

Updated Project Information Document (PID)

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Project Name NEPAL-Community School Support Project
Region South Asia Regional Office
Sector General education sector (100%)
Theme Education for all (P)
Project P082646
Borrower(s) KINGDOM OF NEPAL
Implementing Agency(ies) MINISTRY OF EDUCATION AND SPORTS
 Ministry of Education and Sports
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1. Country and Sector Background

Nepal remains one of the poorest countries in the world with per a capita income of around \$250, around half the children under five are malnourished and progress towards MDG targets remains slow. Growth in the 1990's has been respectable, averaging 5%, but its impact on poverty has been dampened by high population growth rate and by being concentrated in the Katmandu valley. Large inequities prevail across regional, ethnic and gender lines, which seem to have contributed to fueling the insurgency. At the same time, certain social indicators such as access to education, infant and child mortality, total fertility and life expectancy have improved significantly over the past decade, indicating that certain interventions have proved to be successful.

School education comprise - primary education (grades 1-5), lower secondary education (grades 6-8), secondary education (grades 9-10) and higher secondary education (grades 11-12). The net enrolment ratio at primary education was 80% in 2000. The gross enrolment ratios of lower secondary and secondary education on the same year were 58% and 37%, respectively. The primary school completion rate was 54% in 2000, while School Leaving Certificate Examinations completion rate was 31%. The gender gaps in primary and secondary education were 12% and 18%, respectively.

Difficulties in mainstreaming the children from excluded or disadvantaged households, low pass rates and poor learning achievements are the main problems of school education. If the current trend of improvements continue, it is unlikely that Nepal will be able to meet the targets of the Millenium Development Goals (MDGs). The problems of school education are mainly associated with poor accountability of the school system.

Prior to nationalization of schools in 1972, Nepal almost exclusively relied on community owned schools. These schools, established through community initiatives, were funded through student fees and block grants from the Government. In the quest for improvement of quality of education through assured funding and technical support, the Government nationalized schools. In spite of the sizeable investment that the Government has made since then, the extent of improvement in quality and efficiency of school education did not match the expectations of the Government as well as the public. The large gap between pass rates in the School Leaving Certificate Examinations of public and private schools, introduced in mid-eighties, - around 80% for private schools and 15% for public schools – is being perceived as a glaring example of the failure of the public school system. This has led to the loss of faith in public schools.

Reflecting the widely shared public perception that nationalization of schools was a mistake, the Seventh Amendment of the Education Act was passed in 2001, which articulated the policy of devolving school management responsibilities to communities. In 2002, the Government embarked on the transfer of management of public schools all the way down to the community level, by offering all communities the option of taking over public primary schools financed on a block grant basis, subject to meeting some basic prerequisites. The Government is about to meet the immediate target of transferring 100 out of over 26,000 public schools to community management. The purpose of this LIL is to assist the government to gain critical experience for up-scaling the transfer of management of public schools to communities.

Transfer of management of public schools to communities is one of the basic strategies of the Tenth Five-Year Development Plan and the Poverty Reduction Strategy Paper aimed at achieving the Education for All (EFA) and MDG targets. The lessons learned from this will help to achieve the EFA/MDG targets by raising the efficiency of investments in school education.

2. Objectives

The objective of the project is to develop a critical knowledge base for successful upscaling of transfer of management of public schools to communities.

3. Rationale for Bank's Involvement

The Bank has gained substantial experience in school education in Nepal by being involved in this sector since 1982. The Bank is particularly suited for projects involving innovations, as it has a wealth of experience in implementation as well as analytical works from around the world. Poor governance of the public school system is wide spread. Therefore, testing the potential of community managed schools for improving accountability of schools is of significant interest to the Bank.

4. Description

The project comprises the following components:

(i) **School Grants Component.** This component will provide the following inputs: (a) incentive grants for communities that take over management of public schools from the Government; (b) block grants for community funded upper grades attached to public schools transferred to communities; (c) performance grants for improvement of access to primary education and improvement of promotion rates; (d) supplementary grants to schools to cope with enrolment expansion; and (e) other grants for providing additional support to marginalized communities, and for encouraging for piloting innovative approaches such as bilingual education, teaching Nepali as a second language, and employment of female teachers and teachers from disadvantaged communities. The outputs/outcomes from the above inputs will be: a. mainstreaming the out-of-school children of primary school age into the school system; b. improvement of access of girls and disadvantaged communities to lower secondary and secondary education; c. improvement of promotion rates and learning achievement; d. increase in number of community managed schools; e. holistic development of school – from primary to lower secondary/secondary level; f. equitable subsidy distribution to communities; and g. ownership of schools by communities.

(ii) **Scholarship Component.** This component will provide booster scholarships to out-of-school children in the first year and maintenance scholarships in later years of primary education. The maintenance scholarships will be provided to all children from poor households. The scholarships will be a demonstration of the Government commitment to mainstream all out-of school children to the schools and to retain them. This inclusive approach of the project is likely to transform the social fabric of communities and make the school a focal point for inclusion.

(iii) **Capacity Building.** This component will provide the following inputs: (a) assistance to the communities by NGOs to organize themselves to manage schools; (b) training for teachers and SMC members; (c) orientation for civil servants, local government officials and social workers; and (d) communication of government policy on transfer of schools to community management. The expected outputs/outcomes from this component are: a. improved capability of the communities to manage schools; and b. evolution of roles of local government, teachers, district education offices and other government agencies in relation to community managed schools.

(iv) **Monitoring and Evaluation.** This component will assist in the development of a monitoring and evaluation system for the project in coordination with the existing monitoring and evaluation system within the Ministry of Education and Sports, and strengthen the capacity of officials and communities responsible for monitoring and evaluation. The output/outcome of this component will be a well-established and smoothly operating monitoring and evaluation system that can support periodic improvement in the experimental design of the LIL. Special emphasis will be given to community-level monitoring and evaluation, as the LIL relies heavily on communities for achieving the project outcomes.

5. Financing

Source (Total (US\$m))

BORROWER (\$0.18)

IDA (\$5.00)

Total Project Cost: \$5.18

6. Implementation

The responsible agency for the project will be the Ministry of Education and Sports (MOES). The project will be implemented through existing government administration - the Department of Education (DOE), under the MOES. The DOE will designate one of its Divisions as the Project Focal Point (PFP) and the head of the PFP will be designated as the Coordinator. The PFP will be guided by a Central Steering Committee (CSC) chaired by the Joint-Secretary, Planning Division, MOES, and it will include: Director General of the DOE; one representative each from NPC, MOF and MOLD; one representative each of dalits and ethnic minorities; one representative from among prominent educationists or social workers; and the Coordinator as the Member-Secretary. The main functions of the committee will be approving the schools for funding, monitoring progress and providing policy advice. The District Education Office (DEO) will implement the project at the district level. A District Focal Person will be designated for each district. The project at the district level will be guided by a District Steering Committee (DSC). The main functions of the DSC will be screening schools applying for participation in the project, reviewing progress and providing feedback on the program. The bulk of the activities of the project will be implemented by the communities – SMCs/schools, and Community Based Organizations supported by NGOs. The DEO will monitor and supervise the communities.

7. Sustainability

To ensure replicability of the LIL experience, the proposed incentive grants, together with performance grants, described above, will be kept within the range of support all schools are receiving from the development budget. This LIL essentially attempts to empower schools by disbursing the funds being spent for schools by the Government agencies to the schools directly, which will allow schools to make their own choices. The use of the existing government system for implementation of the project is also likely to contribute to the sustainability of the experience gained from the project. Similarly, involvement of stakeholders in the management of the project will also improve sustainability of the achievements.

8. Lessons learned from past operations in the country/sector

Community based approaches were first piloted in Nepal by the Bank in the forestry sector. Community forestry in Nepal has helped to regenerate the degrading forest in hills, which were heading towards desertification. Community forestry stands as one of the best examples of success of community based approaches. Subsequent operation in rural water supply and sewerage sector also has proved to be equally successful. Recently the Power Development Project involving community-based micro-hydropower has been negotiated. Bank experience in El Salvador and Guatemala indicates that community-based approaches in education sector may be successful.

9. Environment Aspects (including any public consultation)

Issues :

The project supports the government's policy to empower communities to manage public schools. Communities would be provided with block grants, which they may use according to their own priorities. Out of about 1,500 schools to be supported through this project, 250 schools may receive, on an average, grants of about Rs. 240,000 (US\$3,000), whereas the rest may receive about Rs. 100,000 (US\$1,200). One of the main purposes of the project is to mainstream all out-of-school children within the school service area within the project period. Therefore, indigenous people, vulnerable people, disadvantaged communities and dalits, if any, in the project areas will benefit from the project. The project aims at overcoming the economic barrier to access for out-of-school children by providing scholarships, and social and cultural barriers through social contracts involving various stakeholders. The project will assist the indigenous communities, dalits and disadvantaged communities to organize so that their

interests are protected. An Indigenous Peoples Development Plan (IPDP) has been prepared for the project. The IPDP was translated into Nepali and disclosed to stakeholders. No negative impacts are expected from the project on these groups.

No new schools will be built under the project and no new land will be purchased or acquired for schools. All resource transfers to schools will be on a block grant basis. Therefore, the communities will spend money guided by their own priorities. Though the main focus of the project is improved access to education and subsequently higher completion rates, part of the grants may also be used for rehabilitation of existing facilities and minor construction within the boundaries of existing schools. Given the level of funding, only minor construction works may be carried out by communities. The cumulative impact on the environment of such activities is likely to be small as the number of schools covered is small. Therefore, negative environmental impacts are not expected from the LIL.

10. List of factual technical documents:

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Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.

