primary education system. Secondly, implementing programmes on literacy, post-literacy, income generation and other non-formal education for assisting particularly the backward communities and women for improving their living standards is a priority area too. Both of these are particularly important because there is a close positive link between income poverty and the literacy/education levels of the households. Thirdly, the education sector strategy also seeks to improve the quality of education, through programmes aimed at providing compulsory teacher training and certification, equipment and teaching materials, improving the relevance of curricula, better supervision (including introducing a Gender Auditing System) and management, reducing teacher and student absenteeism, among others. Fourthly, formal and non-formal technical and vocational (including technology-based) education is being emphasised for supplying the basic and mid level technical human power required by the country. These programmes will be adopted to promote skill development among women and deprived communities also. Fifthly, special efforts are being made to empower local bodies and communities to enable them to shoulder the responsibility for educational policymaking and manage schools. And sixthly, scholarships are being provided to girls and children from deprived communities to ensure the enrolment of such groups.

These programmes will be expanded substantially in order to close the existing gaps that exist with regard to the participation rates of disadvantaged groups over a reasonable time frame. Education reforms announced by the Government recently are expected to help to expedite the implementation of these agendas. The handover of management responsibilities to community management together with funding through District Development Councils has been started initially in selected districts. The Government has also announced a new programme to: (i) provide free education up to tenth grade for oppressed, backward and below poverty line students; (ii) provide education in mother languages (of communities) up to the primary level; (iii) regulate fees in private schools; (iv) provide basic facilities in private/boarding schools to students from oppressed and backward communities and (v) set up a Rural Education Development Fund (financed by a levy of 1.5 per cent of the income of private/boarding schools) to be utilised for funding the education of marginalized communities.

The impact of several programmes being implemented in order to increase access to schooling and the quality of teaching learning is being noticed. Programmes like scholarships for girls, dalits and other disadvantaged groups, school feeding programmes, feeder hostels, awareness raising programmes, etc. have very positive impacts in increasing access to schooling, in maintaining daily attendance in school and in retaining students in school. Incentives are also provided to schools, which have a higher proportion of enrolment of girls and dalit children. The Government has recently prepared a Vulnerable Communities Development Plan that emphasises ensuring the education of children from indigenous and disadvantaged

communities. The Plan provides a basis for facilitating the 'home to school transition' of non-Nepali speaking children to help them integrate into the mainstream education system. MoES has given high priority to the inclusion of marginalized children in educational processes.

The whole school level curriculum and textbooks have recently been revisited in order to make them more child friendly and modified to address the need of changing time and context. The philosophy behind this revisiting has been to contribute to enhance the learning achievement of children by influencing classroom processes. Following this philosophy, a continuous assessment system has been implemented in a few selected districts on a pilot basis. After necessary improvements as suggested by an evaluation study, the programme will be expanded gradually in other districts, after further piloting.

As per the norms of decentralisation and the Government commitment to enhance community participation in school governance, a special programme has been implemented under which responsibility for school management is handed over to the community organisations – local body, SMC, or any other community based organisations. The Government has adopted a Directive to promote and regularise this process. So far, management responsibility for 761 schools has been handed over to the community. These community-managed schools would continue to receive regular government grant and other support. In addition, the Government provides one hundred thousand rupees and other recurrent and developmental support to these schools.

The process of transferring school management to the local community has been set out in a regulatory framework by the Government, and is now in the process of being reflected in the legislature. HMG/N and the World Bank have already signed an agreement on the Community School Support Project (CSSP) to support the transfer of 1500 schools in the three-year period between 2003-2006. It is expected that valuable lessons can be learned in community management of schools and its relationship with students' performance, quality of education, monitoring and educational planning from CSSP's first year of implementation.

By transferring management responsibility of schools to the communities, the Government is not giving up its responsibilities. It should also be made clear here that the Government is not taking this as the only solution to the problem of quality, accountability and efficiency. It is not an end objective but is a process aiming to empower people and create a collaborative environment between the Government, local agencies and the people to govern the local schooling process. It is a strategy to make space for parents and other local stakeholders to collaborate and participate in the political and social process of educating children. The underlying philosophy behind this transfer is that there is *government* at the local level capable of governing the educational processes. The Government is, however, aware that the programme needs preparation, awareness building, and a strategic action plan that would demarcate the role of different stakeholders. Following the principles of LSGA, 1999 and Education Act, the school is to be seen as a service centre with necessary autonomy and responsibility to develop itself as an institute of quality learning. Local bodies are to be seen as agencies mainly responsible for developing and approving plans for the development of education in their respective areas. They are to play a facilitating, coordinating, monitoring and supervisory role. The role of the District Education Offices is to focus on capacity building, facilitating, co-ordinating, monitoring and supervising activities. Providing necessary technical services to schools and to local bodies is also the responsibility of the DEOs.

The process of preparing School Improvement Plans, Village Education Plans and District Education Plans are measures that the Government has taken to ensure decentralisation and community participation. It is expected that these processes would contribute to link schooling with the everyday life context of children as well as giving voice to local aspirations and demand regarding education. Local level educational plans are developed as a collaborative effort of the community people, teachers, educational professionals, local organisations, etc. These planning processes have contributed to strengthening planning capacity at the local level.

In order to encourage community initiatives in local schooling processes, the Government has recently decided to provide one teacher quota to unaided community primary schools. About 2000 schools are benefiting from this programme. Most of these schools provide schooling opportunities to children from deprived communities. Hence, supporting these local initiatives is

very important from the viewpoint of achieving EFA goals. Community participation in the local schooling process has also been assured through the legal provision of selecting parents for SMC and Parent Teacher Associations (PTA). These bodies have important roles to play in school management as well as in the quality of teaching learning.

Following the policy of a participatory planning and decision making process, the Government has been inviting other stakeholders, particularly teachers and their organisations, local service organisations, the private sector, I/NGO and the media, to contribute to the educational process both at the central and local level. With all their resources, expertise, and institutional strengths these national partners have been making an important contribution in developing educational provision and their quality, relevance and efficiency in the country. The Government is working on a framework to institutionalise and facilitate the involvement of these development partners with defined responsibilities. In order to facilitate the process of establishing partnerships and collaboration, field level offices under the Ministry are authorised to enter into a Memorandum of Understanding (MOU) with partner organisations. Similar understandings can be reached with local bodies as well. One of the key areas where the contribution of these partners is critically important is in maintaining accountability, transparency and commitment among educational actors both at the central and local levels.

Emphasising decentralised educational planning and management implies that there is an enormous need for capacity building at all levels. In order to address this need, the Ministry has developed a comprehensive HRD plan in order to build the capacity of its staff members. Apart from short term training programmes, the Ministry has also been implementing long-term training of its staff, some leading even to Masters and doctoral degrees. The National Centre for Education Development has emerged as a strong training institute. One of its focuses is to develop and provide management training programmes on different subject areas to the Ministry staff members. The outcomes of these interventions have now been emerging in the form of increased capacity of staff members in performing their duties of educational service delivery. Likewise, the capacity development programmes also target members of SMC, peoples' representatives at local bodies, and other related stakeholders at the school, community and district level to plan, implement and monitor the educational processes at the local level. These interventions have brought considerably enhanced awareness and capacity about decentralised governance process both at the central and decentralised levels.

Improvements have also been achieved in organisational and institutional strengthening of the Ministry. Based on experience of programme planning and service delivery, restructuring of the Ministry is in process with the main objective of consolidation of service delivery with emphasis on aspects like quality, sustainability, accountability, transparency, etc. Likewise, programmes are being implemented to strengthen the research and information base of the sector.

The Government has recognised the importance of the role and contribution of teachers in classrooms as well as in all other educational processes. Following this, the Government has developed mechanisms that allow teachers to participate and contribute in planning and policy development, in enhancing community participation in school management, in improving educational quality and the learning achievement of children, etc. Some of these mechanisms are School Improvement Plans, Parent Teacher Associations, teachers' representation in bodies like SMC, VEC and DEC, etc. Besides these key local involvements, teachers have important roles in decision making and policy development processes at the central level as well. Teacher training programmes are one of the important components of educational development efforts intended to prepare them for their role. Likewise, the Government is aware on the need for working towards their career security and development and social status.

Gender mainstreaming is one of the key strategies of the Government. This aspect has been emphasised in legal arrangements, programme development, organisational restructuring, the curriculum and textbooks, access to and participation in schooling, etc. The policy of providing two female teachers in primary schools with more than four teachers is an important policy achievement. It is reported that the presence of female teachers has a very positive impact on bringing girls to school and retaining them there. Beginning from the next fiscal year, the Government is planning to provide scholarships to 50 per cent girls of all primary schools.

Realising the importance of ICT in enhancing the effectiveness of educational service delivery systems, the Ministry has planned to computerise its processes through office automation and networking. The Ministry has also prepared and hosted its own website in order to make room for people's interactive participation in educational processes as well as to enhancing transparency and disseminate government policies, plans and programmes to a wider audience.

Technical education and vocational training is attracting the attention of youths. Accordingly, the private sector is coming forward to invest in this sub-sector. As such, a variety of short- and long-term training and academic programmes that try to cater to market needs and demand are on offer. This is in line with the Government policy to expand employment opportunities through the expansion of TEVT sector. The sub-sector has specific programmes that target women and the poor. The programme for Assistant Nurse Midwife is one such example. Similarly, the School Annex Programme is expected to contribute to integrate the sub-sector with formal schooling. This will help to meet the needs and demand of local people, increase their access, particularly women, poor and deprived communities and enhance their productivity.

In higher secondary education, a Perspective Plan for the period 1998 – 2012 has been prepared with the main focus on approximately doubling the GER to around 25 per cent and enhance the quality of teaching learning through the provision of required financial, instructional and managerial inputs. The focus is also on transferring the Proficiency Certificate Level of the higher education system to the school system.

One of the major achievements made in higher education in recent years is that it has now begun to address the needs and demands of the market. Going beyond traditional subjects with less market potential, new and varied programmes are now being offered. This has been made possible with the entry of private investment in the sub-sector. Competition in the market has forced private institutes to offer programmes of varied types, nature and duration. The Government is now working to prepare a legislative framework to regularise and promote higher education activities in the country. The policy is expected to attract foreign investment in education and make Nepal a destination for academic pursuits for south Asian as well as students from other countries. Some of our programmes have already attracted many international students. Obviously, this is the result of international level quality and standards.

In order to reduce the vulnerability of children from disadvantaged communities and groups, the Government is working to provide incentives to both students and schools. The aim of these incentives (in the form of, for example, scholarships, food for education, uniforms, etc.) is to help overcome the various social and economic obstacles faced by girls, children from Dalit families, poor and indigenous children, children with disabilities, children affected by HIV/AIDS, children affected by the insurgency, and other marginalized children. The types of incentives, selection criteria and distribution mechanisms will be determined after assessing the currently existing incentive schemes. Schools that increase their enrolment of girls, children with disabilities, dalits, and children from other marginalized groups will be provided with extra resources in addition to the regular SP block grant. The criteria and procedures for such a performance-based incentive scheme for schools will be developed before EFA Programme implementation.

The ongoing conflict has affected the education sector in various ways. The operation of many schools has been disrupted by the conflict, and many students and teachers have been killed, kidnapped, tortured, and victimised in one or other ways. Hence, identifying the needs of the victims and providing them with appropriate support is the priority area of the Government. As a small effort towards helping those schools affected by conflict, MoES has established a Conflict Impact Monitoring Cell at the Department of Education. Addressing this issue of insurgency, the Ministry has adopted a flexible approach to service delivery, programme implementation and in serving conflict affected households, children and schools. The Ministry is working through different local and community based organisations such as local service groups, CBOs, I/NGOs etc. in order to reach conflict affected children, schools and areas and in programme implementation and service delivery. In order to streamline this process, the Ministry is working on developing a specific partnership scheme with these agencies. Programmes are underway to train teachers and staff to raise their awareness and skills to maintain neutrality, to behave and act according to the situation, and to mobilise and get support from community people and organisations in programme implementation and service delivery. The Government is also working toward developing a subsidy scheme using vouchers for orphan children. Similarly, the

Government has also adopted a policy to establish temporary classrooms in areas where there are displaced children so that they could be provided with educational services. Some INGOs, particularly Save the Children Norway, are working to develop work-modalities in conflict-affected areas. The Government is keenly interested in these programmes and if proved effective, it will adopt these work-modalities.

To reduce the problems related to non-delivery of textbooks to schools on time, the Ministry is working to ensure that all primary school children receive textbooks free of cost, and receive them by the first day of the educational calendar each year. At present, government agencies alone are involved in the development, printing, and distribution of textbooks but the Ministry is now moving towards promoting private sector involvement in producing and distributing textbooks as reflected in the recently developed action plan for this purpose. In order to ensure that students, particularly from disadvantaged communities, receive textbooks on time, the bulk purchase system, in which schools and resource centres purchase and receive books on a bulk basis, receive reimbursements, and distribute the same to the students without charge, is being emphasised. Similarly, the durable textbook option (books reusable for three years) for remote areas is being tried. Other resource materials will be produced by CDC/DOE, and will be made available to teachers and schools through DEOs and local Resource Centres.

VI. Areas of Co-operation

Some of the resource gaps and areas needing enhanced support from development partners have already been discussed in earlier sections. EFA 2004-2009 and future programmes are ultimately intended to create a situation where an education system can wholly be supported by HMG/N without foreign external assistance. It will, however, only be possible to maintain the education system entirely from the HMG/N budget once attendance at school of all children has been regularised, qualified teachers are created, suitable physical infrastructure is in place, and robust and responsive management systems at the local level have been established. EFA 2004-2009 is expected to make significant progress towards meeting these criteria, but external support for the education sector will still be required for some years to come.

Education for All 2004-2009 has been prepared with the objective of making it the foundational programme upon which all development partners interested in contributing to the development of education in Nepal will agree. Co-ordination of efforts made by different partners and agencies in the basic and primary education sub-sector is deemed necessary for avoiding duplication. Instead, emphasis must be on having programmes that are complementary to each other. Devising an effective chain of co-ordination is a challenge for the present design of education framework.

Hence, Education For All programmes should be seen as programmes of joint effort between pooled donors, non-pooled donors, the Government and national development partners. The Government contribution to this sector has mainly been in the areas of teachers' salary, covering some recurrent expenditures, textbooks, some scholarships to girls and children from disadvantaged communities. These are the areas where donor support is critical as they are directly related to issues like human resource development as well as important areas such as quality, access and equity.

Flexibility should be the basis for financing EFA activities. The successful completion of programmes and their outcome and impact should form the basis of criteria for co-operation. Investment in education should be monitored on the basis of agreed indicators and not on the basis of expenditures made. Some of the investments made in the past have had little impact in improving classroom practice or in students' learning achievement. It is now expected that our development partners will agree to focus more on impact and outcome indicators and less on input and output indicators. Based upon our experiences in BPEP I & II, which were implemented under a basket funding modality, we are now working with our development partners in a Sector Wide Approach (SWAp) for EFA financed through Sector Budget Support under a Joint Financing Arrangement. With this, the Government wants to express its commitment to maintain transparency in financial transactions and in directing and utilising resources, particularly loan money, for the benefit of people.

The education sector is a pioneer sector for SWAp. HMG/N resources will be blended together with external financial assistance for financing both recurrent and capital expenses, disbursements of which will be made not on the basis of input/output analysis but on the basis of agreed outcome and achievement indicators. Most of the cash will go to schools in the shape of block grants to be distributed based on their requirements (according to a formula depending upon the number of students), school improvement plans (SIP), performance indicators, management indicators and access and quality indicators. Emphasis will be placed on the holistic development of schools by setting minimum standards in terms of human and physical resources, and in terms of outcome indicators. These set standards, along with accountability criteria, will provide bases for the accreditation of schools. In order to encourage better performance in schools, accredited schools will be awarded a bonus. The provision of block grants is a strategy to direct resources directly to the school where the learning process takes place and where the availability of resource is critical.

Obviously, EFA is our priority as we have made commitments in several national and international forums. However, other sub-sectors also deserve equal attention and interventions. As in EFA, programmes in secondary education, higher education, and technical and vocational education are also seen as joint efforts between donors and the Government. Donor investments in these sub-sectors should focus on aspects like development, modernisation, capacity strengthening, human resource development, quality improvement, etc. More importantly, one of the main objectives of donor investments in these areas would be to improve national capacity to manage and support these sub-sectors.

VII. Conclusion

The paper has presented an analytical description of our educational goals and objectives which are informed by the broad national development objectives as expressed in the Tenth Plan as well as international goals and commitments for Education For All. Recognising basic and primary education as one of the fundamental rights of all citizens, this sub-sector has been one of the top priority programmes of the Government. However, the secondary, technical and higher education sub-sectors are equally important from different perspectives. Nepal has achieved great success in education in the past 50 years. Despite progress made, constraints, challenges and gaps are critical. The gaps are both financial and institutional. However, as discussed in the paper, the Government has made commitments, programmes and strategies to address those gaps and challenges.

The MoES would, therefore, like to express its commitment to the expansion and development of educational opportunities especially for disadvantaged and marginalized communities and groups in the country so that the education sector could contribute effectively to the human resource development and poverty reduction goals of the Tenth Plan. Nepal's development partners have always supported its endeavours in developing and expanding the reach of educational provisions in the country. We are confident that this productive area of co-operation will concentrate on joint efforts so that even the most deprived and marginalized and those living in remote areas can experience the light of education and experience qualitative improvements in their life.

Annex

Programme Budget

1. In the past three years (2001/02-03/04) the education sector has received about 15 per cent of total national budget as shown in the following table.

Annex Table 1: Budget Allocation in Education, 2001/02-2003/04 (in million rupees)

	2001/02	2002/03	2003/04
Total national budget	99792	96125	102400
Education budget	14073	14402	15613
% of education in national budget	14.1	15.0	15.2
Budget allocation in education as percentage of GDP	3.4	3.4	

Source: Red book of respective years, Ministry of Finance.

2. Education sub-sectoral budget allocation in the past three years has been as follows. The last row of the table shows that the Government shares in total educational investment made in the last three years has been around 80 per cent. Donors supported the remaining 20 per cent, either in the form of loan or in the form of grant.

Annex Table 2: Education Budget Distribution, 2001/02-2003/04 (in thousand rupees)

Budget heading	2001/02		2002/03		2003/04	
	Amount	%	Amount	%	Amount	%
Primary education	7790981	55.4	8524844	59.2	9111500	58.4
Secondary education	2971033	21.1	3017096	20.9	3188736	20.4
Higher secondary education	48092	0.3	47083	0.3	50980	0.3
Non-formal education	133528	0.9	70395	0.5	77300	0.5
Women's Education	261754	1.9	180506	1.3	158078	1.0
Curriculum, textbook and education materials	203206	1.4	89507	0.6	167342	1.1
Educational administration	587711	4.2	684534	4.8	826088	5.3
Scholarship and student welfare	50400	0.4	103103	0.7	103103	0.7
Higher education	1680413	11.9	1471090	10.2	1528400	9.8
Technical and vocational education	193235	1.4	93296	0.6	230756	1.5
Sports and youth	118950	0.8	93750	0.7	115550	0.7
Others	33544	0.2	27217	0.2	55441	0.4
Total	14072847	100.0	14402421	100.0	15613274	100.0
Per cent government share	82.5		79.2		79.3	

Source: Red book of respective years, Ministry of Finance and Education in Nepal, 2003, MoES.

3. The education sector development budgets over Fiscal Years 2003/04-2005/06 are set out in the Medium Term Expenditure Framework as follows (percentages are calculated on the basis of the grand total):

Annex Table 3: MTEF Budget, 2003/04-2005/06 (in thousand rupees)

SN	Programmes/Projects Name	2003/04		2004/05		2005/06	
		Amount	%	Amount	%	Amount	%
1	Basic and Primary Education programme / Education for All programme (Centre)	189880	4.3	160000	2.8	230000	3.3

SN	Programmes/Projects Name	2003/04		2004/05		2005/06	
		Amount	%	Amount	%	Amount	%
2	Basic and Primary Education programme / Education for All programme (District)	1603020	36.7	1440000	25.3	2080000	29.4
3	School Transfer and Support Program (LIL)	132900	3.0	128250	2.2	141350	2.0
4	Community Primary School Support Program	270000	6.2	270000	4.7	270000	3.8
5	Physical Facility Improvement Project in Primary Level	272189	6.2	664500	11.7	691500	9.8
6	National Scholarship Programme	81703	1.9	89873	1.6	114750	1.6
7	Free Textbook	150000	3.4	165000	2.9	165000	2.3
8	Teacher Education Project	260509	6.0	480000	8.4	399750	5.6
9	Secondary Education Support Programme (Centre)	150000	3.4	117000	2.1	180000	2.5
10	Secondary Education Support Programme (District)		0.0	663000	11.6	1326000	18.7
11	Scholarship for Martyrs' Children	900	0.0	900	0.0	900	0.0
12	Women Education	158078	3.6	150000	2.6	126000	1.8
	P1 total	3269179	74.8	4328523	75.9	5725250	80.9
1	Mana Mohan Poly-technique Institute	70000	1.6	160000	2.8		0.0
2	Non-formal Education & National Campaign	77300	1.8	84300	1.5	93000	1.3
3	CTEVT (Including Special Programme)	160000	3.7	110000	1.9	110000	1.6
4	Basic and Primary Education Programme (including ECD)	18575	0.4	172500	3.0	224760	3.2
5	Primary School Nutritious Food Programme	575406	13.2	633000	11.1	696000	9.8
	P2 Total	901281	20.6	1159800	20.3	1123760	15.9
1	Higher Secondary Education	40000	0.9	44000	0.8	48400	0.7
2	University Grants Commission	118400	2.7	128400	2.3	138400	2.0
3	Budhanilkantha School	375	0.0	400	0.0	400	0.0
4	Population Education Unit	6688	0.2	6688	0.1	7354	0.1
5	Youth & Sports Development Programme	2550	0.1	2550	0.0	2550	0.0
6	National Sport Council Including Stadium Construction	30000	0.7	30000	0.5	30000	0.4
	P3 Total	198013	4.5	212038	3.7	227104	3.2
	Grand Total	4368473	100.0	5700361	100.0	7076114	100.0

4. Within the MTEF framework, the EFA 2004 - 2009 programme budget has been developed as follows:

Annex Table 4: Education for All Regular Budget (in US \$ million)

SN.	Activities	Year					Total
		04/05	05/06	06/07	07/08	08/09	
	Basic Education (Regular Budget)						
1	Teacher Salary and Allowances	75.3	75.3	82.5	82.5	82.5	398.0
2	Administrative Cost	3.4	3.4	3.4	3.4	3.4	16.9
3	Stationery	0.3	0.3	0.4	0.4	0.4	1.8
4	Post Service Benefits (Pension etc.)	7.4	8.1	8.9	9.8	10.8	44.9
5	Education Management (Educational Managers Salary and Allowance)	3.5	3.5	3.5	3.5	3.5	17.5
	Total regular budget	89.8	90.6	98.6	99.5	100.5	479.1
	Per cent	18.8	18.9	20.6	20.8	21.0	100.0

Annex Table 5: Education for All Development Budget (in US \$ million)

SN	Budget Head	Year					Total
		04/05	05/06	06/07	07/08	08/09	
1	Primary Schools Construction Project in Support of EFA (2003-2005)*	8.86	9.22				18.08
2	Free Textbooks	2.63	2.63	2.63	2.63	2.63	13.17
3	Primary School Nutritious Food Programme	8.44	9.28	10.21	11.23	12.36	51.52
4	National Scholarship programme	1.01	1.53	1.64	1.76	1.88	7.82
5	Scholarship for the Children of Martyrs	0.01	0.01	0.02	0.02	0.02	0.08
6	Non-formal Education and National Literacy Campaign	1.12	1.24	1.36	1.50	1.65	6.86
7	School Transfer and Incentive Programme (2003-2005)	1.71	1.88				3.60
8	Community School Support Programme	3.60	3.60	4.00	4.00	4.00	19.20
9	Population Education Project	0.09	0.09	0.09	0.09	0.09	0.45
10	Teacher Education Project (2002-2007)*	6.40	5.33	5.33	3.05		20.12
11	Women Education	2.11	1.68	1.17	0.92	0.67	6.54
12	Basic and Primary Education (including ECD) Project	2.30	2.40	2.40	2.40	2.50	12.00
13	UNESCO Support for CLCs/ECD	0.20	0.20	0.20	0.20	0.20	1.00
14	Planned programme	21.36	30.80	37.79	43.90	41.15	175.00
	Total Development Budget	59.84	69.90	66.86	71.70	67.13	335.43
	Per cent	17.26	20.62	19.43	21.58	21.12	100.00

Annex Table 6: Total EFA Budget (in US \$ million)

SN	Headings	04/05	05/06	06/07	07/08	08/09	Total
1	Total Regular Budget	89.82	90.55	98.64	99.54	100.52	479.07
2	Development Budget	57.26	68.39	64.44	71.57	70.05	335.43
	Total EFA Budget	147.08	158.94	163.08	171.11	170.57	814.5
	Per cent	18.14	19.60	20.11	21.10	21.04	100.00

Annex Table 7: Component Wise Budget Breakdown for EFA 2004-2009

	Activities	NRs	US\$	%
SN	Totals	13125002	175000	
1	Expanding early childhood development	1053000	14040	8.02
2	Ensuring access to all	4512801	60171	34.38
3	Meeting the learning needs of all	30200	403	0.23
4	Reducing illiteracy	1115250	14870	8.50
5	Eliminating gender disparity	894875	11932	6.82
6	Improving all aspects of quality education	4804528	64060	36.61
7	Equipment and vehicles	40750	543	0.31
8	Operating cost and incremental salary	673598	8981	5.13

5. The sub-sector programme that HMG/N and the donor community will jointly finance is defined as total public expenditure on education for all. The programme will have three sources of funding. HMG/N finance and pooled donor finance will utilise government systems to disburse and account for the funds. Parallel project finance will also be utilised to finance expenditures forming part of the EFA expenditure programme, but may be subject to specific project agreements and procedures.