About the Asia-South Pacific Education Watch Initiative

The critical state and ailing condition of education in many countries in the Asia-South Pacific region compels serious and urgent attention from all education stakeholders.

Centuries of neglect, underinvestment in education, corruption, and inefficiency by successive governments in the countries of the region have left a grim toll: relation to poor education performance marked by low school attendance and survival rates, high dropout and illiteracy rates, and substandard education quality.

Moreover, there are glaring disparities in access to education and learning opportunities: hundreds of millions of impoverished and disadvantaged people which include out-of-school children and youth, child workers, children in conflict areas, women, ethnic minorities, persons with disabilities, dalit caste and other socially discriminated sectors, remain largely unreachced and excluded by the education system.

Hence they are denied their fundamental human right to education and hindered from availing of the empowering and transformative tool of quality, life-long learning that could have equipped them to realize their full human potential, uplift their living conditions, and participate meaningfully in governance and in making decisions that affect their lives.

At Midway: Failing Grade in EFA

In the year 2000, governments and the international community affirmed their commitment to quality Education for All (EFA) and Millennium Development Goals (MDGs) to teachers’ unions. Midway to target year 2015, government assessments of EFA progress reveal that education gaps and disparities persist, and education conditions may even be worsening as indicated by shortfalls and reversals in EFA achievement.

The landmark year 2007 therefore presented a timely opportunity for civil society networks to engage governments in addressing the unmet EFA goals and MDG education targets, especially for disadvantaged groups.

Real World Strategies

Spurred by the challenge of pushing for accelerated progress towards EFA, the Asian South Pacific Bureau of Adult Education (ASPBAE) and the Global Campaign for Education (GCE) launched the Real World Strategies (RWS) programme to undertake realistic and practical initiatives based on the actual conditions, experiences, and aspirations of people in communities.

(Continued on inside back cover)
Nepal: Summary Report

Tracking Public Expenditure on Education

2007
ISBN 81-278-0023-6
Nepal: Summary Report
Public Education Expenditure Tracking In Nepal

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The Asian-South Pacific Bureau of Adult Education (ASPBAE) is a regional association of organisations and individuals working towards promoting quality education for all and transformative and liberating, life-long adult education and learning. It strives to forge and sustain an Asia-Pacific movement dedicated to mobilizing and supporting community and people’s organizations, national education coalitions, teachers’ unions, campaign networks, and other civil society groups and institutions in holding governments and the international donor community accountable in meeting education targets and commitments, ensuring the right of all to education, and upholding education as an empowering tool for combating poverty and all forms of exclusion and discrimination, pursuing sustainable development, enabling active and meaningful participation in governance, and building a culture of peace and international understanding.

ASPBAE publications form an integral part of ASPBAE’s information, education, and advocacy activities and efforts, and seek to support sharing and learning among education stakeholders, advocates, practitioners, analysts, and policy-makers. The reader is therefore encouraged to use the material contained herein for reproduction, adaptation, and translation worldwide for use in nonprofit education and information activities and publications, with due acknowledgement to ASPBAE, and to provide feedback that could help in further improving these publications.
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Nepal: Summary Report

Tracking Public Expenditure on Education

The state of education in Nepal needs to be seen in the context of the enormous upheaval and political tension especially in the last decade. In the last 60 years, some improvements in the educational system have been achieved. For example, the number of children enrolled in primary and secondary schools has increased from only about 10,000 in 1951 to more than 6 million in 2006. Because of the huge expansion of the educational system, most citizens were living half an hour away from a primary school in 2004.

However, because of political conflict in the country since 1996, Nepal's primary education system continues to be plagued by problems of access, governance, quality and transparency. Teachers in rural and isolated areas have been killed or remain absent. School-age children in such places have crowded into towns and district headquarters. Private schools frequently close, and families lose incomes that allow them to send their children to school.

Background

Schools in Nepal were traditionally managed and sponsored by the local communities. In 1971, the government announced the New Education System Plan which nationalised all public schools and gave the Ministry of Education sole authority to manage them. As government financial contributions to schools increased, the role of the community was reduced substantially.

Since then, lawmakers have amended the Education Act 1971 several times to reform the educational system. In 2001, a high-level task force on quality education again helped amend the law, giving back to the community the responsibility of managing schools, while leaving budgetary responsibility to the government.

The day-to-day management of the school is the responsibility of the school management committee which is composed of elected
parents responsible for mobilizing community support. The government, on the other hand, enforces the policy of free education at the primary level and cost sharing at the secondary level.

Under the free education policy, government shoulders only the direct cost of schooling—admission, textbook, tuition, remedial support and examination. School funds are allocated based on an 80-20 principle where 80 % of the funds goes to the school, while the remaining 20 % covers management and technical support costs at the central, regional and district levels.

While the school level planning is done at the bottom, funds for the school come from the top, and the budget release process is quite long and cumbersome. The money goes through at least five offices, and delays are not uncommon, thus, affecting school activities and performance. Serious attention must be given to ensure efficiency and integrity of the planning and budget process.

**Education Watch Initiative - Public Expenditure Tracking**

The Asian South Pacific Bureau of Adult Education (ASPBAE) and Global Campaign for Education (GCE) Nepal collaborated on the Education Watch Initiative and in July 2006 decided to carry out a study on public education budget tracking in Nepal. GCE Nepal, a coalition of organisations working in the field of education to ensure education for all in Nepal, was established in 2004. The group consists of non-government organisations, teachers’ associations and journalist and media groups.

The main objective of the study was to track the Nepal government’s education budget from the time it is released until it reaches end users, and to determine the gaps. This includes tracking of the release of funds from the Ministry of Finance to schools, students and teachers, and assessing how these end-users spent the funds.

The budget tracking exercise focused on schools serving disadvantaged communities. It aimed to:

1. Identify the steps required to disburse funds to schools and students;
2. Assess utilisation of funds by the schools and students;
3. Identify school financing patterns in community-managed schools compared to government-run schools, and;
4. Suggest measures to improve the flow of funds to ensure that they reach schools in time.
The final section of this report draws on these findings to make broader recommendations in relation to meeting the education needs of Nepal.

**Methodology**

The Education Watch study was conducted by a team composed of a coordinator, statistician, and education financing expert. The team gathered both primary and secondary data from several sources. They reviewed relevant studies and reports, and analysed raw data from the National Living Standard Survey conducted in 2003 to 2004. They also reviewed the financing process and strategy of concerned central bodies as well as the budget of the local bodies for the fiscal year 2005 to 2006.

The team then designed study instruments which were tested and used to collect primary data. The team chose sample districts and schools for primary data collection.

**Sample Selection:** The stratified purposive sampling method yielded a sample of 400 students from 80 schools. The team first identified 16 districts representing five development regions, three ecological regions and one district from Kathmandu valley. Five schools were then selected from each sample district taking into account the following mix of considerations:

- school management (community-managed or not),
- geographical location (rural or urban)
- type of primary school (separate or attached to a secondary school).
Five students were selected from each of these schools following criteria relating to sex, caste and ethnicity of students.

**Study Instrument:** Three types of tools were prepared, field tested, finalised and used to collect data from the field:

- a School Survey Questionnaire;
- an Interview Schedule for district education and financial officials, bank personnel, head teachers, parents and students, and;
- a Case Study Module.

**Data collection and analysis:** One field researcher per sample district conducted the survey. The field researchers underwent training on the use of the survey instruments. The survey work took place from August to September 2006. The primary data collected was processed for any errors and analysed using the SPSS package.

**Study limitations:** The political conflict in Nepal at the time of the study made the collection of primary data difficult. Strikes and lockouts were a reality of Nepalese life which became a hurdle for the researchers. The access of journalists, who were part of the research team, to conflict-hit areas aided in the completion of the study.

**Key Findings of the Study**

Of the 80 schools selected for this study, 67 were located in the rural areas and only 13 were in the urban areas. The sample included 68 government schools and 12 community-managed schools.

Most of the schools have male head teachers and most of them upper caste. In the urban areas, all the head teachers were males. Only two head teachers, both from the rural government schools, came from Dalit families. The study also showed that only one in four head teachers had a bachelor’s degree while the rest either had a School Leaving Certificate or had completed intermediate
education. There is no significant difference in the qualifications of head teachers in urban and the rural areas and in government-run and community-managed schools.

**Budget Preparation**

Central government bodies on education play important roles in the preparation of annual plans and budget of the Nepalese school system. The Ministry of Education and Sports (MOES) secures the approval of the Education For All (EFA) programme from the National Planning Commission and presents the EFA implementation progress in budget preparation meetings convened by the Ministry of Finance. The MOES is responsible for policy development with respect to the provision and use of block grants.

The Department of Education (DOE) is responsible for preparing the annual EFA programme based on the EFA core document and decisions of the MOES. Further, it is responsible for preparing detailed district-wide EFA programmes and budgets in consultation with the concerned district agencies.

Budget preparation at the district level usually starts in the month of Baisakh (April/May) when the DOE notifies the District Education Office (DEO) of the budget ceiling that is based on the previous year and additional funds for new programmes approved for the particular district. The DEOs in the respective districts organise budget meetings during the beginning of the fiscal year. The members of the District Education

<table>
<thead>
<tr>
<th>Area</th>
<th>Male</th>
<th>Female</th>
<th>SLC*</th>
<th>Intermediate</th>
<th>Bachelor's Degree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>59</td>
<td>8</td>
<td>26</td>
<td>24</td>
<td>17</td>
<td>67</td>
</tr>
<tr>
<td>Urban</td>
<td>13</td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>8</td>
<td>28</td>
<td>30</td>
<td>22</td>
<td>80</td>
</tr>
</tbody>
</table>

*SLC or School Leaving Certificate corresponds to completion of 10 years of primary and secondary education
Council deliberate on the budget ceiling, discussing major issues related to physical development of the schools, management, and improvement on educational quality, process of budget implementation, and transparency and accountability concerns.

The study noted that participation in the budget ceiling discussion is generally low in the districts covered by the survey. In practice, only seven head teachers (less than 9% of the head teachers) participated in the budget ceiling discussions. Participation was lower for the head teachers in the rural areas who admitted that they were not properly informed about these meetings and needed to travel some distance to attend such meetings.

### Funding Flow

The school education funding flows from top to bottom. The process consists of several steps starting with the authorisation letter issued by the Ministry of Finance to the MOES based on the approved programme and annual budget. The authorisation then passes through the institutional ladder, i.e. through the DOE and DEOs to the schools. The DEOs are responsible for ensuring the flow of funds to each and every school in the country. They play a crucial role in speeding up the funding flows. Generally, the financial year starts on the first of Srawan (16th of July) and the DOE should release an authorisation on the said month.

The concerned DEO facilitates the release of funds to the school which is done on the trimester
Nepal reports to the DOE on the expenditure made out of the budgeted funds. In practice, the funding flow is a long, tedious and complicated process. A delay in one step creates a chain reaction that ultimately affects school operation and performance. The frequent visits of head teachers to the district offices and delays in infrastructure work also hamper the academic activities of the school. Teachers are also affected since they have to survive for several months by taking out loans. In the sample districts, the first trimester payment has been received on the first week of Aswin (third week of September); the second trimester payment has been received on the month of Falgun (February/March); and the third trimester payment has been received on the month of Jestha (May/June). Out of 16 districts, only 5 districts have the financial guide book developed by the Ministry of Finance.

The survey revealed that the time taken by the district office to release funds to the schools varies from region to region. The majority of the surveyed schools in both rural and urban areas reported receiving their funding for the trimester more than ten days after submission of the required papers. The reasons cited for the delay were the late submission of demand forms from the schools, long queues of schools submitting forms, the distance from the schools to the district headquarters, unavailability of staff at district offices, and delays in the fund releases from the concerned central agencies.

Figure 1: Time taken by DEOs to Release the Budget to the School, 2006

bears on reimbursement procedure. The school is responsible for providing its trimester and annual progress reports to the district office. The district office, in turn, reports to the DOE on the expenditure made out of the budgeted funds. .

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Interestingly, even though the DEOs have cited the late submission of budget requisition forms by the schools as the main reason for the delay in the release of funds, the study noted that nearly 90% of the schools submitted their forms within four days and only less than 4% of the schools took more than ten days to submit the requisition form.

The following are the requirements for the disbursement of funds to the Schools:

**Submission of School Improvement Plan (SIP):** All schools in the country must have prepared their SIP in order to get the school grants including SIP grants.

**Submission of Flash Reports:** Schools are required to submit the latest school statistics, known as Flash Report I, by 7th Jestha (20th May) of the year in order to get school scholarship grants for the year. Failing to do so would mean that the concerned schools would have to accept the grant level based on its previous flash report.

**Submission of Reports by Schools:** The year 2004/05 is the first year that the block grant scheme was implemented. Under this scheme, government funding will be channelled directly through the DEO. For the succeeding year, each school is expected to submit to the DEO the following reports: school self assessment, social audit of school finance and annual report of the school. Basic school information, data for preparation of

<table>
<thead>
<tr>
<th>Amount in Rs</th>
<th>Area</th>
<th>Sex</th>
<th>School Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Less than 100</td>
<td>5</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>100-200</td>
<td>46</td>
<td>13</td>
<td>40</td>
</tr>
<tr>
<td>200-500</td>
<td>159</td>
<td>62</td>
<td>136</td>
</tr>
<tr>
<td>Above 500</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Total (N)</td>
<td>215</td>
<td>80</td>
<td>182</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Comm</th>
<th>Govt</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>43</td>
<td>219</td>
<td>262</td>
</tr>
</tbody>
</table>

*Table 3. Scholarship distribution by amount, school type, location and sex.*
school, self assessment and school annual reports are available in the SIP documents. A social audit of school finance is a new concept that needs to be explained to the school and concerned stakeholders.

Textbooks, Scholarship Schemes and School fees

The study found that distant and isolated districts receive textbooks late, while districts near the centre receive their textbooks relatively earlier. Nearly 70% of students in accessible places like Kathmandu valley receive books within 15 days of school opening while only 35% of students living in the hills receive books within the same period.

Scholarships are offered to attract disadvantaged children to attend school. In the primary level, all dalit children and 50% of girls who are poor get scholarships amounting to Rs350 per student yearly since 2005 and 2006. The EFA programme has been relatively successful in distributing scholarships to girls and dalits, helping them gain greater access to primary education.

The following table gives an analysis of the scholarships received by students.

However, four issues relating to the scholarship system have been identified:

- low scholarship amount
- inappropriate distribution mechanism,
- fewer students served in relation to demand, and
- inaccurate data of eligible students.

Since the scholarship amount is low, it is of limited value in keeping students in school. The amount is too small to buy even one set of
school uniforms and a bag. Appropriate mechanisms for the timely distribution of scholarship to eligible children are also not in place. The Government allocation is generally insufficient to address the policy commitment and there is often a mismatch between the needs and allocations by schools and districts. Data of eligible students provided by schools is often inflated, which adversely affects reliable planning and implementation.

**School Fees:** Though primary education is free, the government grant does not cover the entire cost of school education. The study found that it is not possible for schools to meet their expenditures out of government grants alone. A large number of schools collected additional funds by charging the students a variety of fees such as admission, registration and examination fees, fees for building repair and maintenance, medical treatment, furniture, identity cards, character certificates, and for the use of computers, the library and laboratory. The types and amount of fees collected from students vary from one school to another. While the government has declared that no fee must be levied on primary school students, the study found that fees were actually collected in the name of annual contributions for various purposes.

Of the 68 government-run schools covered by the study, 26 schools (38%) collect school fees – 22 (37.3%) in the rural areas and 4 (44.4%) in the urban areas. The incidence of fee collection is relatively higher in urban areas with nearly half of urban schools collecting certain types of fees from the students.
School Management Committees (SMC) and their functions

In Nepal, decentralisation of education has meant that community schools are run by school management committees consisting of elected parents, the school head teacher, an elected teacher representative, a ward member of the Village Development Committee and persons nominated to provide expertise or donations. The functions, responsibilities and powers spelled out in the Education Act and other regulations govern the school's operation.

Local stakeholders felt that the social audit helps tremendously in creating a congenial environment of trust and understanding between the school management and the local community, and the district education office. Most of the schools view the social audit as a process of disclosing the findings of the financial audit to the public. According to SMC chairpersons, the social audit has helped to:

1. inform the stakeholders on the overall progress of the school
2. ensure transparency and accountability of the school
3. mobilise additional resources to meet the needs of the teaching and non teaching staff
4. exchange views between school personnel and local stakeholders, and
5. build an environment of trust and confidence between the district office and the community.

All sample schools visited by the researchers have properly constituted SMCs. Indeed, the School Improvement Plan (SIP) document of the respective schools contains names of SMC members as well as those of Parent Teacher Associations (PTAs). The SMC members are generally busy people. SMC members in urban schools are professionals, who find it difficult to devote time to school affairs. SMC members in a sample school could hardly spare half an hour to

![Figure 3. Condition of Physical Infrastructure in the Surveyed Schools, 2006](image.png)
talk to the members of the study team. In the rural area schools, the SMC members (of the sample schools selected) gave enough time to discuss school problems with the study team. There is a general lack of awareness among the SMC members in both urban and rural schools about the provisions of the block grant scheme. The SMC members of rural based schools were enthusiastic about the prospects of school improvement with the use of grant money.

Physical Infrastructure in Schools

One basic continuing problem is the lack of infrastructure for the existing schools which is further aggravated by the poor maintenance and the lack of budget allocation for these items. The government mostly pays for teachers’ salaries but hardly allocates funds for infrastructure. To aim for quality education in the absence of proper classrooms, benches, desks, blackboards, toilets or water is a daunting task.

The study reveals that 81% of the surveyed schools admitted that they have no funds for the repair of school buildings; 68% have no funds for furniture; 63% did not have toilet facilities, and over half did not have adequate classrooms to hold their classes. The issue of infrastructure should be seen in relation to the need to keep children in school. The lack of toilet facilities, for example, has a huge impact on the enrolment and retention of children, especially girls, in the rural areas. The grossly inadequate school infrastructure is made even worse by the political conflict which had resulted in damage and destruction of school property. In not a few cases, these caused the closure of schools in remote areas of the country.
Income and Expenditure in Schools

The schools derive the bulk of their incomes from the regular budget of the government. Apart from this, schools also receive funding support from District Development Committee, the Village Development Committee (VDC), local and international NGOs and donations from the local people. Additional income is derived from school properties and from school fees drawn from the students.

Every school receives grants from the government through the district office to pay salaries, allowances and leave entitlements for retiring teachers.

The DOE developed the School Grants Operational Guidelines (SGOG) in 2004 and made provisions for various kinds of grants to schools in Nepal. The SGOG has set a minimum amount in grants to all schools on a blanket basis. It does not consider the difference between ecological zones, socio economic conditions of communities, and educational prices. This kind of blanket approach is applied not only to the minimum grants, but also to textbooks, performance incentives, and scholarships. The guidelines also provide funds to the schools on the basis of performance and physical infrastructure such that schools can move up from the basic level, to level one and then to level two.

The sample schools have collected contributions from the parents under different headings such as parents' donation, financial help contribution, admission fees, exam fees and saraswati puja\(^2\) contribution. The contributions from parents are collected as a one-time payment at the time of admission. According to the head teachers, the collection of fees was approved by the PTAs and the SMCs. Officially, however, raising the fees on different headings for primary level is not permitted under the regulations.

According to the policy on decentralised education, the management and operation of primary education has been
devolved to the local bodies. The local bodies have the power to identify the educational needs of the community, formulate educational plans, implement and monitor them. In practice, local bodies have only limited authority and control in the budget and funding flows.

The mean or average income of the sample schools from the government grant is Rs. 647,994 per annum, from DDC Rs. 61,581, from VDC Rs. 24,532, from students Rs. 55,102, from schools’ property Rs. 19,031, from NGOs Rs. 19,031 and the mean donation from the local people is Rs. 62,839. The government grant is comparatively higher than income from schools’ property. The following table further explains that schools generate amounts from parents and from the schools’ own property.

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Mean Amount</th>
<th>Expenditure</th>
<th>Mean Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Regular Grant</td>
<td>647,994.10</td>
<td>Salary</td>
<td>857,017.60</td>
</tr>
<tr>
<td>District Development Committee (DDC)</td>
<td>61,581.36</td>
<td>Scholarship</td>
<td>23,873.71</td>
</tr>
<tr>
<td>Village Development Committee (VDC)</td>
<td>24,532.14</td>
<td>Chalk/Duster &amp; Register</td>
<td>6,148.41</td>
</tr>
<tr>
<td>Students/Guardians</td>
<td>55,102.62</td>
<td>Educational Materials</td>
<td>13,946.46</td>
</tr>
<tr>
<td>Schools’ Property</td>
<td>19,031.62</td>
<td>Prize</td>
<td>21,576.22</td>
</tr>
<tr>
<td>International &amp; Local NGOs</td>
<td>19,031.69</td>
<td>Educational Materials</td>
<td>70,949.64</td>
</tr>
<tr>
<td>Donation from local people</td>
<td>62,839.70</td>
<td>Others</td>
<td>62,557.25</td>
</tr>
</tbody>
</table>

Table 4: Mean of Income and Expenditure of the Surveyed Schools (Recurrent Cost)

Average exchange rate in 2006: US$ 1 = NRs.72.756, Asian Development Bank

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Mean Amount</th>
<th>Expenditure</th>
<th>Mean Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Regular Grant</td>
<td>326,497.05</td>
<td>Physical Construction</td>
<td>47,906.64</td>
</tr>
<tr>
<td>District Development Committee (DDC)</td>
<td>35,400.00</td>
<td>Education Materials</td>
<td>20,663.00</td>
</tr>
<tr>
<td>Village Development Committee (VDC)</td>
<td>28,385.00</td>
<td>Expenditure except government</td>
<td>132,151.50</td>
</tr>
<tr>
<td>Students/Guardians</td>
<td>154,029.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schools’ Property</td>
<td>79,602.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International &amp; Local NGOs</td>
<td>13,125.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donation from local people</td>
<td>69,499.53</td>
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<td></td>
</tr>
</tbody>
</table>

Table 5: Mean of Income and Expenditure of the Surveyed Schools (Capital Cost)

Average exchange rate in 2006: US$ 1 = NRs.72.756, Asian Development Bank
Similarly, the highest mean expenditure on recurrent cost of the sample schools has been on salaries, followed by scholarships and physical infrastructure materials. The amount of the government grant is not even enough to cover expenditure on salaries alone.

**Key Conclusions and Recommendations**

**Schools as a Zone of Peace:** The school must be regarded as a zone of peace, the place where millions of children attend to acquire education. Schools are not supposed to be used in any role in war or political campaigns but the reality is different. Hundreds of schools and thousands of school children have been affected by the decade-long armed conflict in Nepal. More than 500 children lost their lives, more than 700 were injured and disabled, at least 8,000 lost their parents and thousands of children were internally displaced. Schools have been used as shelters by those engaged in the armed conflict. Students are forcibly used in political activities. Similarly, different kinds of strikes reduce the number of school days.

**Education Budget:** Education is still not a priority of the national government. At present, the education budget represents only around 3.5% of Gross Domestic Product, much lower than the 5% of GDP developed countries invest in education. Education expenditures occupied 16.7% of the total national budget in 2005 and 16.2% in 2004. The budget allocation to public sector education must be increased to
6% of GDP - the benchmark recommended by UNESCO to achieve the EFA goals by 2015. Per student investment in primary education is comparatively very much lower than what is needed for children to acquire quality education. The per child expenditure in 2005 is Rs. 2,988 (US$ 41.87), not much higher than the Rs 2,930 (US$ 39.77) in 2004.

**Budget Process:** The existing system in Nepal is decentralised from top to bottom but the system does not work well. The long and tedious process in the budget approval and delays in the release of funds to schools affect school operation and teacher performance. The government has to adopt a more liberal policy by providing full authorisation at local level and budget releasing directly to the school bank account. As a follow-up to this study, concerned agencies should regularly monitor the budget process and effectively track funds for key expenditure items on education.

**Strengthening Local Participation:** Government policies designed at the central level do not fit current realities and the local needs. The stakeholders—parents, teachers, students, guardians, local communities and NGOs—must be called upon to help draw up plans at the school level. The school level planning must be made from grassroots rather than externally imposed. The system of school-based management adopted under the current regulation should be strengthened and expanded while attending to the capacity-building requirements at the school level.

**Student Teacher Ratio:** The existing regulations set in 2002 have fixed the minimum of three approved teacher positions for primary level and the number of students in each class is generally 40 in the mountains, 45 in the hills and 50 in Terai[3] region. In most cases, however, the number of students exceeds the desired proportions in relation to classrooms and allocated teacher positions.

**Infrastructure:** School buildings are considered the most important physical facility and therefore should be equipped with appropriate classrooms, furniture, water supply, toilets, and playgrounds. Ironically, some areas have good school buildings but no teachers, while others have students but no classrooms. Similarly, most of the schools need clean and adequate water supply, desks, benches and toilet facilities.
More and Better Trained Teachers: The teacher quotas provided by the government are not enough to operate the community schools. The government should invest more to increase the teacher quotas and to provide better training for teachers, including the newly hired teachers.

Text Books and Educational Materials: There are a considerable number of schools which do not have sufficient teaching and learning materials. Students in most schools do not receive textbooks on time or do not receive all the prescribed textbooks. This has a significant negative effect on quality of education.

Mother Tongue: Nepal is a multi-cultural country. The national census identified 101 different castes and ethnic groups and 92 languages. Nepali is the mother tongue language of only 49% of the population. Children have the right to get primary education in the mother tongue language. The Constitution of Nepal allows communities to offer primary education to children in their mother tongues, but this rarely happens. There is a lack of teachers who speak local languages, and existing teachers are unfamiliar with bilingual teaching. Hence, the mother tongue is hardly used as a medium of instruction in school.

Positive Discrimination: Education is a fundamental right of every child and primary level education must be accessible to all. The government does award limited scholarships and grants to the poor, disabled, girls, dalit and disadvantaged children in school. But due to the difficulty of identifying such students, schools tend to provide grants and scholarships without prioritising the excluded and disadvantaged children.
Inclusive Education: No child should be denied education opportunities because of caste, gender, economic status, family background and physical disability. All the children must be treated equally, with corresponding attention given to the weak, physically-disabled and socially-excluded students. An inclusive learning environment must be developed to eliminate all barriers to education.

Free and Compulsory Education: Primary education was declared free in Nepal in 1976. To this end, government provides support for teachers’ salaries, lump-sum grants for schools to meet operating costs, free textbooks up to grade 5 and scholarships to girls and disadvantaged children. However, students still pay fees in various forms. Schools raise additional funds from students by imposing resource-generating fees which are beyond the means of most families. Thus, primary education is still not fully free. School fees constitute a significant household cost that prevents many children from acquiring primary education.

Student Fees and School Dropout Rates: Students drop out of schools because of either poor academic progress or lack of financial resources. The average dropout rate for primary level in 2005 is 9.1%. The dropout rate—in the first grade 12.7% and in the fifth grade 11.5%—are highest among all grade levels. The various fees imposed by the school are beyond the reach of poor families and force children to drop out. Similarly, poor teaching methods are also factors that cause children to drop out.

Policy Options for Out-Of-School Children: A substantial number of the 5 to 14 age group of children (1.56 million) are still outside the school system. They are mostly from the Terai region, and belong to disadvantaged groups such as dalits, girls, children with disabilities and other marginalised groups. In response to this situation, the following policy options may be
adopted to achieve the goal of universal access and participation in Nepal:

- Introduce a school guarantee scheme to reach out to out-of-school children.
- Establish new schools in depressed and remote areas to ensure access for all eligible children.
- Reform the scholarship system to make it more responsive and effective.
- Link the alternative schooling programme with the formal school system in order to provide education for disadvantaged children that is equivalent in quality to the formal school education.
[1] In the South Asian caste system, Dalit refers to the untouchable or an outcast.

[2] Saraswati Puja is an important festival in Nepal when schools and students celebrate the birthday of Saraswati – the Goddess of Learning.

[3] The Terai region is composed of a wide broad belt of alluvial and fertile plain in the southern part of Nepal. This belt extends from the westernmost part of the country to the eastern limit and covers about 17% of the total land area.
RWS found the need for pursuing a vigorous, evidence-based policy advocacy to build shared understanding and rally civil society organizations (CSOs) around common goals, establish credibility with opinion framers and decision-makers, marshal evidence as part of a systematic strategy to influence policy, and supply missing data on excluded and unreached sectors. Campaign calls and messages needed to be supported by credible evidence, based on the real state of education in communities.

Asia-South Pacific Education Watch Initiative and Publications

These publications are the result of education watch processes initiated and pursued since 2006 by the RWS programme of ASPBAE and GCE, in partnership with national education coalitions from India, Pakistan, Bangladesh, Nepal, Sri Lanka, Philippines, Indonesia, Cambodia, Solomon Islands, and Papua New Guinea.

Building on the successful Education Watch model implemented by CAMPE in Bangladesh, the Asia-South Pacific Education Watch (EdWatch) was designed and coordinated by the RWS Steering Committee composed of ASPBAE, Education International, and Global March Against Child Labor, and the RWS Asia Pacific staff.

EdWatch has emerged as an independent, citizen-based monitoring mechanism for assessing the status of education at the regional, national, and local levels, providing well-founded bases for advocacy and education campaign work and strengthening CSO capacities for policy engagement in education. It is designed to track governments’ progress in achieving quality education for all, with focus on addressing the education deficit for disadvantaged sectors.

Challenge to Civil Society

The daunting education situation in the region poses a challenge to CSOs to sound a clear wake-up call to governments to shake off their complacency, go beyond rhetoric, summon the political will, and redouble efforts. There is a crying need to assess existing education programmes, allocate more funds and resources for education, and institute targeted measures to address education disadvantage.

Since Dakar 2000, CSO participation in EFA processes has seen the progressive growth in strength and maturity of national education coalitions, and their developing capacity to conduct research and policy analysis and advocacy. Armed with their EdWatch findings, CSOs and education stakeholders can put together more coherent education policy agenda for lobbying, disseminate information to enhance public awareness of education issues, effectively engage governments in education planning and policy-making, and strongly assert and sharpen CSO and stakeholders’ participation in education governance at all levels.

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