

Disbursement of Block Grants



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Research Team	Tirtha Bahadur Manandhar – Researcher Dr. Shreeram Prasad Lamichhane – Resource Person Bidhyadhar Mallik – Resource Person Gyaneshwar Amatya - Associate Researcher Jaya Ram Thapa – Research Assistant Murari K.C. - Research Assistant
Language Editor	Gaja Sundar Pradhan
Design & Layout	Gautam Manandhar Chandra Mani Bhandari
Secretarial Support	Surenu Puri Suresh Shakya Bhakta Bahadur Shrestha

Formative Research Project, CERID

Project Coordinator: Dr. Kishor Shrestha
Associate Researcher: Rom Prasad Bhattarai

Project Advisors: Prof. Hridaya R. Bajracharya
Dr. Shreeram P. Lamichhane

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Abbreviations

DDC	: District Development Committee
DEC	: District Education Committee
DDF	: District Development Fund
DEF	: District Education Fund
DEO	: District Education Office
DTCO	: District Treasury Controller Office
DOE	: Department of Education
ECD	: Early Childhood Development
EFA	: Education For All
FCGO	: Finance Controller General Office
HT	: Head Teacher
LDO	: Local Development Officer
MOES	: Ministry of Education and Sports
MOF	: Ministry of Finance
PTA	: Parent Teacher Association
RC	: Resource Centre
RED	: Regional Education Directorate
RP	: Resource Person
SESP	: Secondary Education Support Program
SGOG	: School Grants Operation Guidelines
SIP	: School Improvement Plan
SMC	: School Management Committee
VDC	: Village Development Committee
VEC	: Village Education Committee

Executive Summary

The 'Disbursement of Block Grants' study was taken up by CERID as part of Formative Research Project. The study was felt necessary as the Block Grants provision to schools was introduced as an important strategy under EFA (2004-2009) project to improve the quality of teaching and learning in the public primary schools. School grants mainly for teachers' salary and textbooks have been provided to the schools since the last several years. Under the school grants (including Block Grants) system introduced in 2061/62, the government has initiated a much larger and diversified provision of government grants to schools. The study project intends to examine and assess the issues in implementing the grants by conducting field surveys (3 Districts and 9 schools).

Besides making available a larger volume of resources to the schools, the school grants system aims at enabling the school management committees by vesting in them the powers of making decisions on the use of the grants.

The school grants provision is incorporated in the EFA Program/Budget for each district. The year 2061/62 is the first year of implementation of the expanded school grants system.

The Earmarked grants presently implemented are: Teacher Salary grants, Textbooks grant, Scholarship grant, and grants for EDC and Alternative Education (Primary level).

The Block grants implemented are: Administrative grants to schools, salary grant for teachers in schools run by local community and in management transfer to community schools, Educational Materials grant, and SIP Implementation grants.

Performance grants implemented are: Incentive grant for Management Transfer, and reward grant to schools for attaining high survival rate at the primary level, and high girls' enrolment percentages.

The EFA fund flow mechanism envisaged in EFA: Core document requires the disbursement of funds to schools through the District Development Committee. The School Grants Operation Guidelines (Manual) of 2061 has introduced a system of direct flow of funds to schools from the DEO offices, except for the salary of primary teachers which is still disbursed through the DDC in the districts.

The experience of grant fund disbursement in 2061/62 shows that there have been long delays in the release of funds from the centre (Department of Education) to the District Education Offices. Further, the disbursement of funds from the DEO offices to the schools has, similarly, been subject to long delays. Part of the reason for delay is the long time required at the district level (DEO Offices) to work out the grants (type and amounts) to be provided to each school. Evidently, a lot of exercise is involved in determining the amounts for each school at the district level. The DEO offices have to consider school data and the requests of schools. A determining factor is the total EFA budget by various programs/activities for the district. Teachers' salary payment (through DDC) is often delayed by one or two months (1st month of each trimester).

The schools have received the grant amounts in their bank accounts. Major block grants (of fiscal year 2061/62) have reached the schools (their bank account) only in the months of Chaitra or Baishak. This means that there is very little time left in using the money in the Fiscal year 2061/62.

However, the schools have got and utilized the Administrative and Masaland grants; and the concerned schools (community run and transfer-to-community management schools) have also got and used the teachers' salary support grants.

The schools have complained that the DEO offices have not informed them about the grants by specific categories, and also no explanation was given for the purposes of the grants. This complaint of the schools has been redressed by DEO offices recently by issuing official letters

of disbursement directly or through Resource Centres. Further, schools which are eager to know about the grants (by type) provided to particular schools can have access to such information (in open files) in DEO offices. Schools have not shown much initiative in this respect.

As of now (Jestha/Ashad 2062), the major grants provided to the schools (SIP implementation grants, and the School Materials grants) have not been utilized. The reasons given (by schools) are the late release of grants, and the nonconvening of SMC meetings. One more important reason is the lack of specific programmes for use of money with the schools. The schools have SIPs, but most SIPs are largely a list of various intended activities. The SIPs clearly need to be elaborated (in terms of objectives, scope of work, costs, timing of implementation). Annual work programs based on 5 year SIPs should be developed.

All concerned agencies and the stakeholders' need to have information on the school grants system as contained in the School Grants Operation Guidelines document. So far, the dissemination of the contents of the document has been limited only up to the R.C. level. The officials who have received the document, state that there are several aspects particularly 'social audit,' criteria of accreditation, responsibilities of different agencies and stakeholders that need further explanation. Understanding of the contents of this document particularly by teachers, head teachers, and SMC members is necessary in order to get the grants money properly spent which is now made available to the schools.

Another aspect of implementation is the monitoring of the use of the grants. The educational management system has the Resource Centre System (with Resource Persons) for the field level monitoring, and the District Education Offices for overall monitoring in the concerned districts. At present, expected monitoring at the field level has not been conducted. There are, however, arrangements like monthly meetings of head teachers in R.C., and regular meetings of R.Ps at the DEO level. The DEOs (offices) and the R.C.s state that there is a lack of resources to do effective field level monitoring.

The MOES/DOE at the Centre and the DEO officers need to take various actions for ensuring effective use of the grants (by schools). The Central Level agencies can make the contents of the SGOG document clearer. Certain grant provisions in the SGOG have to be reexamined for their feasibility of implementation and cost implications (various performance grants). DOE and School Inspectorate Division, MOES should assess the monitoring system (of grants implementation). DOE should implement programs to build DEO capacity in administering the grants.

The DEO offices should take steps in reducing the time involved in the processing of school requests (grants) and disbursement of grants within the District EFA program/budget. Monitoring of programs carried out with use of grant resources should be made effective by providing resources to the RCs. Monitoring should be made a priority area for the RPs.

Further, DEOs/Resource Centres should take up school level orientation programs (on the use of the grant funds). The DEOs/RCs need to take the initiative in enabling schools to review and elaborate their SIPs. The processes of financial audit and social audit should be made clear to the schools. School level capacity building activities (strengthening SMCs, school management, financial management) should be taken up as well.

The school grants including (Block grants) scheme have the set target of achieving various objectives related to EFA goals (like ensuring schooling of all children, attaining gender equity, and raising quality of education). The outputs of implementation of school grants (including Block grants) should be assessed periodically.

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Chapter I

Introduction

Background

The public schools (now known as community schools) are dependent on government grants-in-aid for their operation. The primary schools almost entirely depend on government grants, since these schools are not allowed to charge any tuition fees though the lower secondary and secondary schools have been allowed by the Education Regulations, 2059 to charge various fees including monthly tuition fees and examination fees. Even then these schools too depend on the government grants to a large extent, because the fees permitted to be charged by the District Education Offices (DEOs) are rather modest in amount.

Prior to the nationalization of schools in 1972, school education in Nepal was almost exclusively managed and funded by local communities. In those days the authority for the management of schools was vested in the Board of Management. Schools then used to receive some block grants from the Government that amounted around to only 20-25 percent of the school operating costs. The main source of school income was mostly students' fees and some schools supplemented their income with some endowments received from donors. After nationalization, schools started receiving earmarked grants for salaries of teachers, which significantly strengthened the financial base of the schools. In addition to grants for salaries, government schools have been receiving substantial inputs in kind from the development budget which is primarily funded by international donors.

The term “Block grants” refers to “funds given to institutions by the government to run programs within defined guidelines. Presently the government is implementing Education for All (EFA) program which is based on EFA-core document, 2004-09. The EFA program contains six components such as: expanding and improving Early Childhood Development (ECD), ensuring access to education for all (Access), meeting the learning needs of all children including indigenous people and linguistic minorities, reducing adult illiteracy, eliminating gender disparity (attaining gender equity) and improving all aspects of quality education (Quality)

The school grant system of the Ministry of Education and Sports (MOES) is part of the overall programs to assist in the attainment of the goals set in the above components particularly ECD, access, gender equity and quality of education. The EFA stresses the School Implementation Plan (SIP) as a tool of improving access, quality and management of educational practices at the school and community levels. It focuses on ensuring the delivery of quality education including retention of children in schools and completion of the education cycle within the set schedule with predictable learning achievements.

The main purpose of school grants as envisaged in the EFA program (2004 – 2009) is to empower SMCs for managing schools by providing flexibility with respect to utilization of resources, to ensure highest possible educational achievements of all students as expected by the curriculum, to ensure universalization of primary education within the service area of each school in coordination of all schools within the Village Development Committee (VDC)/Municipality; and to enhance the internal efficiency of schools.

The EFA program has offered school grants to schools particularly for the improvement of quality. In this connection the Department of Education (DOE) promulgated the ‘School Grants Operation Guidelines’ (SGOG), 2061 (2004)’ for proper operation of the grants in the schools. The grants are broadly divided into Earmarked grants and Block grants. The block grants cover General grants, SIP grants and Performance grants; and the grants were incorporated in the budget for 2061/61 (2004/05) to be provided to the school. These grants have been commenced only from this academic year in the schools and its implementation mechanism is under process. So, this study basically tries to focus on the fund flow

mechanism from the centre (DOE) to the schools (users of grant money), on the delivery modality of grants money to the schools and on identifying the uses to be made of grant money considering the multiplicity of types of school grants received by the DEO as well as the schools.

Research Questions

In order to analyze the block grant disbursement mechanism from the central level to the school level and its uses, challenges and weaknesses, the following research questions were framed.

- What are the issues and challenges faced in implementation of the block grant scheme in the schools?
- What is the level of involvement of stakeholders in the implementation of block grant scheme?
- What are the strengths and weaknesses of the block grant initiative/scheme?
- How are the block grants (for school administration and development purpose) disbursed by the government, and how are they received by schools and utilized for school implement purposes?

Objectives

Based on the above research questions, the following objectives have been set:

- Determine the issues and challenges faced in the disbursement and implementation of the block grant scheme;
- Assess the level of involvement of stakeholders in the implementation of block grant scheme;
- Assess strengths and weaknesses of the block grant scheme; and
- Suggest measures for successful implementation of the block grant scheme.

Methodology of the Study

The following methodology was adopted to conduct this study:

- Consultation workshop meeting with the MOES/DOE officials and concerned experts.
- Review of SGOG, 2061
- Field Study

Consultation Workshop Meeting with the MOES/DOE Officials and Concerned Experts

The consultation workshop meeting was held with the MOES/DOE officials and concerned experts in the CERID office before visiting the schools in the districts. This workshop meeting has provided input on the development of the tools, sample selection and study modality.

Review of SGOG, 2061

The block grant scheme of the MOES/DOE is at the initial phase of implementation. The SGOG (in Nepali) Manual, 2061 has been prepared for its proper implementation in the schools. The year 2061/62, is the first year of implementation of the block grant scheme. This Guidelines manual is one of the main supporting documents for the current study. The

Guidelines: Manual has; in essence, two parts i) Block grants ii) Accreditation. The accreditation sections of the guidelines are quite elaborate; there are guidelines for formation of District Accreditation Committees (by the Regional Directorate); and further there are criteria laid down by which the standard levels of schools are to be decided. Thus, the work of accreditation process has not yet been taken up by the DOE. With the help of this manual the study has assessed the fund flow mechanism, school accreditation system, use and implementation of the grant.

Field Study

The following procedures were adopted to perform the field-based study pertaining to the objectives of the study:

Sample Selection of the Districts and Schools

For this study, three districts - Kavre, Kaski (Hilly district) and Chitwan (Terai district) were selected. On account of time constraints, mountain districts were not taken up in this study. The selection of the sample districts was approved by the Formative Research Advisory Group (FRAG) committee and MOES/DOE officials. The schools selections were prioritized on the basis of the types of school (public/community school, schools under the transfer to community management system and community managed school), volume of school grant disbursement and geographical location. In line with this criterion, the DEOs and school supervisors in the district recommended the schools for the study. In Kaski and Kavre districts, schools under the transfer to community management system were selected from the urban areas, secondary school and community school or community managed school were selected from the rural areas, whereas in Chitwan district the schools under the transfer to community management system and secondary schools were selected from the rural areas and community managed primary school was selected from the urban area. Altogether, nine schools were selected from three districts. Among them three secondary schools were public (community) schools, three schools were under the transfer to community management system and two schools were managed by the community and one primary school was a public (community) school. The target schools from the three districts were as follows:

Table 1: List of Sample Schools by Name and Districts

District	Location	Name of the Schools	School Type
Kavre	Urban	▪ Bal Mandir Lower Secondary School	▪ Management Transfer
	Rural	▪ Mahendra Secondary School	▪ Community School
	Rural	▪ Jhingani Devi Primary School	▪ Community Managed School
Chitwan	Rural	▪ Divya Jyoti Rashtriya Primary School	▪ Management Transfer
	Rural	▪ Khaireni Secondary School	▪ Community School
	Urban	▪ Sita Ram Sanskrit Secondary School	▪ Primary Level Managed by Community
Kaski	Urban	▪ Gyanbhumi Lower Secondary School	▪ Management Transfer
	Rural	▪ Ambika Secondary School	▪ Community School
	Rural	▪ Divya Jyoti Primary School	▪ Community School
Total	9		

Research Tools

The following research tools were developed and used for collecting necessary information.

Questionnaire for School Management Committee (SMCs) and Headteacher (HTs)

This questionnaire was used for interview with the SMCs and HTs regarding the perception of the school grant flow, implementation process and use mechanism. This tools contain income and expenditure of the school on different headings, the number of students and teachers, disbursement of grants on different headings from DEO, knowledge level of the SMCs and HTs about school grants, release of grants from the DEOs, SIP development and implementation, knowledge on SGOG, 2061, strengths and weaknesses of block grants, social audit system and school accreditation system.

Questionnaire for DEOs

This questionnaire was used for interview with the DEOs regarding the knowledge of the school grants flow system and disbursement mechanism. This research instrument included disbursement of grants on different headings from DEO, SIP implementation and development, strengths and weaknesses of block grants and school accreditation system.

Format of District Level Disbursement Process

A separate format was developed in order to track the disbursement of school grant from the DEO. The format consists of different headings, and the date s of disbursement from DOE to DEO and from DEO to the school.

Format of School Level Disbursement Process

Another format was developed in order to trace the track record of the disbursement of school grant in the school. The format included different program headings, approved budget for the school, date of amount released from DEO to school, date of the grant received by the school, use of grant in the school and the balance of grant money in the school.

Selection of Stakeholders

Different types of stakeholders were selected during the field study:

District Education Officers (DEOs): DEOs of three sample districts were approached and interviewed.

SMC Chairperson/Members: From three districts 7 SMC chairpersons and 8 members were interviewed during the field study.

Parents and Teachers Association (PTA) Chairperson/Members: During the study, the research team consulted 6 PTA chairpersons and members.

HTs: The HTs were the main focal persons for the study and 9 HTs from secondary, lower secondary and primary schools were identified and interviewed.

Data Collection Procedure

The research team is composed of a researcher, a research associate, two resource persons and two research assistants. The research team visited and interacted with the DEO in the districts and consulted the DEO personnel regarding the selection of the types of school. The team also consulted and interacted with the Account Section of DEO office regarding the school grant release and operation system. Similarly, the team copied the school grant release amount from disbursement files of the DEOs and verified these in the schools. Due to the time constraints, the schools selections were prioritized within the easily accessible area from the district headquarters.

The schools were selected on the basis of the type of schools, the volume of school grants released by the DEOs and the geographical location. The management transfer school was selected from the municipality area. In Chitwan, none of the public (community) primary

schools were transferred in the municipality area, so the research team selected the management transfer school from the rural area in order to maintain the consistency in the research. The secondary school and community school or community managed school were selected from the rural areas. The Kaski district has no community managed school and thus the team selected a community primary school. In Chitwan, the primary school attached to a secondary school was selected, the research team interacted with the staff that school.

After selection of the schools, the research team visited the schools and spent two days for interviews and data collection in the school. First of all, the team consulted with and interviewed the HTs. The research assistants collected and traced the school related information, and information on receipt and use of grants from the school. Secondly, the team consulted and interacted with the SMCs and PTAs on the knowledge and operation of school grants in the school.

A focus group discussion was held in each school with the SMCs, PTAs, parents, schoolteachers and HTs. Apart from the focus group discussion in the school, the research team also interacted and discussed with the DEOs, DEO personnel, HTs and SMC chairman regarding the weakness and strengthen of the grant in the school in each district.

The research team also visited in each district to District Treasury Controller Office (DTCO) in order to find out the release date of school grants from and to the DOE and DEO. The team also visited and interacted with the program officer of Dulikhel Municipality office in Kavre district regarding the release of teacher's salary.

Data Analysis Procedure

The data collected from the field were analyzed and interpreted as per the objective of the study. The research team analyzed the information received from the field using the SGOG, 2061 document as the reference for drawing conclusions from.

Delimitation of the Study

The block grant scheme is being implemented right from the first year of implementation of the EFA, 2061/2062. There is hardly any research conducted so far in this respect. This study is limited to only three districts (Kavre, Kaski and Chitwan) representing two ecological belts (hills and terai) have only limited sample schools. This was done due to security considerations and the time constraint.

CHAPTER II

CONCEPT OF BLOCK GRANT SYSTEM

The Concept

The public schools (now called community schools) have received substantial public funding in the form of salary supports and various school improvement programs under different donor- supported education projects. Presently, the government pays 100 percent of the salaries of the primary, lower secondary and secondary teachers (for approved/sanctioned posts). The Education Regulations, 2059 has allowed lower secondary and secondary schools to charge various fees including monthly tuition fees, examination fees and several other fees for specific services rendered by the school. The lower secondary and secondary schools, thus, generate substantial funds from the fees. The primary schools, on the other hand, faced severe shortage of funds to make any improvements in school facilities and instructional activities. Provision of funds for non-teacher salary purposes (development purposes) was, thus, felt extremely lacking.

Further, despite large government investment in schools, the education quality has not improved. This was attributed among other things, to the lack of accountability of schools (particularly of the teachers) for providing good quality education, and lack of authority of the SMCs to take decisions for school improvement work. The Education Regulations, 2059 has now provided for stronger roles and responsibilities of the SMCs.

The government has introduced the SGOG, 2061 in order to ensure the involvement of the stakeholders in all process of the school improvement from planning to evaluation on the basis of the needs of the local communities, and within the framework of the decentralization scheme followed by the country. The guidelines are to be put into immediate effect in all public (community) schools.

The block grant scheme under implementation since 2061/62 has envisaged the provision of resources to schools and empowerment of the SMCs to ensure responsibilities for undertaking planned activities for school improvement. The school block grant refers to non-salary budgetary resources provided to schools with flexibility for its use in matters of achieving the school vision and goals.

Objectives of the Block Grant System

The Block grant scheme has the following objectives:

- to empower the SMCs for managing schools by providing flexibility in the use of resources;
- to ensure attainment of high educational levels by all students of the schools as expected by the curriculum;
- to ensure the school enrollment of all children of the VDCs and Municipalities in schools in coordination with the schools within the VDC/Municipality;
- to develop appropriate arrangements for teaching in the local language in pre-primary and primary levels;
- to link the provision of school grants with the progress attained by schools on the basis of school level education indicators;
- to promote mobilization of additional resources through effective use of the block grants provided to the schools;
- to provide additional resources to school deemed to be below 'Basic level', in order to attain the "Basic Level"; and

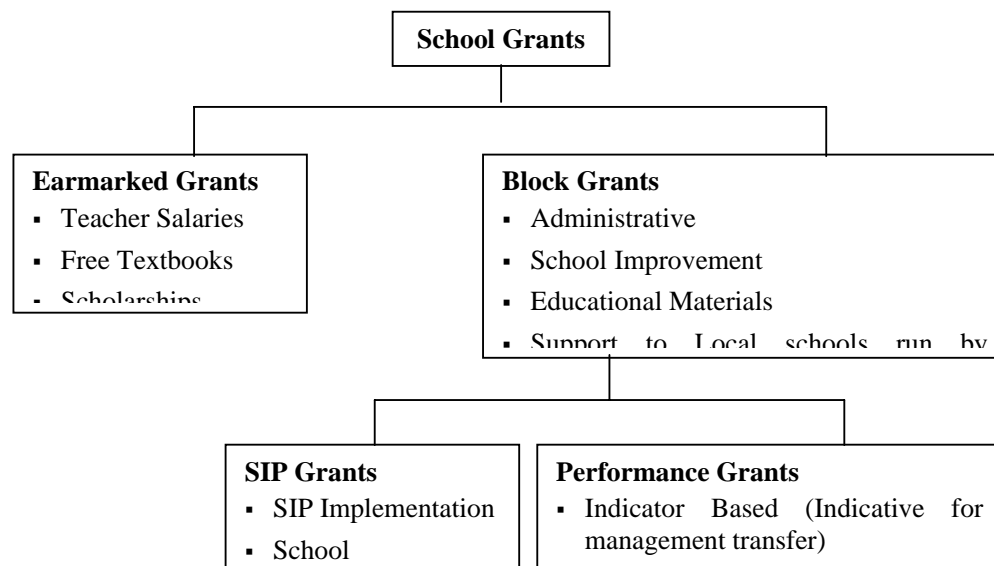
- to encourage the involvement of school stakeholders in monitoring and evaluation through the system of Block Grant.

School Grant System

Under the SGOG, 2061 the government has introduced a system of providing resources to the schools in the form of earmarked grants and block grant.

The school grants are categorized into two types:

- Earmarked grants (To be spent for specific purpose)
- Block grants (To be spent as per the decisions of the SMCs based on the SIP)



The Earmarked Grants (Conditional Grants)

ECD Centers and Pre-primary Classes

On EFA program, the ECD and pre-primary classes' grants are provided to schools to meet the expenses towards the remuneration of facilitators and educational materials. In this connection, the schools are receiving Rs. 1000/- per month.

School Outreach Program and Flexible Schooling under Alternative Education Program

The grant of Rs. 2000/- per month is provided for school outreach program and flexible schooling program. The grant covers remuneration of facilitators, education materials and training expenses.

Salary and Allowances of Teachers by Primary, Lower Secondary and Secondary Schools

The government bears 100 percent of salary and allowances of primary, lower secondary and secondary teachers (for the approved posts). The grant is provided on a trimester basis. The teachers' salary and allowances constitute the largest proportion of government grants for schools.

Free Primary Textbooks

The government provides grants to schools on free textbooks to each primary level student at the rate of Rs. 114.50 per student. At the time of field survey, the system of textbook distribution was as follows. The student will purchase textbooks and they submit the bill and school will reimburse them.

Scholarships

- The government provides various types of scholarships for promoting all children of the VDCs and Municipalities in the schools. The types of scholarship grants receivable from the schools are:
- Booster scholarships: The main objective of this grant is to encourage unschooled children (son or daughter of parents having no primary schooling) to join school. This is one time grant of Rs. 500/- per child.
- Dalit scholarship: This scholarship grant is provided to 23 types of dalit children enrolled in the school; and the annual amount it carries is Rs. 250/- per student. The amount of this scholarship is going to be Rs. 350/- from 2062/63 onwards.
- Dalit scholarship for lower secondary and secondary levels: The amount of this scholarship is Rs. 500/- per year per student and it is paid to schools on condition that they do not charge these students any kind of fees.
- Scholarship for primary girl students in the poor category: This scholarship is provided to 50 percent of girls' enrolment in the school (those in the poor category). The amount of this scholarship is Rs. 250/- per student per year which is going to be increased to Rs. 350/- from 2062/63 onwards.
- Full scholarships for secondary and lower secondary students: The amount of this scholarship is Rs. 1700/- per year; and free ships of Rs. 700/- per year are also provided.
- Feeder Hostel scholarships: This scholarship is for 10+2 girl students studying on education as the major subject. The amount of this scholarship is Rs. 1200/- per month per student in hilly and mountain districts and Rs. 1000/- per month per student in terai districts.
- Scholarships for dalit students studying at lower secondary and secondary level on the condition of not raising any fees: The amount of this scholarship is Rs. 500/- per student per year.
- Scholarships are also meant for orphans caused by the conflict: The amount of this scholarship is Rs. 600/- per year per student.
- Scholarships for remote mountain hostel students: The amount of this scholarship is Rs. 1200/- for ten months per student.
- Scholarships for the disabled of various categories: The disabled scholarships fall into four categories. In 'A' category the amount is Rs. 1000/- for ten months per student. In 'B' category the amount is Rs. 500/- for ten months per student. In 'C' category the amount is Rs. 300/- for ten months per student and in 'D' category the amount is Rs. 50/- for ten months per student.
- Scholarships for the first son and daughter of families of dalit, marginalized and below poverty line: The amount of this scholarship at the primary school level is Rs. 500 per student per year, Rs. 700/- per student per year for the lower secondary level and Rs. 1000/- per year per student for the secondary level.
- Girls Education Fund (To be spent at the discretion of District Education Committee): This specific bear on fund amount from Rs. 200,000/- to 500,000/- for mountain, hill and terai districts and for three Kathmandu Valley districts.

Block Grants

The block grants scheme is a new device to provide financial assistance to those schools in which expenditure decisions are to be taken by the SMC. This grant are mainly for meeting the non-salary recurrent expenditures of the schools and are to be used for various activities that would help realize the school vision and goals.

General Block Grants

School Administrative Expenditure grants: The main objective of this grant is for the administrative expenditure of the school and the grant for the primary level is Rs. 11000/-, for the Lower Secondary level Rs. 1300/- and for the Secondary Level Rs. 21000/-.

Masalanda (stationery) Expenditure Grant: The masalanda grant is used for stationary purposes. The total amount under this heading is fixed according to per teacher allocations teacher allocation. The amount of this grant is Rs. 300/- for teacher at the Primary level, and Rs 500/- for teacher at lower secondary and the secondary level.

Grant for supporting additional teachers' positions in community managed schools: This grant is provided for community managed schools for the positions of teachers on the basis of the number of students enrolled in the school. The amount of this grant is Rs. 53000/- which is equivalent to a teacher's salary per year at the primary level, Rs. 66300/- at the lower secondary level and Rs. 97500/- at the secondary level.

Grants for non-government organization in the task of supporting schools that have been transferred to community management: This grant is provided to the NGOs for mobilizing the community in the aspect of supporting schools that have been transferred to community management. The amount of this grant is Rs. 50000/- per school per year.

Grants for conducting bilingual teaching education at grade 1: The amount of this grant is Rs. 2400/- per year per school.

Regular grants for school educational improvement for primary schools: The amount of this grant is Rs 3000/- per school per year.

Educational materials grant for primary schools: The amount of this grant is Rs. 100/- per student per year which is to be used for educational materials.

SIP Grants

The SIP grants constitute the main category in block grant system. This grant is provided to schools for implementing their school improvement plan. It is based on per student allocation, subject to variation by geographic region. Higher per student allocation for students classified as Special (Girls, Janjati, Dalit, Orphans, Disabled and Street children). There is provision of differentiated rates (per student) of grant for schools categorized as Basic, Level I and Level II. The determination of the school level is to be done on the basis of school accreditation process. For Basic level schools' general students (apart from the special students) the rates are Rs 200/- per student for Mountain districts, Rs. 175/- per student for Hill districts and Rs 150/- per student for Terai and Valley districts. The accreditation process has not been started yet.

The above rates of per student grant for SIP implementation will be applicable after the completion of the accreditation process (grading process). The above table indicates that the per student grant will be higher by Rs 25/- for level I over the rate for basic level for both general and special students for each of the geographical regions. The per student grant will be further higher by Rs.25/- for level II over the rate for level I for general and special category of students for each of geographical regions. At present, the schools are being provided SIP grants based on the rate specified for basic level because of initial year of the grant implementation.

Performance Grants (Reward grants)

The performance grants are provided with a view to encouraging the schools to raise their capability. The grants can also be provided to VDC, Village Education Committee (VEC) and Municipalities. Most of the performance grants are dependent on attaining high retention rate, high enrolment of girls and dalits, increased numbers of female and dalit teachers, high SLC pass percentage. Most of these performance levels require the level of high quality education. Further there is a need of collection and reporting of data on student flow teachers, their gender and community background and SLC performance of the schools. The specific grants categories are as follows:

- Reward of Rs.10,000/- to a school that has attained 85 percent survival rate up to grade 5 and has maintained the rate.
- Annual grant of Rs. 5000/- for schools which have attained a 5 percent increment over the past years' survival rate based on the baseline information.
- Reward of Rs. 5000/- a to schools training 50 percent dalit women teachers in the total number of teachers.
- One time incentive grant of Rs. 100000/- for schools that have been transferred to community management.
- Reward of Rs. 10000/- for VEC, VDC and Municipality which have attained and maintained an enrolment level of 96 percent from among the students of primary school age in the respective catchments area.
- Reward amounting to Rs. 5000/- for schools which have attained a 5 percent increment in NER based on baseline information.
- Reward amounting to 25 percent of the total grants received by the school upon attaining girls' enrolment proportion above the average for the 20 districts with low girls' enrolment.
- Reward amounting to 25 percent of total grants received by the school upon attaining significant dalit and disadvantaged janjati student enrolment above 30 percent of the total enrolment in mid-western and far-western region.
- Annual award of Rs. 400000/- to secondary schools which have attained SLC pass rate of 50 percent.
- Annual award of Rs. 50000/- for school which have attained 5 percent increase in the SLC pass rate (above the last year's pass rate) keeping the national average pass percentage as the base.

The disbursement of the earmarked and block grants is expected to be made by the DEO within the district EFA program budget, which the DOE has provided for each district. The use of the grant money is expected to be done as stated in the SGOG, 2061.

Grant Provision under the Secondary Education Support Program

Along with the implementation of the block grants, as envisaged in the SGOG, 2061 which are funded mainly by donor supports under EFA: 2004 - 2009, the government is also implementing grants support for the lower secondary and secondary levels (in public schools, management transfer schools and schools run by local communities) under the Secondary Education Support Programs (SESP: 2003 - 2008) supported by the Asian Development Bank and DANIDA.

The SESP is to be implemented with various program components in the ten program intensive districts (which are mainly remote area mountain districts). The SESP is to provide support doe school improvement plan in all districts including the program intensive districts.

The SESP for core document (July 2002) does not specify the grant amount. Presently, the DOE has fixed the SIP grant at Rs.25,900/- for each level (Lower Secondary and Secondary).

As envisaged in the SESP, lower secondary and secondary schools in the sample districts have already stated receiving SIP funds from the districts' budgets (being implemented by the DEOs).

Conclusions

Several grants are being provided by MOES/DOE for the school under the EFA and SESP program. The implementing agencies of the grants (DOE at the centre, and DEO at district levels) need to make the concept of grants more clear and comprehensive for the schools. There is a multiplicity of scholarship grants for primary and secondary level. This needs clarification both for the DEO offices and the schools. The basic purpose of major grants like SIP grants and the educational materials grants (Rs. 100/- per student) at primary level should be made clear to the schools. An orientation on the concept and use of the grants (both EFA and SESP grants) should be provided to the schools (through RC meetings as well as widely disseminated publications and brochures).

Chapter III

Block Grant Disbursement Mechanism

Introduction

With respect to the flow of funds under the block grant scheme, there is a more direct link up with the schools. The funds flow from the DOE to the DEO. The DEOs are responsible for ensuring the flow of funds to the schools. The salary payments to the primary school teachers are made through the District Development Committee (DDC). There are a number of central and district level agencies concerned with the flow of funds. The Regional Education Directorate (RED) has not been given a role in fund disbursement. The Resource Centres (RCs) and Resource Persons (RPs) perform an important role in facilitating the fund flow from the DEO to the schools. They endorse the requests of the schools (made to DEOs) and the SIP documents of the schools. The RPs also certify the correctness of data (presented for flash report I). The main government organizations involved in grants disbursements are indicated under 3.2.

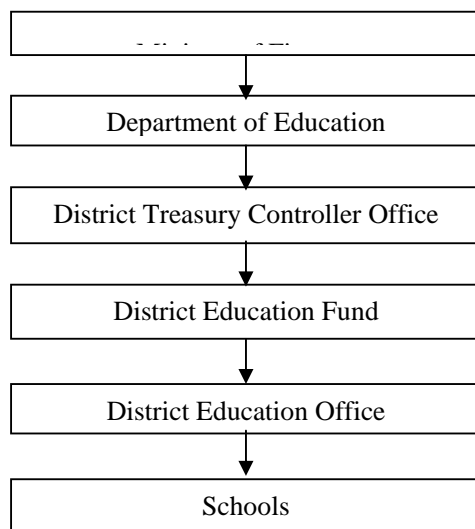
Fund Disbursement Organogram

Ministry of Finance (MOF)

Most of the block grant money is to be provided from the EFA program and budget. There are five donors for EFA implementation. These are World Bank (IDA), DANIDA, Finland, Norway and DFID. These donors contribute to the pool of funds for EFA. Funding commitments which take into account the sub-sector (EFA) budget and cash flow needs for program implementation are made during the annual review meeting held in April (of each year). The Finance Controller General Office (FCGO) under the MOF is responsible for certifying the relevant financial reports and submitting the request for disbursement to the pooling donor working groups. The MOF incorporates the EFA programs and budget in the annual budget, which is duly passed by the legislature/ government. The program budget is included in the Red book and thereafter the budget implementation process starts. The MOF issues expenditure authorization to the Ministry concerned. The flow of fund takes place from the MOF to the MOES initially. The system of issuing authority to spend the government budget is outlined in the Financial Administration Regulations 1999. The fund flows from the MOES to the DOE; thereafter the funds flow to the concerned cost centers at the center, and in the districts through DEOs through subsequent authorization letters. It should be mentioned one that 'fund flow' upto the district level is in the form of authorization papers. The actual money flow occurs at the district level at district level from Rastra Bank offices after DTCCO gives approval.

The funding modality in regular grants system envisaged in the Education Regulations, 2059 (as regards disbursement of grants-in-aid) is as follows: (Chart 3.1). The chart indicates the direct flow of funds from the centre to the schools through the DEOs.

Chart 3.1: Disbursements of Regular Grants

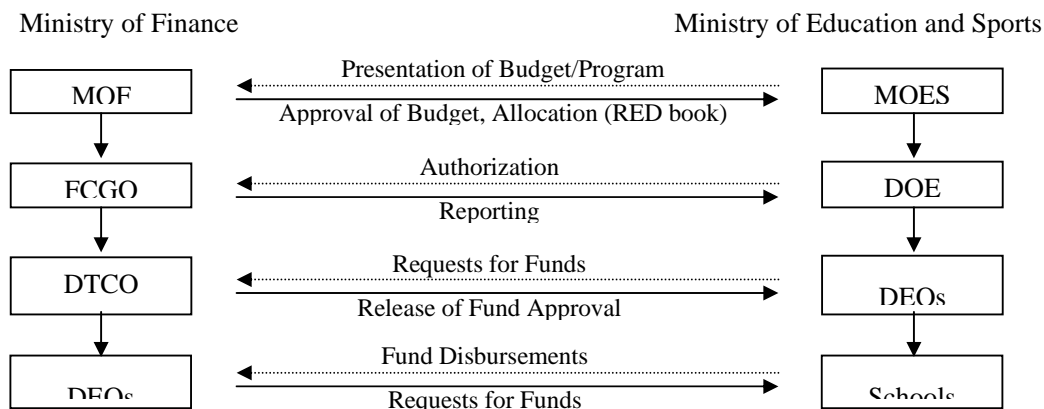


Budget Implementation Process

The sequence of events in fund release starts after MOF issues the authorization letter to the concerned Ministry. In case of the education sector release of funds takes place from MOF to MOES, then to DOE and then to the concerned spending cost centers. The funds for EFA are released in installments (trimester). It follows the reimbursement principles. Upon receiving the authorization letter from the MOES, the DOE submits a budget release request to the FCGO for the trimester release. The FCGO checks whether all necessary procedures have been completed (such as checking whether the reimbursement have been received from the pooling donors of EFA).

The FCGO then issues an order (authorization of fund release) to the concerned DTCO. The DEO in the concerned districts makes request to the DTCO concerned for release of funds to schools/ concerned cost centers. The process of MOF fund flow and MOES authorization process go on side by side as shown below:

Chart 3.2: Disbursements of School Grants



Note: Arrows indicate the type of action by the related agency.

The FCGO and the DTCO are MOF agencies for streamlining the fund flow to the DEOs. The DOE and the DEO offices in the MOES setup ensure the flow of funds to the schools.

Ministry of Education and Sports (MOES)

The key role of the MOES is to get the EFA program and annual plan approved by the National Planning Commission (NPC) and the MOF. The MOES personnel are expected to present the progress made on EFA programs in budget preparation meetings in the MOF. The MOES upon getting letter of authorization from the MOF is expected to provide its own authorization to the DOE. The MOES is responsible for policy development with respect to the provision and use of block grants. The SGOG, 2061 has specified that the MOES needs to develop policies on school grants and fulfill the leadership role in school accreditation and approving the operational guidelines. This is the first year of implementation of school grants and the MOES have already developed the policies and operational guidelines on school grants.

Department of Education (DOE)

The role of the DOE in fund release is crucial. The DOE is responsible for preparing annual EFA program based on EFA core document and decisions of the MOES. It is further responsible to prepare detailed districtwise EFA program and budget (in consultation with the concerned DEO and other district agencies). The DOE provides authorization to the DEOs on the basis of the approved EFA budget program for the district concerned. DOE expects to receive regular reports from the DEOs on the expenditure made out of the budgeted funds provided to the concerned DEO. Generally, the financial year starts on the first day of the month of Srawan and the DOE should release an authorization in the above mentioned month. The SGOG, 2061 has clearly cited that the DOE should release an authorization and guidelines on approved EFA program budget at the beginning of Srawan. But, in reality the DOE released an authorization to DTCO on approved EFA program budget (Code No. 65-3-804 and 65-4-804) on 23rd Bhadra, 2061. The total days of delay came to 54 days. This type of delay may create chain reaction on EFA program implementation in the district as well as on school.

The DOE has taken various steps for effective implementation of the EFA program.

Development of SGOG, 2061

The DOE has developed the document keeping in view the present educational regulations and the contents of the Project Appraisal document on EFA, 9th. June, 2004. The document contains the type of grants, the norms and criteria of grants, fund flow system, obligations of schools and details about accreditation process.

Dissemination of Guidelines

The DOE has distributed the document to all DEOs. The DEOs have provided document to the RCs. The DOE has presented descriptions of the grants in its News letter and Education Information Publication (Education Day issue, 2061). The DEOs have organized different workshops for RPs on the guidelines. The DEO, Kaski has put up the description of the grants on the notice board.

Disbursements

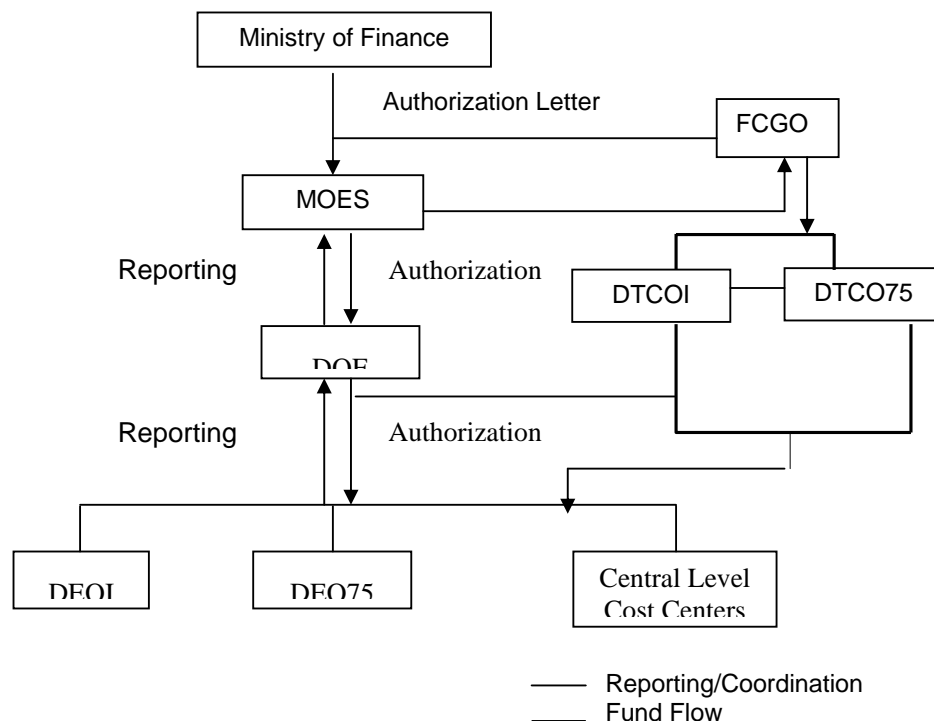
The DOE has prepared districtwise EFA program for 2061/62. The grant categories and amounts of grant have been mentioned in these district EFA programs. The DEOs receives budget allocations from the DOE to carry out programs mentioned in the district EFA program budget.

The DEO in Kavre and Kaski districts have maintained open files with records of disbursement made to the schools. It contains information on type, amounts of grants to each school by name and the bank account of each school in which money has been deposited. The bank account does not contain information on grant money by specific types. The concerned schools expect letters of disbursements from the DEO. Such letters have not been received immediately by most schools. However, the disbursements file is readily available in the DEO (Account office and the Program Coordinator office) for the school representatives to see. The schools feel that they should get authorized disbursement letters/communications in order to take steps for utilization of the funds. The DOE, Kavre and DEO, Chitwan have provided such letters just recently.

District Education Office (DEOs)

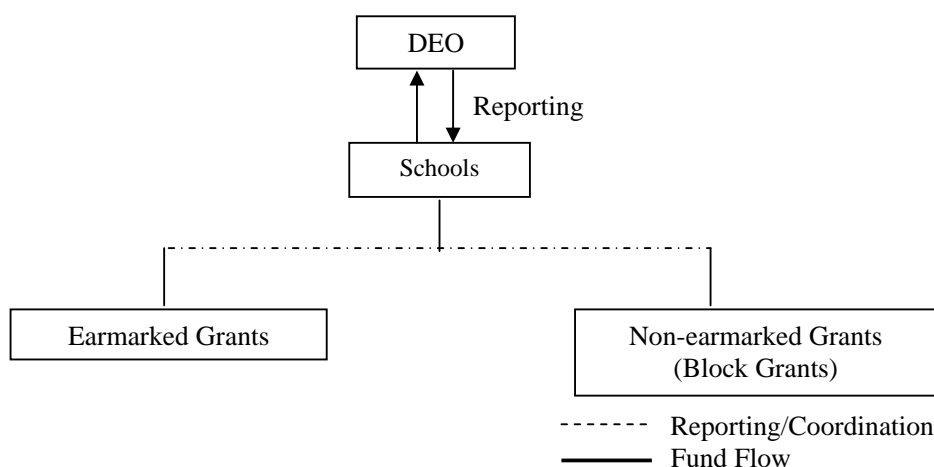
The fund flow process at the district level is of crucial importance for speeding up the implementation process. As stated earlier the FCGO of the MOF issues the authorization order to the DTCO at the district level and at the same time the DOE provides the authorization letter to the concerned DEO. The concerned DEO thus requests the DTCO to release the funds for started approved programs. The process is illustrated in chart 3.2. The chart 3.2 depicts the flow of money from the DEO to school. These processes are going on side by side in the district: (MOES to DOE to DEO) and (FCGO to DTCO to DEO and cost centers). MOES provides authorization to DOE; DOE in turn provides authorization to DEO. Naturally MOES expects reports (on disbursements) from DOE and DOE expects similar reports from DEO offices. The DTCO offices also submit reports to the parent office (FCGO) about the fund release.

Chart 3.3: Funds Flow at District Level



At the community level, the DEO provides funds to the schools after the DEO's request to DTCO is approved. The schools get earmarked grants and block grants from the DEOs. The schools report to the DEO regarding the receipt and use of the grant money.

Chart 3.4: Funds Flow at Community Level



The SGOG, 2061 has clearly indicated that the DEO should deposit the grants amount in the schools bank account by the end of Srawan. But, in reality the DEO deposited the grants amount in the bank account of the sample schools on 3rd Asadh, 2062. The total delay is as long as 10 months in case of grants (to be provided in the first trimester). It indicates that this type of delay had created ten months holdup on EFA program implementation in the school.

Table 3.1: DEOs Released EFA Budget to Schools (Block Grants)

District	Schools	Date of DEO Depositing the Amount in the Bank Account	Date of School Receipt of grant	Time Differences
Kavre	Bal Mandir Lower Secondary School	2061-12-18	2061-12-20	2 Days
	Mahendra Secondary School	2061-12-18	2061-12-20	2 Days
	Jhingani Devi Primary School	2061-12-18	2061-12-20	2 Days
Kaski	Ambika Secondary School	2061-12-20	2062-01-16	26 Days
	Divya Jyoti Primary School	2061-12-20	2062-01-16	26 Days
	Gyan Bhumi Lower Secondary School	2061-12-20	2062-01-19	29 Days
Chitwan	SIta Ram Sanskrit Secondary School	2062-3-5	2062-3-7	2 Days
	Khaireni Secondary School	2062-3-5	2062-3-7	2 Days
	Divya Jyoti Primary School	2062-3-5	2062-3-7	2 Days

The above table reveals that the schools in Kavre and Chitwan received the authority letter from DEO two days behind (after DEO had deposited the money in the bank) whereas the schools in Kaski district received letter days behind. The number of days taken for the authority letter to reach the respective schools of Kavre and Chitwan was only two days but it took about 26 days on Kaski. The EFA budget amount was received by the schools only in the month of Chaitra.

Requirements for Disbursements

The schools have to fulfill the following requirements.

Submission of SIP

All schools must have prepared their SIP duly endorsed and recommended by the concerned RP, in order to get the block grants including SIP grants.

Submission of Flash Report I

Schools are required to submit latest school statistics (Flash Report I) in the format provided to the RC by 7th Jestha of the year, in order to get school scholarships grants for the year. Failing to do it would mean that the concerned schools will have to accept the grant level based on the previous flash report.

Submission of Reports by schools

The year 2061/62 is the first year of implementation of the block grant scheme. In the next year the schools are expected to submit to the DEO the following reports: a) School self assessment b) Social audit of school finance c) annual report of the school. Basic information and data for preparation of school self-assessment and school annual reports are available in the SIP documents concerned schools. Further work can be done on the basis of this information and data. The schools need technical support from the RP and DEOs for preparing the reports. Social audit of school finance is a new concept which needs to be explained to the school and concerned stakeholders.

Further, the disbursements require the effective functioning of the SMCs.

All sample schools visited have properly constituted SMCs. As a matter fact the SIP document of the respective schools contains names of SMC members as well as that of 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. The study team found that the SMC members in a sample school could hardly spare half an hour to talk to the team. In the rural area schools, the SMC members (of schools sample) gave enough time to discuss school problems with the study team. There is a general lack of awareness among the SMC members of 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.

District Treasury Controller Office (DTCOs)

The main task of DTCO is to formally release the funds authorized (to be released by the FCGO) and requested by the DEO. The DTCO makes sure that the following conditions are fulfilled:

- There is authorization for the release.
- There is an approved program in case of development budget, such as EFA.
- Statement on progress of previous release has been received.
- Receipt of monthly expenditure statement (by 7th of each month, according to Nepali calendar) in case of block grants.
- Attainment of 80 percent progress (expenditure) in the last release in case of block grants (EFA). Trimester release is provided in case of the salary of teachers.

The DTCO have a system of providing some funds at the beginning of the fiscal year (one sixth to one third of the approved budgets in order to meet expenses until first trimester release is made. The DTCO has a system of collecting details of expenditure in the month of Srawan, which is the beginning of new fiscal year. It also collects a report (called financial

report) on expenditure (by budget headings from the spending agencies). Two main points in fund release at the district level are a) DEO makes a request to DTCO as per authorization of DOE and b) DTCO makes the release. If the DTCO is not satisfied with the fulfillment of the conditions for release, it can delay the release and ask for explanations. In case of P1 (Priority one) projects, its Ministry Secretary can request release even if the proportionate achievement (expenditure of previous release amount) is below 80 percent. The block grants are included in the EFA program, which has been given the status of P1 project. Thus, the initial release (*chalu nikasha*) is generally one third of the approved budget amount.

In one sample districts, it is found that the DOE issued the authority letter on 23rd Bhadra, 2061 and DTCO received the same letter on the same date. It shows that the time gap between the exchange of letters from DOE to DTCO counts only one day.

In case of the district, the DEO requested *Chalu nikasha* release on 28th Shrawan, 2061, and the DTCO released one sixth of the approved budget on 24th Bhadra (that is the next day after receiving the authorization letter).

Time Taken to Issue Authority Letters from the DOE to DTCOs

Fiscal Year	Date of Issue Authority Letter from DOE	Date of Receipt Authority to DTCOs	Number of Days Taken by DOE to DTCO
2061/62	23 rd Bhadra, 2061	23 rd Bhadra, 2061	1

Fund Release Mechanism from DTCO to DEO and DDC

The date of fund release by DTCO in the sample districts are as follows:

Table 3.2: Primary School Teacher Salary Fund Release Mechanism, 2061/62 (Example of Chitwan District)

Trimester	Fund Release and Request Organization	Release and Request Time
First	Fund release and request by DDC	6 th Aswin, 2061
	Fund release approved by DTCO	10 th Aswin, 2061
	DDC request for additional money	15 th Aswin, 2061
	DTCO approval for additional money	25 th Aswin, 2061
Second	Fund release request by DDC	9 th Poush, 2061
	Fund release approved by DTCO	11 th Poush, 2061
Third	Fund release and request by DDC	2 nd Baisakh, 2062
	Fund release approved by DTCO	2 nd Baisakh, 2062
	DDC request for additional money	2 nd Asadh, 2062
	DTCO approval for additional money	3 rd Asadh, 2062

Table 3.3: EFA Budget Release Mechanism (Block Grants) (Example of Kavre District)

Fund Release and Request Process in Sequence	Release and Request Time
Fund release request by DEO	24 th Aswin, 2061
Submission of expenditure report by DEO	26 th Aswin, 2061
Fund release approval by DTCO	27 th Aswin, 2061
Fund release request by DEO	18 th Kartik, 2061
Fund release approval by DTCO	20 th Kartik, 2061
Fund release request by DEO	8 th Mangshir, 2061
Fund release approval by DTCO (after submission of expenditure progress report)	26 th Mangshir, 2061
Submission of second trimester achievement report by DEO	14 th Chaitra, 2061
Approval of DEO request for release by DTCO	29 th Chaitra, 2061

Salary release request by DDC and approval by DTCO data in Table 3.2 indicate that there was considerable delay in request to DTCO by DDC (the dispensing agency). For example, first Trimester release was request in Aswin whereas first Trimester starts from Sravan (late by two months) similarly second Trimester release was requested in Poush, whereas Second Trimester starts from Mansir, a month later. The DTCO promptly release the request. The delay in salary release is due to delay in the request sent to DTCO.

Table 3.3 shows the release processes involved in the release of Block grant amounts. The table shows periodic requests made by the DEO to the DTCO and the release by DTCO after some days. The notable aspect is the submission of trimester achievement report.

There are some cases of delay in DTCO release. In one of the sample districts, the DEO requested the teachers' salary amount to DTCO, and then the DTCO personnel verified the teachers' quota of the district and found some over-stated teachers' quota. Then DTCO objected to the above take information. The office made one month's delay in the salary release and asked for explanation. In addition, a sample district had submitted progress report below 80 percent progress on P1 project and DTCO asked for explanation and delayed the release. Likewise, a sample district had sent progress in a format that differed from DTCO format and in that case also the DTCO released the amount only after making correction on the format. Generally, it is found that the DTCO promptly released the budget amount based on the program.

The DTCO follows standard fund release procedure (authorization by FCGO, receipt of request letter from the spending agency, and checking to see whether the monthly statement of expenditure has been received). Visits to DTCO in Kavre, Kaski and Chitwan districts were conducted by the study team. The team has found that the DTCOs have been making speedy release of funds when all necessary conditions have been met. With regard to block grant disbursement the study team confirmed that there has been no delay in the release of funds, once there is authorization from FCGO and requests are made by the DEO.

The salary payments for primary school teachers are made trimesterly through the DDC with the money provided by the DOE. The DDC makes request to DTCO for trimester release of salary. Upon release by the DTCO, disbursements are made to the schools. As specified in the SGOG, 2061, the DTCO has released the full amount of block grants to the schools on an annual basis. With regard to salary payments, the trimester release system is adopted as indicated in the SGOG, 2061.

Local Government Agencies: DDC and Municipality

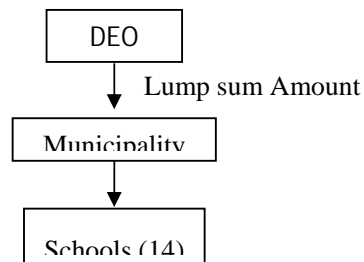
According to the policy on decentralized education management, the management and operation of primary education has been delegated to the local bodies. The local bodies are

given authority to identify the educational needs of the community, formulate educational plans, and to implement and monitor them. As stated in the EFA Core document, the MOES and DOE will provide grants to the DDCs District Development Fund (DDF) to meet both the regular and development expenditures. The Local Development Office (LDO) will have authority to release funds from the DDF to District Education Fund (DEF) in the DEO.

The long-term vision is to make the district level education plan as part of the District Development Plan. DEOs under the decentralization scheme are to get funds from DEF for distribution to schools and Village Development Committee (VDCs) and municipalities. At present, the extent of fiscal decentralization is limited only to payment of the primary teacher's salary. The lower secondary and secondary level teacher's salary is channelized through the DEOs to the schools. In this context the objective of decentralization is focused only on the disbursement of primary teacher's salary by the DDC which is acting as a bridge between DTCO and DEO without any authentic rate in school management affairs. This practice does not seem to fulfill the aim of decentralization. The practice introduced in disbursement of block grants is to channelize the grant money directly through the DEOs.

The system of channelizing the disbursement of salaries of primary school teachers through the DDC is uniformly put into practice in the country. The Dhulikhel municipality oversees the management of 14 schools in the municipality. The salary payments of primary school teachers in these schools are channelized through the municipality office. The DEO provides a grant of lump sum money to the municipality for teachers' salary purposes. The municipality makes a schoolwise breakdown of the money and releases, the money in the name of the bank account of the concerned school. Under this system, the concerned school makes a request for salary payment to the municipality, and trimester payment release is requested. The municipality takes into consideration the request of each school and releases money to all concerned schools at a same time (day). The system is as follows:

Chart 3.5: Salary Distribution through Municipality (in Dhulikhel)



During the field survey, the contribution made to schools by local bodies was noted down. In the sample schools the VDCs also supported to the school in terms of grant amount such as the Panchkhal VDC in Kavre district supported Rs. 29000/- to the Jhingani Primary School from 2059/60 to 2060/61. Similarly, the Hemja VDC in Kaski district supported Rs. 15000/- to Divya Jyoti Primary School and Rs. 40000/- to Amnika Secondary School. Likewise, Khaireni VDC of Chitwan district distributed Rs. 60000/- to Khaireni Secondary school and Khumroj VDC of Chitwan district provided assistance of Rs. 10000/- for toilet construction to Divya Jyoti Primary School and also allowed it to impose transit charges on tractors with wood, sand and other materials when going past the school side.

Schools

The schools which are the users of the block grants (as well as earmarked grants) have a responsibility in ensuring that funds are received without delay and then using the funds as decided by the SMC. For the salary money they have to put up a request to the concerned disbursing authority (DDC or municipality in case of some schools in Dhulikhel Municipality). For SIP grants, they have to present the SIP document and proposed work plan based on the SIP document.

The schools have to be in constant touch with the RCs for certifying or endorsing fund release request and for passing on the school data. The SGOG, 2061 mentions a number of tasks that the school has to fulfill in order to get the block grant; such as submission of annual school progress report, submission of flash report I and preparation of financial reports.

The schools will be able to use the grants when: they have better understanding of the SGOG, and initiate activities based on their respective SIPs. The SMCs need to become active in using the grant resources that are disbursed to the schools. So far, the schools have not used the money for the following reasons:

- Lack of understanding of the guidelines document.
- Lack of clear instructions from the DEOs.
- Money was just recently received.
- SMC meetings not held yet.

The late receipt of block grant money by the schools is evident from the experiences of a school in Kavre and one school in Kaski. The block grants have been available to schools in the months of Chaitra, 2061 and Baisakh, 2062 (table 3.4 and 3.5)

Table 3.4: Date of Receipt of DEO Fund Release for Block Grant (Kavre District)
(As recorded in School's Bank passbook) (Example of Jhingani Devi Primary School)

S.N.	Type of Grant	Date of Release
1.	Salary support for one teacher	2 nd Chaitra, 2061
2.	SIP Implementation	19 th Chaitra, 2061
3.	Scholarships all types	10 th Chaitra, 2061

Table 3.5: Date of Receipt of DEO Fund Release by Ambika Secondary School, Kaski

S.N.	Type of Grant	Date of Release
1.	Salary for Primary teacher	17 th Aswin, 2061
2.	Dalit Scholarships	4 th Falgun, 2061
3.	Girls Scholarships	6 th Falgun, 2061
4.	Booster Scholarship	12 th Baisakh, 2062
5.	ECD Salary	18 th Jestha, 2062
6.	Free Text Book for 2061	8 th Jestha, 2062
7.	SIP Implementation Grant	26 th Baisakh, 2062
8.	Book Corner	11 th Baisakh, 2061

Timing of Release as mentioned in the District EFA Budget Program

The SGOG, 2061 states that the DEO will send the grants funds to the bank account of the schools by the end of the month of Srawan. More realistic timings of fund release are found in the district EFA program. These are mentioned here (Kavre District).

Table 3.6: Timings of Fund release on District Level EFA Program (Kavre District)

S.N.	Grant Types	Trimester Dates
1.	Earmarked Grants <ul style="list-style-type: none"> ▪ Primary school text books ▪ Booster scholarship ▪ Dalit scholarship ▪ Girls scholarship ▪ ECD Remuneration 	<ul style="list-style-type: none"> ▪ Third Trimester (Chaitra-Aswin) ▪ Third Trimester (Chaitra-Aswin) ▪ Second Trimester (Mangshir – Falgun) ▪ Second Trimester (Mangshir – Falgun)

	<ul style="list-style-type: none"> ▪ Educational Materials for ECD ▪ Training for ECD ▪ Remuneration for Alternative Education Center ▪ Educational Materials for Alternative Education Centre 	<ul style="list-style-type: none"> ▪ First, Second, Third Trimester ▪ Second Trimester ▪ First Trimester (Srawan – Kartik) ▪ First, Second, Third Trimester ▪ First, Second, Third Trimester
2.	<p>Block Grants</p> <ul style="list-style-type: none"> ▪ Block Grant to School (per school grant) ▪ Educational Materials Grant (per student grant) ▪ Book Corner ▪ Salary grants to schools run by community ▪ SIP Implementation Grant ▪ Incentive Grant to Community management transfer school ▪ Performance Grant for achieving survival rate of 85% 	<ul style="list-style-type: none"> ▪ First Trimester ▪ First Trimester ▪ Second Trimester ▪ First and Second Trimester ▪ Second and Third Trimester ▪ First, Second, Third Trimester ▪ Third Trimester

Timing of Release and Receipt of Block Grants

Following remarks are made with respect to fund release mentioned in Table 3.4, 3.5 and 3.6.

- The DEO, Kavre district released the SIP implementation grant, educational materials, book corner and per school grant on 5th Chaitra, 2061. (Beginning of Third Trimester)
- The Jhingani Devi Primary School, Kavre received the SIP grant on 19th Chaitra, 2061 and scholarships grants were received on 10th Falgun 2061.
- The Ambika Secondary School received most of the scholarships in Falgun, 2061, textbook grants were received on 8th Jestha, 2061. The major block grants (such as SIP implementation grants and educational materials grants were received in the fourth week of Baisakh 2062)

The above examples of grants release by DEO and receipts by schools indicate that most block grants were disbursed in Chaitra 2061 and Baisakh 2061. The salary payments for primary teachers are released through the DDC. The DTCO record (Kaski district) shows that the first trimester release of salary was made on 24th Bhadra, 2061 (Table 3.7). The second trimester release on 21st. Manghsir, 2061 and third trimester release on 19th Chaitra, 2061. This shows that DTCO, Kaski salary release was made at the very beginning of each trimester. In Kavre, the salary release is seen to be delayed, being made in the middle of trimester or even later.

Table 3.7: Primary Teacher Salary Disbursement Dates (Kaski District)

S.N.	Headings	Dates
1.	Authorization Letter from DOE	22 nd Bhadra, 2061
2.	Request from DDC for first trimester	24 th Bhadra, 2061
3.	DTCO Release of first trimester	24 ^h Bhadra, 2061

4.	Request from DDC for second trimester	21 st Mangshir, 2062
5.	DTCO Release of second trimester	21 st Mangshir, 2061
6.	Request from DDC for third trimester	19 th Chaitra, 2061
7.	DTCO Release of third trimester	19 th Chaitra, 2061

The teacher salary disbursement is released by the DTCO upon receipt of request from the DDC. In Chitwan district, the DDC requested the DTCO to make trimester release on the following dates. 6th Aswin, 2061 for first trimester (Srawan – Kartik), 9th Poush, 2061 for 2nd trimester (Mangshir – Falgun) and 2nd Asadh, 2062 for 3rd trimester (Chaitra – Asadh). The DTCO has released the money each trimester on the same day, or a few days later. The delay in release of primary teachers' salary seems to be partly due to delay in sending the request letter to the DTCO by the DDC.

Involvement of Stakeholders in Disbursement of Block Grant

The stakeholders' involvement, specific to particular program component of EFA is essential in order to achieve the goals of the related component. The block grant scheme under school grants has several stakeholders, mainly the SMCs, PTA, parents, teachers, students and local community.

Recent education policies in the country have tried to promote the role of SMCs, parents and community in school management. The 7th amendment of the Education Act, 2059 has vested important responsibilities on the SMC with regard to school finance. The SMC has been given the responsibility of mobilizing and managing the financial resources available for the school and of approving the annual budget of the school. Getting the school finances audited annually is another task of the SMC. Under the Education Regulations, 2059 the SMC is expected to operate, monitor, inspect and manage the school. Further, the SMC is expected to present to the annual meeting of parents and local donors, the statement on finances (income and expenditures) of the schools report on educational attainments of the school as well as educational program of the school for the next year.

The Education Regulations, 2059 provides for the formation of Parents Teachers Association (PTA) in the school, having all teachers and all parents as members. The PTA will carry out necessary work for maintaining educational standards, determining rates of fees, and will acquire information and conduct interactions about the educational programs of the school.

Further the Regulations states that a Village Education Committee (VEC) will be formed, mainly for promotion of primary education in the concerned VDCs. One of the functions of the VEC is to mobilize the needed resources for the school. The teachers are the main body for delivering the educational services to the schools, and they are involved also in various administrative activities in the school, including keeping accounts, filling up forms and preparation of reports. Their views are included in the development of SIP and its execution. Various school grants have now been made available to the public schools in order to enable them to deliver quality education. The local communities, the SMC, the parents and teachers have now a responsibility to see that these grant resources are properly and optimally used.

At the very outset, the SGOG, 2061 states that the school grants system has been introduced in order to ensure the involvement of all stakeholders in the school improvement (from preparation of SIP to implementation and evaluation).

SMCs

The block grants will be utilized as decided by the SMC, on the basis of the school's SIP. The SMC will make efforts in enhancing the school educational progress by making proper use of the grants made available to the school. The SMC will provide necessary assistance to the school accreditation committees. During our visit to the sample schools, the SMC chairmen

actively participated in our school level focus group discussions in the school as well as at the district level. In Kavre and Kaski districts, most of the SMCs were not aware about the amount of school grants received by the school. The HTs also had not informed the SMCs. In Kaski, when asked about it, the HT replied that “We were out of the school for study tour, so the SMC meeting could not be held in time”. But in Chitwan, most of the SMCs were informed about the school grants by the HT.

The SMC chairman of all schools had participated in SIP training along with the HTs, held at the RC level. The SMC members stated that they had offered their views on various aspects of SIP during discussion sessions held for developing the school’s SIP. The SMC members expressed that they had no knowledge about SGOG, 2061 and none of the schools except the Divya Jyoti Primary School had a copy of SGOC, 2061. According to the SGOG, 2061 the role of SMCs is to monitor the use of grants. The SMCs has been overseeing the distribution of scholarships, which have been in vogue for several years.

School Management

The schools will prepare Annual Progress Report of the school and present it to the PTA meeting. In the sample schools, none of the schools had yet produced the report due to delay in disbursement of the grant. The HTs and teachers stated that they had actively participated in the process of developing the SIP. The teachers did not know about the specific grant categories.

RPs

The RPs played the crucial role in the preparation of SIP document. The RPs endorse the school requests for support from DEO.

Parent’s Contribution to School Financing

Most of the sample schools have collected some money as contributions from the parents under different headings such as parents’ donation, financial help contribution, admission fees, exam fees and Saraswati puja contribution. The contributions from parents are collected as one time payment at the time of admission. According to the HTs the collection of fees had been approved by the PTA concerned and SMCs. In reality, raising the fees on different headings for primary level is not permitted under the Regulations. The parents involvement in monitoring is implicit in the social audit which is to be conducted by the committee to be constituted by the PTA and the SMCs.

Local Donors and NGOs

Several schools in the sample had assistance from local donors (charity-givers) and NGOs. The Jhingani Devi primary school in Kavre had its new buildings constructed with the assistance of a Nepalese NGO called Love Green. Similarly, the Gyan Bhumi Lower Secondary School in Kaski had its new building constructed with the financial help of Pokhara Rotary Club. The Ambika Secondary School received a donation of Rs 20000/- from a local donor and an assistance of Rs. 75000/- for furniture from an NGO (TELIX). The Khairani Secondary School got Rs. 50000/- from the contribution made by the local people during ‘Dhanyanchal’ a religious ceremony. The Bal Mandir Lower Secondary School is run in the building constructed with donations. This school also benefited considerably from the Quality Education Project which is supported by the Danish Project in refurbishing the physical facilities.

Social Audit

The school will conduct a social audit of the expenses made out of the grant funds, along with a financial audit. The responsibility of conducting the social audit is that of the PTA. The PTA of the school will constitute a three member committee to carry out the social audit. The social audit will be done within the 15th Srawan of each year and the audit report will be submitted to the DEOs. The main objective of the social audit is to ensure transparency of the school grant expenditures. How the government will accept the modality of the social audit, is yet to seen. The visit to sample schools visit was conducted one month ahead of the 15th Srawan. So the study team has not enquired about social audit. The submission of the social audit is the mandatory for being eligible for receiving the grants in the next year.

Accreditation Criteria

The formation of SMC and PTA is one of the criteria to be used for accreditation of the schools.

Conclusions

The DEO plays the most crucial role in the disbursement of grants to school. The DEOs are engaged in working out the grant amounts for various categories of grants to be provided to schools. The fund release for new primary text books is appropriately tried to be made at the beginning of the new school year (Baisakh) and the booster scholarship money is set to be released at the beginning of the school year. The dalit and girls scholarship release is set to be made about the middle of the school year. Salary payments for ECD are spread out in three trimesters. The block grant (Educational Materials grant) is proposed to be release in the first trimester and this has come quite late. The SIP implementation grant is set to be released in the second and third trimesters. The block grants (Rs. 3000/- per school) are set to be released in the first trimester. As a matter of fact, this money has already been used by the schools. Obviously, the disbursement processes take considerable time to be completed. The grants to be distributed to all the schools must necessarily be within the budget allocated for the concerned district by the DOE.

Currently, the DDC, VDCs have no role in implementing the block grants. However, in Kavre the Dhulikhel Municipality has stated that it wants a bigger role in management of the fourteen schools than just in the distribution of the salary money provided by the DEO. The SMCs have the key role in implementing the block grants by deciding on the use of the grants. The contributions made by the local people, NGOs and other projects should be regarded as the complementary to the support provided by DEO in the form of the block grant. Currently the local people/communities, NGOs and local bodies do not have any direct role in the implementation of the grants. However, the assistance being provided by the people other than MOES should be lumped together considered in the total financing of school improvement.

Chapter IV

Implementation of Block Grants

Introduction

The school grants program (including block grants) is an essential component of the EFA program. The government annual budget has incorporated the EFA program budget as a major education program. This means that the EFA program is a high priority program. The DOE has the main responsibility of implementing and monitoring the block grants program. At the district level, the primary responsibility of implementation lies with DEO. Further the RPs resident in the RC are responsible for providing technical support to schools and for monitoring the grants program.

For many years, there had been a complaint from the schools that the government grants covered only the expenses for teacher salaries and there was virtually nothing left for providing essential educational materials and resources on improving the school physical environment. The school physical environment and the performance of the community schools in terms of quality education were deteriorating. Further, most of the dalit and disadvantaged children are out of school. So, the government has taken the initiative to provide school grant for improving the school environment. The purpose of block grant distribution on EFA program is to enable the schools to take up school improvement programs on their own initiative. The schools are the final users of the grants provided by the government. The schools also represent the institutions of final delivery of educational services to the students. The school administration system has central, regional, district and sub-district level offices, through which the MOES keeps contact with the schools. At the district level, the primary responsibility of implementation lies on the DEO.

The block grants scheme gives the schools and the local communities the opportunity to identify the needs of the schools and the community and use the money resource in the areas that the SMC thinks best in the interest of school improvement. Basically, the scheme is intended to empower the SMC in identifying the needs of the schools and use of resource for the purpose of meeting the priorities needs of the school. The various types of grants are disbursed such as, earmarked grants, block grants, SIP grants and performance grants have been distributed to the schools.

EFA Budget for the District

The DOE has provided each district its EFA program budget, which is the basic document for fund disbursement.

EFA Budget for Kavre District

Under the Earmarked Grants, large amounts are set aside for payment of salary of ECD facilitators, for the provision of free textbooks and for distribution of scholarships to girl students. The Block Grants categories accounting for high amounts are SIP implementation grant, educational materials grants and grants for salary support to schools run by the community. (Table 4.3) Performance grants include Management transfer grant and grant for attaining high survival rate.

Table 4.1: EFA Program Budget of Kavre District, 2061/62

A. Earmarked Grants

S.N.	Types of Grants	Physical Quantity	Budget (Rs 000)
1.	ECD and Pre primary Education		
	▪ Salary for new and old ECD/Pre-primary classes	181 facilitators	2353
	▪ Educational materials for old ECD centers	181 centers	362
	▪ Training for facilitator of old ECD centers	181 facilitators	118
2.	Text Books		
	▪ Grants for free text books for 2062	23728 Students	2705
3.	Scholarships		
	▪ Booster scholarships	118 students	59
	▪ Dalit students	5310 students	1328
	▪ Scholarships for 50% of girls students	14081 students	3520
4.	Alternative Schooling (Primary)		
	▪ Salary for facilitators	13 facilitators	338
	▪ Educational materials	13 centers	39
	▪ Trainings for facilitators	13 facilitators	39

B. Block Grants

S.N.	Types of Grants	Physical Quantity	Budget (Rs 000)
1.	General and SIP Grants		
	SIP Implementation Grants (Rs 175/- per students)	62035 students	11166
2.	Block Grants for each school (Rs. 3000/- per school)	523 schools	1569
3.	Block grant to primary school (Rs 100/- per student) for educational materials	61880 students	6188
4.	Book corner (Rs 1000/-)	523 schools	523
5.	Grants approved to schools run by community for meeting teacher salary (up to 2 teachers)	116 teachers	6183
6.	Performance Grants		
	Grants (Rs 100,000/- to schools transfer to community management)	10 schools	1000
7.	Reward to school achieving survival rate of 85% at primary level	3 schools	30

Source: DOE, EFA Budget, 2061/62 for Kavre District

EFA Budget for Kaski District

Earmarked Grants: The major categories of grants are the primary textbook grants for 2062 and reimbursement of textbook expenditures for 2061 and dalit and girls scholarships.

Block Grants: The major categories are educational materials grant and Pre-school development grant of Rs 3000/-. The incentive grant for management transfer and performance grant for attaining high proportion of girls' enrolment also constitute major grant categories. (Table 4.2)

Table 4.2: EFA Program Budget of Kaski District, 2061/62

A. Earmarked Grants

SN	Types of Grants	Physical Quantity	Budget (Rs 000)
1.	ECD and Pre primary Education <ul style="list-style-type: none"> ▪ Salary for new and old ECD/Pre-primary classes ▪ New ECD centers ▪ Educational materials for old ECD centers ▪ Training for facilitators of new centers ▪ Training for facilitators of old centers ▪ Matching Fund 	94 facilitators 4 centers 90 centers 4 centers 90 centers 4 centers	1206 28 180 9 59 40
2.	Text Books <ul style="list-style-type: none"> ▪ Grants for free text books for 2062 ▪ Reimbursement of text books for 2061 	9153 Students 43569 students	1043 4634
3.	Scholarships <ul style="list-style-type: none"> ▪ Booster scholarships ▪ Dalit students ▪ Scholarships for 50% of girls students 	2661 students 15182 students 10783 students	1331 3796 2696
4.	Alternative Schooling (Primary) <ul style="list-style-type: none"> ▪ Salary for facilitators ▪ New Centers ▪ Educational materials ▪ Trainings for facilitators 	5 facilitators 5 centers 5 centers 5 facilitators	80 10 15 15

B. Block Grants

S.N.	Types of Grants	Physical Quantity	Budget (Rs 000)
1.	General and SIP Grants SIP Implementation Grants (Rs 175/- per students)	1450 students	261
2.	Block Grants for each school (Rs. 3000/- per school)	426 schools	1278
3.	Block grant to primary school (Rs 100/- per student) for educational materials	23869 students	2387
4.	Book corner (Rs 1000/-)	426 schools	426
5.	Performance Grants Grants (Rs 100,000/- to schools transferred to community management)	8 schools	800
6.	Reward (Additional 25 percent grant to schools attaining girls enrolment proportion above national average level)	21 schools	980

Source: DOE, EFA Budget, 2061/62 for Kaski District

EFA Budget for Chitwan District

Earmarked Grants: The remuneration for ECD facilitators, scholarships for dalit and girl students and textbook grants constitute major grant categories.

Block Grants: SIP implementation grants constitute the largest grant category. Educational materials grants also constitute a large category. (Table 4.3)

Table 4.3: EFA Program Budget of Chitwan District, 2061/62

A. Earmarked Grants

S.N.	Types of Grants	Physical Quantity	Budget (Rs 000)
1.	ECD and Pre primary Education		
	▪ a. Salary for new and old ECD/Pre-primary classes	281 facilitators	3433
	▪ b. New ECD centers	55 centers	285
	▪ c. Educational materials for old ECD centers	226 centers	452
	▪ d. Training for facilitators of new centers	55 centers	127
	▪ e. Training for facilitators of old centers	226 centers	147
	▪ f. Matching Fund	55 centers	550
2.	Text Books		
	▪ Grants for free text books for 2062	22176 Students	2528
	▪ Reimbursement of text books for 2061	51892 students	5569
3.	Scholarships		
	▪ Booster scholarships	186 students	93
	▪ Dalit students	10995 students	2749
	▪ Scholarships for 50% of girls students	17082 students	4346
4.	Alternative Schooling (Primary)		
	▪ Salary for facilitators	20 facilitators	480
	▪ New Centers	4 centers	8
	▪ Educational materials	20 centers	60
	▪ Trainings for facilitators	20 facilitators	60
	▪ Class Management	20 centers	120

B. Block Grants

SN	Types of Grants	Physical Quantity	Budget (Rs 000)
1.	General and SIP Grants		
	SIP Implementation Grants (Rs 175/- per students)	57976 students	10436
2.	Block Grants for each school (Rs. 3000/- per school)	357 schools	1071
3.	Block grant to primary school (Rs 100/- per student) for educational materials	57831 students	5783
4.	Book corner (Rs 1000/-)	357 schools	357
5.	Grants to schools run by community (Salary support for two teachers)	26 schools	1386
6.	Performance Grants		
	Grants (Rs 100,000/- to schools transferred to community management)	8 schools	800
7.	Grants to schools attaining survival rate of 85 %	3 schools	30

Source: DOE, EFA Budget, 2061/62 for Chitwan District

Grants Received by Schools

As regards grants received by sample schools, the Bal Mandir Lower Secondary School in Kavre is a recipient of a large number of grants and also of large sums. The next big receiver of grants is Mahendra Secondary school. Both of these schools also receive SIP grants for lower secondary level. The Jhingani Devi primary school receives fewer categories of grants. Grant for SIP implementation is appreciated but not used yet. It highly appreciates the grant for the salary support of teachers. The Gyan Bhumi Lower Secondary School in Kaski district received a number of grants including SIP implementation grant. The school has not utilized the SIP grant, the educational materials grant and the incentive grant of Rs 100,000/-. The Ambika Secondary School also in Kaski district is a receiver of several types of block grants including SIP and educational materials. Its educational grant amount is quite big. The Divya Jyoti School also received a number of grants, most of which are still not used. Further, all schools have been provided SIP grants for the basic level (differentiated by geographical regions) only. In Chitwan, Dibya Jyoti Rastra Primary School (Management Transfer School) got a large number of grants. Khairani Secondary School also got a large number of grants. SIP grant it got is quite high. (Annex 2)

Types of Grants under Implementation

The crux of implementation of block grant is the actual use of block grant money for specified purposes as per the decisions of the SMCs. In the sample districts the earmarked grants, block grants, SIP grants and performance grants are implemented. The earmarked grants (teacher salary and allowances of the teachers of public schools; ECD facilitator salary, scholarships) are released to the schools on the trimester basis but the textbook expenditures grants are provided to cover reimbursements for past year's expenses as well as current year expenditure.

The block grants have been received by the schools towards the end of the year 2061 and the beginning of the year, 2062. In most cases, the block grants have been received in their respective bank accounts fairly recently. Clearly the block grants have been released late considering the provision on the SGOG, 2061; that the DOE will release the grants at the beginning of the month of Srawan and this will be received by schools towards the end of the month of Srawan.

Earmarked Grants

In the sample schools, under the earmarked grants, teacher salary, textbook expenses, ECD grant, scholarship (booster, dalit, 50 percent of girls) are being implemented.

Primary, Lower Secondary and Secondary Teachers' Salary

The teacher's salary grant depends upon the number of teachers' quota and it is always a fixed amount for the districts and the schools. The teachers' salary for the primary level is made available to schools through the DDC and for lower secondary and secondary levels by DEOs. In Dhulikhel municipality (Kavre district), the salaries of the primary teachers of 14 schools are paid through the municipality with funds provided by the DEOs. The system of payment of teachers' salary through the DDC is practiced uniformly in Kavre, Kaski and Chitwan districts. Salary is released by DTCO upon receiving request for trimester release from DDC. While releasing the salary of the teachers, the DTCO checks the teachers' quota on their record. If the teachers' quota does not match with their record, the DTCO asked for clarification from the DEOs. In a sample district, the DEO asked for release of teacher salary, and DTCO found that the number of teachers mentioned exceeded the teachers' quota and thus asked for clarification. It took about a month for the release of the salary to the DEO. In our findings, the DTCO releases the teachers' salary without any delay or sometime on the same day.

ECD Grants

Another component under earmarked grants (receiving or implementing by the districts) is the ECD grants. The ECD grants covers the salary for new and old ECD/Pre-primary classes (Rs 1000/- per year including Dashing allowance), on new ECD centers, amount on educational materials for old ECD centers, grants on training for facilitators of new centers, grants for training for facilitators of old centers and matching fund. Out of nine schools, five sample schools have conducted the ECD classes and they have utilized the grant for ECD facilitator's remuneration and ECD educational materials grants. The appointment and the minimum salary of the ECD facilitator will be made according to the decision made by the SMC.

Most of the sample school have appointed more than one teacher and provided fewer amounts for the facilitator. This facilitator not only teaches the ECD classes but the school management used his/her services for primary and even upper classes as well. The DEO has provided Rs. 13000/- for each ECD conducting schools, Rs. 1000/- for educational materials and there is also a provision of matching fund. Most of the sample schools have purchased copies, pencils, block letter, floor mops for cleaning classrooms and drawing sheet by using the educational materials grants. As regards matching fund, the school need to deposit Rs. 10000/- and the DEO will support the same amount. The schools had received Rs 13000/- for the facilitator's salary and Rs. 3000/- for educational materials from the DEO and the school management has provided salary to the facilitator. Generally, the salary of the facilitator ranges from Rs. 800/- to 2400/- depending on the decision of the SMC. The ECD amount is received from the DEOs by the school on a trimester basis. Most of the sample schools are charging admission fees (Rs. 20/- to 150/-), tuition fees and donations from parents who enroll their children in the ECD classes. One sample school in Chitwan district had an ECD center which was without any basic facilities.

Free Textbook Distribution for Primary Level

Other major grants under the earmarked grants category are the textbook distribution grants. The amount received from DOE by the DEO is the grant for freetext books for 2062 and reimbursement of textbooks for 2061. All the grant amounts for textbooks have been used by the sample schools. Some schools have reported that the textbook money was inadequate. The system of textbook distribution is that parents purchase the prescribed set of books in the market and get reimbursement from the DEOs. In Chitwan district, during our visit, the schools have not yet received the textbook amount for grade 1. Most of the HTs complain that the textbook grants are received late in the districts. In a sample district, the school have acquired the textbooks of grade 2-5 after completion of final exam and redistributed the same book to the promoted students from respective grade; while the school distributed new textbooks for grade 1. Generally, the textbook distribution to the students depend upon the flash report I record. The DEO distributes the textbook on the basis of flash report I information, repeaters and transfers students are also ignored on this grant. In a sample school due to insurgency some of the students in grades 2 - 5 were those transferred from other schools but these transferred students are not receiving the textbooks.

Scholarship Grants

All the schools in three districts have received various types of scholarship grants.

Booster Scholarships: The main objective of the booster scholarships is to coax children to the school, (son or daughter of parents having no primary schooling) and this is one time grant of Rs. 500/- per child. According to the school management the booster scholarship seems to be difficult to distribute as it requires proper identification of the child (as one of parents without primary education). There has been a delay in using the booster scholarships in the schools. The booster scholarship amount for distribution in the districts varies from one district to another and from one school to another. Some schools are receiving grants of Rs 4000/- and other schools are receiving grants of Rs. 3000/-. The DEO have deposited the

amount in the bank account of the schools and most of the schools has identified the families during their school enrolment campaign. Some sample schools had filled up the base line information to trace out the families and other sample school had developed the criteria such as poverty, dalit family and having more children. According to the HT, 'selection of more children in a family is the attraction for other children in the schools. The school is planning to provide the amount for intended family on the decision made by the SMC and the amount will be distributed in the parents gathering'. Most of the sample schools have yet to distribute this grant but identified the families.

Dalit scholarships: The dalit scholarship grant is provided to 23 types of dalit children enrolled in the school and the amount is Rs. 250/- per year per student at the primary level and Rs. 500/- per year per student is set at the lower secondary and secondary level (provided to the schools on condition that no fees are to be charged from the beneficiaries). Most of the sample schools have identified the dalit children through the staff meeting, but the amount has not yet been distributed to the intended students. According to the HT, "to minimize the misuse of the dalit scholarships, the school is planning to distribute dresses, copies, pencils and bags to the dalit children. Most of the sample schools complain that the scholarship amount received from the DEOs is less than justified by the flash report I. The amount of this scholarship will be Rs. 350/- from 2062/63 onwards.

50 percent Girls' scholarships at primary level: Another category of scholarship is for 50 percent of primary girls' enrolment in the poor category in the school. The amount of this scholarship is Rs. 250/- per student per year. Most of the sample schools have received this scholarship and but not yet distributed due to delay in the convening of meeting of SMCs and lack of understanding about the provisions concerning the use of the grants by the schools. Most of the schools have developed some criteria (through the (schoolteachers' meeting) such as intelligent girls, poorer of the poor (daughter of ricksha pullers, daughter of labourers and orphans) for distributing the scholarships. According to the HT, "this scholarship will be distributed in the parents gathering and instead of cash money, pencils, copies, dresses and bags will be distributed." In one of the sample schools the research team found a large stock of school dresses in the HT's room, most for the distribution. In a sample secondary school this scholarship was not distributed to the dalits due to the lack of understanding about the provisions concerning use of the grants by the schools. The amount will be Rs. 350/- from 2062/63 onwards.

Full scholarships for secondary and lower secondary students: The amount of this scholarship is Rs. 1700/- per year; and freeship amount is Rs. 700/- per year. According to the DEO personnel in a sample district, out of Rs. 1700/- , Rs.1000/- will be provided to the students and out of Rs. 700/-, Rs. 500/- will be provided to the student and the remaining amount will be deposited in the school's bank account. The reasons for depositing the balance in the school's account is not clearly mentioned in the SGOG, 2061. This scholarship has not been yet distributed by the schools.

Scholarships for the disabled of various categories: Out of nine schools, two schools have received this scholarship. The DEO has provided this amount to the schools and distributed to the disabled students but a secondary school has yet to distribute this scholarship due to its late release from the DEO.

Scholarships for dalit students studying at the lower secondary and secondary level on the condition for not charging any fees: Out of six sample schools having lower secondary/secondary levels, only four schools have received this scholarship. The DEO has deposited the amount in the school's account but the school has not yet identified the students. The amount of this scholarship is Rs. 500/- per student per year and the school can utilize this amount on different headings on the SMCs decision.

Scholarships for first son and daughter of families of dalit, marginalized and below poverty line: This scholarship is distributed by the schools.

Block Grants

Under the block grants, the prominent grant categories implemented are: school administrative expenditure grants, masalanda (stationery) expenditure grant, the SIP development grant, SIP implementation grant, block grants provided to each school, teacher salary grant to community managed schools and schools run by the local community, grant for educational materials, incentive grant for schools opting for community management and grant for book corners (reading rooms).

Administrative Expenditure Grant

The amount of this administrative expenditure grant at the primary level is Rs. 11000/-, for the Lower Secondary level Rs. 13000/- and for the Secondary level Rs. 21000/-. Most of the sample schools have received this grant from DEOs in the third trimester and used it on the salary of the staff and peons. The monthly salary amount of the peons and staffs ranges from Rs. 800/- to Rs. 3000/- depending on the income of the school. The lower secondary school provided remuneration of Rs. 800/- for peons and the secondary school has provided Rs. 3000/- as remuneration. According to the HT, the salary amount of the teacher has increased and the lower staff or peons are also expecting an increment in the amount of their salary. Generally, the SMC will make decision on the amount of pay to staffs and peons. Though the amount was released on the third trimester the staffs and peons were receiving the salary from the school at the time of teachers' salary payment.

Masalanda Grant

Masalanda grants is provided on the per teacher basis and the amount is Rs. 300/- for the primary level, and Rs 500/- each for the lower secondary and the secondary level. The main objective of this grant is to spend it on miscellaneous expenses for the school. Most of the schools have used this amount on purchasing chalk, dusters, water jug, etc.

Grants for Supporting Additional Teachers' Positions in Community Managed Schools

This grant is provided for community managed schools for the position of a teacher on the basis of the number of students enrolled in the school. The amount of this grant is Rs. 53000/- (equivalent to a teacher's salary per year for the primary level), Rs. 66300/- for the lower secondary level and Rs. 97500/- for the secondary level. Out of nine schools, two community managed sample schools in two districts had received the salary support for one teacher (Rs 53,000/-) and the schools have fully used the money and paid Rs. 3000/- to 4000/- to the teachers. Two management transfer scheme school one each in Kavre and another in Kaski district also have received additional teacher (Rs. 53000/-) support grants from the DEO concerned.

Grants for NGOs on Supporting Management Transfer School by Community Mobilization

This grant is provided to the NGOs for mobilizing the community for supporting the management transfer scheme schools and the amount of this grant is Rs. 50000/- per school per year. In the sample school in Chitwan district the Kantipur Janashakti Kendra has provided a social mobilizer who works also as a teacher in the school and in Kavre district the Village Promotion Multiple Service Committee has provided a teacher to the school. This grant is provided to the concerned NGOs for mobilizing the community for supporting the management transfer schools. Generally, the NGO's selection will be made by the DOE, based upon the selection criteria. The NGO enters into agreement with the DOE and the amount will be received through the school. The NGO testimonials will be kept by the DOE and DEO. According to a SMC, 'we do not need this social mobilizer, if that amount is made available to the schools; the school can mobilize the society. The social mobilizer does not

provide any support to the school, it is useless.” In another school (in Chitwan) the services of social mobilizer, working as a primary teacher is appreciated.

Regular Grants for School Educational Improvement for Primary Schools

The amount of this grant is Rs 3000/- per school per year for educational improvement of the schools. This amount was distributed to the school from the previous year for the development of SIP and the sample schools have developed SIP with the use of the money. The amount was used for computer typing, refreshment for the teachers during meetings, photo copy (schools had developed three copies of SIP) and computer printing. This year, the schools have used the money on the development of educational materials for ECD classes and grade 1 classes.

Educational Materials Grant for Primary Schools

The amount of this grant is Rs. 100/- per student per year and the amount is expected to be used for educational materials based on the previous year flash report I. The grant amount varies with the number of students at the primary level. Schools with high primary enrolment get substantial amounts. Most of the schools have not used the money they had received. Some sample schools are planning to make use of the money for producing science laboratory equipment. In one school added, it was found that the SMC has already approved the purchasing of sports materials for the school. In another sample school it was found that the school is planning to manage classroom management for grade I by purchasing a carpet, round table, black board, white wash, and bamboo based cupboard, some charts, posters and sports materials. In another sample school it was found that there is some deficiency on textbook grants because of new enrolment is increasing; so the school is intending to use this amount for textbook distribution. There was considerable delay in the release of Educational Materials grant. Release in first trimester was expected. Actual release was made only in the third trimester.

Book Corner

The amount of this grant is Rs. 1000/- per school per year which is the allocation made for book corner. Most of the schools have partially used the money they received. Most of the schools have placed ordered for purchasing alphabetical block letters (Nepali and English), numerical block letters, letter block on the class and drinking water box for grade I and ECD classes. According to the HT, “the grant received on book corner is not sufficient; so the school needed to add some money to purchase above materials.

SIP Implementation Grants

The SIP implementation grants (provided on per student based quite large. As regards the SIP grants the whole the schools in Chaitra/Baisakh in stead of being spread over two trimesters (second and third) received lot of money. The delays in the release of money are likely to cause delays in implementation. The achievement of EFA goals will be affected by these delays.

Variations in SIP Funding under Block Grant

The SGOG, 2061 had fixed per student funding for SIP implementation. Presently, the basic level funding has been provided; that Rs 175/- per student for hill districts and Rs 150/- per student for terai district. It is understood that the funds provided for 2062 was based in the Flash report I 2060. The per student funding based on enrollment data of 2061 and SIP grants for 2062 shows the wide variations by school. One school has received nearly the exact money based on the funding formula. The exact disbursement of SIP grants to schools based on funding formula seems to be difficult because the DEO receives the distributable fund from the DOE and work out grants for each school using various criteria other than the SIP

funding formula. The following table shows variations in the amount received on SIP from the DEOs.

Table 4.4: Variation in SIP Grants Allocation in the schools, 2062

Districts/Schools	Primary Enrolment		SIP Disbursements By DEOs	Remarks SIP Funding based on Enrolment of 2061	Excess or Deficit
	2061	2062			
Kavre Bal Mandir LSS	210	228	40950/-	School received Rs. 4200/- more than actual amount.	Excess
Mahendra SS	146	173	12600/-	School received less amount and it needs to receive Rs. 12950/- amount more.	Deficit
Jhingani PS	61	61	20575/-	School received nearly double the amount than the actual amount.	Excess
Kaski Ambika SS	181	159	31500/-	School received less amount and it needs to receive Rs. 175/- amount more.	Deficit
Divya Jyoti PS	191	155	29100/-	School received less amount and it needs to receive Rs. 4325/- amount more.	Deficit
Gyan Bhumi LS	291	232	13288/-	School received less amount and it needs to receive Rs. 37637/- amount more.	Deficit
Chitwan Divya Jyoti PS	212	249	30740	School received less amount and it needs to receive Rs. 1060/- amount more.	Deficit
Khairani SS	463	463	67135	School received less amount and it needs to receive Rs. 2315/- amount more.	Deficit
SIta Ram SS	119	160	17255	School received less amount and it needs to receive Rs. 595/- amount more.	Deficit

Note: Primary Enrolment of 2061, as mentioned on SIP documents of respective schools.

The above SIP grants allocation in the school reflects that most of the sample schools are receiving less amount than the amount based on the funding formula. Out of nine schools only two schools received of greater amounts based on the number of students but the rest of the schools received lesser amount than the amount justified by the funding formula.

The six schools out of nine sample schools had received grants from the DOE through the DEO for SIP implementation at lower secondary and secondary levels separately and also received educational materials grant. It is known that none of the schools receiving such grants had prepared SIP for lower secondary and secondary levels. Uniform levels of grants of Rs. 25900/- for lower secondary and secondary level and uniform educational materials grant of Rs. 20000/- (for lower secondary and secondary) level have been provided to the schools.

At the primary level, the preparation of SIP has been made obligatory for receiving SIP grants as well as other types of block grants. This requirement has not been applied in case of the lower secondary and secondary level. The DEO should monitor the use of the grants made for the lower secondary and secondary level just as the grants provided for the primary level.

Performance Grants

The performance grants are provided to schools with a view to encourage the schools to raise their capability. Most of the performance grants are dependent on attaining of high retention rate, high enrolment of girls and dalits, high numbers of female and dalit teachers high SLC

pass percentage: Most of these performance level require providing of high quality education require collection and reporting of data on student flow teachers, their gender and community background and SLC performance of the schools. There are several performance grant categories that have still to be implemented.

One Time Incentive Grant

This grant is one time incentive grant of Rs. 100000/- for schools transferred to community management. Out of nine sample schools visited by the research team, two schools have been received this incentive grant of Rs. 100000/-. This is one time grant provided to the school whose management has been transferred in the community. Most of the schools have deposited this amount on fixed deposit and a school is planning to shift this amount from fixed deposit to saving account. The EFA Program/Budget (2061/62) for Kavre and Chitwan districts had incorporated the performance grant (attainment of survival rate of 85%) and EFA Programme/Budget of Kaski has incorporated grant for attaining high girls enrolment.

School Grants not Yet Implemented

- Rewards of Rs. 10000/- for schools attaining 85 percent survival rate to grade 5. The main objective of this grant is to reduce dropout and promote retention. This grant is yet to see the output of the schools.
- Annual grant of Rs. 5000/- for schools which have attained a 5 percent increment over past year's survival rate based on the baseline information. The school needs to calculate the survival rate and output is yet to be seen.
- Rewards of Rs. 5000/- for schools attaining 50 percent proportion of dalit and women teachers in total stock of teachers. The main objective of this grant is to encourage teachers from dalit and females. The school needs to trace out the dalits and women teachers.
- Reward of Rs. 10000/- for VEC, VDC and Municipality which have attained and maintained an enrolment level of 96 percent from among the students of primary school age in the respective catchment area. The main objective of this grant is to enroll all children of primary school age and its output is yet to be seen.
- Reward grant of Rs. 5000/- for school which have attained a 5 percent increment in NER based on baseline information. The main objective of this grant is to increase enrolment.
- Reward amounting to 25 percent of the total grants received by the school upon attaining girls' enrolment proportion above the average this award is made valid for the 20 districts with low girls' enrolment.
- Reward amounting to 25 percent of total grants received by the school upon attaining significant dalit and disadvantaged janjati student enrolment above 30 percent of the total enrolment in mid-western and far-western region. The main objective of this grant is to encourage enrolment of dalit, disadvantaged and janjati children
- Annual award of Rs. 400000/- to secondary schools which have attained SLC pass rate of 50 percent. The main objective of this grant is to promote better quality at secondary level.
- Annual award of Rs. 50000/- for school which have attained 5 percent increase in SLC pass rate (above previous year's pass rate) keeping the national average pass percentage as the base. The main objective of this grant is to promote quality at secondary level. The identification of schools qualifying for various performance grants requires close study and analysis of student flow trends and SLC results.

Secondary Education Support Program (SESP) Grant for Lower Secondary and Secondary Level

The main purpose of SESP is to support the development of a strong and resilient ‘community ownership’ of schools within a coherent national and district process. It provides funding and technical assistance to achieve essential improvements in the quality of teaching, the curriculum and learning environments and building capacity at the central and local levels. In line with this purpose, the SESP has supported grant for lower secondary and secondary schools from this fiscal year, 2061/62 on different headings. The grant received by the sample schools were, SIP grants (25900/- for each level), educational material grants (20000/- for each level) and scholarships (1700/- per year and freeship of Rs. 700/- per year) for lower secondary and secondary level.

SIP Grants for Lower Secondary and Secondary Level

The SIP grants for lower secondary and the schools have received secondary level. The six schools out of nine sample schools had received grants from the DOE through the DEO for SIP implementation at lower secondary and secondary levels separately, also received educational materials grant and scholarship grant. It is known that none of the schools receiving such grants had prepared SIP for lower secondary and secondary levels. Uniform levels of grant Rs. 25900/- for lower secondary and secondary level and uniform educational materials grant of Rs. 20000/- in respective level have been provided to the schools.

At the primary level, the preparation of SIP has been made obligatory for receiving SIP grants as well as other types of block grants. This requirement has not been applied in case of the lower secondary and secondary level. The DEO should monitor the use of the grants made for the lower secondary and secondary level just as the grants provided for the primary level. Most of the schools have yet to use the SIP grants. According to the HT, “we are planning to procure furniture for the classrooms, filter for drinking water and dustbin for cleaning the classes but still to meet the SMC”. Likewise, another added that, “we have estimated to build four classrooms from this amount”.

Educational Materials Grants for Lower Secondary and Secondary Level

Most of the sample schools, though they have received the amount money of Rs. 20000/- for educational materials have not used the money. Most of the sample schools have listed for procuring the science laboratory equipment materials and one school has purchased a dictionary by using this amount.

Scholarships for Lower Secondary and Secondary Level

The amount of scholarships was Rs. 1700/- per student per year and freeships of Rs. 700/- per year per student. These are targeted at disadvantaged groups from the SESP program. According to the HT, out of Rs. 1700/- , Rs. 1000/- will be provided to the student and remaining Rs. 700/- to the school. The objective of this grant is to enroll dalit children at lower secondary and secondary level without any fees. Most of the sample schools have received the grant and the school management has identified the students. According to the HT, “we are planning to distribute this grant on parent’s gathering”.

Conclusions

Schools have generally used the earmarked grants. The schools have also used the salary grants provided to school run by the community and the management transfer scheme schools. The use of other categories of grants such as SIP grants and educational material grants entail considerable discussions in the school and decision making for spending by the SMC. The block grants amount reached the school late by some months. The full use of the

grants within the fiscal year 2061/62 does not seem to be feasible. During discussions in meetings organized in the DEO, the school representatives have complained that they had not received the SIP grant amounts justified by formula funding. The DEO may have been constrained in providing the full amounts because of the limitations of the district EFA budget provided by the DOE. The more important issue is the use of the SIP grant money provided to each school. Some schools have not used the SIP grants provided the last year (2060/61). Schools should make use SIP grants money of the last year and this year (2-61/62).

Chapter V

Issues and Challenges in Implementation of Block Grants

The following issues and challenges were observed in the implementation of the block grant scheme in Kavre, Kaski and Chitwan districts.

Limited Understanding of the Purpose of Block Grants

The schools have taken the block grants as an additional source of income for the schools. The basic purpose of the grants is to promote greater school autonomy and empowerment of the SMC in decision making in the use of resources. This aspect is still to be appreciated by the schools.

Difficulty in Disseminating the Contents of the SGOG, 2061

The contents of the guidelines have been disseminated to the RC level through participation of RPs in workshops on the grants. The guidelines document has been distributed to each of the RCs in three districts. The HTs and schoolteachers had been given brief introduction about the guidelines document in course of the 6 day SIP training session. Despite that, the HTs lack information on various aspects of the guidelines.

Limited Official Communications to Schools about the Disbursements

Most schools have not got official letters from the DEO or the RCs on the grants made available to the schools. Schools come to know about the money (grants money) only through their bank accounts. However, the bank does not provide information on amounts deposited by the grant category. Official communication to schools about grants was started only in months of Baishak/Jestha.

Schools not Taking Initiative in Finding out Grants Disbursements

The DEOs in Kavre and Kaski districts have made available open file information on the grants disbursed to the schools. In Chitwan official letters were provided to schools. A sample school is Kaski district, which is located only at a little distance from DEO's office. But it expressed its ignorance about the grants made available to the school by the DEO. This school expressed the concern that donor NGOs which were generous enough in providing resources to this school in the past might now be less forthcoming with financial assistance. One community management transfer scheme school in Kavre has also in the recent past been benefited by the DANIDA supported Quality Education Project. This school also was not much conducted about the block grant scheme especially because the scheme required details of account keeping and financial reporting.

Lack of Clarity about the Norms Used for Certain Grant Categories

The DEO, Kavre district has included a statement on the norms of expenditure on the grant categories: book corner, educational materials grant (Rs 100/- per student) and SIP funding along with the disbursement letter sent to RCs. Even then the HTs of the sample schools expressed the need of further clarification about the norms by the DEO. The DEO statement on the norms mentioned above allows a great deal of flexibility and choice on items of expenditure in the book corner, educational materials and SIP grants. The final decision has to be taken by the schools (SMCs, HTs and PTAs). As a matter fact the grants (SIP based funding) should essentially be used for financing flexible programs that have already been included in the school's SIP.

Unfulfilled Expectations from RPs

The RPs in the RCs are expected to disseminate information on the schools grants and keep in touch with the schools for various purposes (including providing assistance in accessing the grant funds and using the funds). The RP is responsible for overseeing educational programs in 25 to 30 (33 RC in Kavre) schools under the RC. So far the dissemination of information on school grants has been much limited partly because of shortage of funds to make multiple copies of the SGOG.

Lack of Effective Monitoring System

The monitoring of disbursement of the grants to schools and heir utilization has not taken place as yet. There is clearly a need of strengthening DEO capacity to execute their expanded school grants program, and monitor the utilization of these grants. The timeliness and availability of the grants have to be monitored. Similarly, the utilization of funds for SIP implementation has to be monitored. This demands collection and study of reports about the utilization of grant funds from each school receiving the grants also on site visits to the schools.

The fee Charged at the Primary Level

Al the sample schools visited in Kaski, Kavre and Chitwan districts were charging fees at the primary level (annual amount collected as contribution to schools). The school HT's said that this practice had been stopped with the receipt of the block grants. The schools also charged examination fees at the primary level. Admission fees are charged even in the ECD classes as well as in other classes of the school.

Delay in Convening Meetings of SMCs

The schools in the sample districts have received the block grants by Chaitra, 2061 or Baisakh 2062. SMCs of most of the schools have not met to decide on the use of the block grants fund. The SMC members interviewed in the field survey expressed their lack of awareness about the grants and the SGOG document. On the other hand, the HTs insisted that SMC chairman and PTA chairman participated in SIP training, in course of which some orientation was given on the school grants. In any case, there was very limited knowledge about the grants system and its implementation among the SMC members

Late Release of Teachers' Salary

Trimester release of teachers' salary from the DDC is generally late. The third trimester salary release had not been made, even in middle of Jestha. A school in Kavre had utilized block grant funds to pay for teachers' salary as a stop gap measure. A municipality managed schools in Kavre complained about the late release of salary (third trimester) from the municipality. However, in all cases, the block grant funds have been received by the schools in their respective bank accounts earlier than the third trimester salary release.

Delay in Submitting School Data for Flash Report I

The schools are required to submit a flash report by 7th Jestha of the year. When a school fails to submit the information, the DEO has to use the data of the previous year to determine the amount of grants based on the number of students. Further, the sample schools reported that they continued admission of new students beyond the first week of Jestha. This complicates the calculation of dalits and girls that are eligible to get the scholarship of particular types.

Problems Faced in Fund and Expenditure Management at DEO Level

The school grants system has significantly increased the volume of work regarding the funds and expenditure management in the DEO. The grants type of amounts for each school have to be worked out based on the Flash Report data and the District EFA budget. The flow of funds to the schools has to be ensured based on school wise allocation. Information on disbursement has to be supplied to the DOE regularly. The DEO faces a particularly difficult task in making grants decisions based on the student flow data, enrolment of dalits and girls, etc. Administration of performance grants requires minute calculation of internal efficiency data.

Difficulty of Fund Management at School Level

Schools receiving a large number of school grants/block grant have reported to the team that management of funds under various grants require the use of services of an accountant. The HT presently uses his time for fund management, which as they think, is equally needed for management of school teaching.

Issue of Sustainability of School Grants

The EFA Program Budget for the districts envision large sums of money in school grants (including Block grants). An example can be taken of Chitwan District the EFA Program Budget Allocation for the school grants for the fiscal year 2061/62 is seen to amount to Rs. 40.87 millions (please see Table 4.3). Even without considering salary allocation for primary, lower secondary, and secondary levels, and SESP SIP grants for lower secondary and secondary levels. If we exclude the amounts for textbooks, from the above amount, the grants amount still is 32.77 millions (primary level only). It is known that the block grants are financed under EFA project, which is largely financed by external donors. There is thus, a clear issue of sustainability of grants provision, once donor support ends.

Further there are some performance grants in the SGOG, fulfillment of which requires large amounts of money. The case in point is the reward of Rs 4 lakh for secondary schools achieving 50% pass rate in SLC. The implementation of this grant should be reviewed.

Unprioritized and Unelaborated SIPs

The block grants (particularly the SIP implementation grant and Educational grants) have not been speedily used. One reason for it is that the SIPs of most of the sample schools are, at the present stage, largely a listing of the desired oriented programmes (over a five year period). The lists of programmes have not been elaborated in detail. Cost estimates have been done only in the case of SIPs of one or two schools. There is no description of how the finances required would be generated. There is no prioritization of programmes.

Each programme in SIPs of the schools should be elaborated in terms of objectives (usefulness), scale of the programme/activities (number of beneficiaries/students/teachers) including cost of the programs, activity, duration (starting and completion time), responsibility for implementation, and funding sources.

The utilization of the SIP grants, thus, requires that the SIPs (programmes) are thoroughly discussed in the SMC; the work on elaboration should be taken up with the help of Resource Persons and priorities are determined by the SMC (Please see Appendices 3.1, 3.2 and 3.3 for SIPs of Sample Schools).

Conclusion

The various key issues can be summed up as follows by Level of governance:

- Central Level MOES, and DOE

- The School Inspectorate Division of MOES is yet to include the monitoring and supervision of implementation and use of school grants (including Block Grants) in its scope of work.
- The SGOG, 2061 document is full of technical terminologies (especially the Accreditation Section), that need to be explained.
- There has been a delay of about 2 months since the beginning of the fiscal year (Shrawan) and the dispatch of Expenditure authorization to the District Education Offices.
- Regional Education Directorates (REDs)
 - The REDs have been given no role in the monitoring of Block Grant implementation.
 - The REDs are expected to set up District Level School Accreditation Committees. So far the process of accreditation has not been started.
- District Education Offices (DEOs)
 - The DEOs, the main implementing agency of the School Grants (including Block Grants) have limited staff, equipment, and financial resources to administer the school grants scheme, and to the conduct monitoring of utilization of the grants.
 - The DEOs have taken a long time to work out the grants for the individual schools on the basis of the District EFA Budget Programme, and requests of the schools. This necessary process is also the cause of delay in releasing funds to the schools.
 - The DEOs have not immediately explained the breakdown of the school grants by grant categories/ purposes. Further, schools are seeking guidance in utilizing the grants; the DEOs have not been able to provide such instructions and guidance (through the Resource Persons/Supervisors).

The DEOs have disseminated the contents of the SGOG, 2061 document only up to R.C. level.

The DEOs have, so far, not been able to conduct monitoring of the use of the Block Grants, (expected to be done by the Resource Persons).

The DEOs (officers) state that the District EFA Budget has not allocated anything for meeting expenses of field level monitoring (like remuneration for staff, cost of vehicles and fuel)

Similarly the DEOs (officers) feel that there is no provision in District EFA Budget for activities related to DEO capability building.

School Level

- The schools have made use of the salary/remuneration related categories of the school grants. These schools have not demonstrated similar initiative in the case of using the SIP grant, and the educational materials grants.
- Schools have sometimes delayed sending their requests (to DEO, DDC, and municipality) for trimester salary releases (to be approved by DTCCO), so that there have been delays in trimester salary releases.
- Schools have not convened the SMC meetings for deliberating on the use of Block Grants and other funds, causing delay in the use of grant funds.
- Some schools have not submitted school statistics in time (before 7th Jestha).
- Most of the sample schools have not prepared annual SIPs based on their 5yr SIPs (2061-66). Most SIP documents contain profiles of the schools; the proposed SIPs (school improvement plan) are very brief (lacking in statement of specific objectives, targets, cost estimates, funding sources etc.).

- The schools feel that the grants provision/utilization has increased, their work in preparing reports, preparing data, and keeping accounts. Particularly, the Headteacher's time involvement is observed to be high (in work relating to grants).

Finally, it would be appropriate to point out the discrepancy between the *Expected* Situation and *Actual* Situation with respect to the Block grants. Here, the Expected Situation is only with respect to *Utilization*, since outcomes of the use of grants can be realized only after some time.

The Expected Situation	The Actual Situation
A. Grants <u>Teacher Salary</u> Prompt release of the salary by the starting week of each trimester	Delay in salary release by DEO by one or two months in the case of primary teachers' salary.
B. Scholarship Booster Scholarship - expected to be provided at the start of school year.	Delays in distributions because of difficulty in identification of eligible children (as prescribed in SGOG)
<u>Dalit scholarship</u> Distribution to all Dalit students	Difficulty in distribution due to inadequacy of amount
<u>50% girls scholarship</u> Distribution to 50% poor girl students at primary level	Distribution in most schools has been delayed; non-convening of SMC meeting being the cause in some schools.
C. Free Textbooks Distribution to school, children in the first week of school year (Baisakh)	Distribution in Baishak or Jestha
D. Administrative and Masaland grant Making available to schools	Provided to schools and fully utilized by schools
E. Teacher salary support grant to schools run by community and community management transferred schools Expected payment of salary to concerned teachers	Utilized by schools fully. Generally utilized for use in paying salary of more than one teacher (by paying smaller amount)
F. School Improvement Plan Implementation grants Utilization grants money for activities mentioned in SIP documents, as per decision of SMC	SIP grants (of 2060/61 under BPEP-II), and (of 2061/62) under EPA 2004-2009 have not been utilized yet. Some schools have used part of SIP primary for school fencing and for salary of teacher (until trimester release).
G. School Materials grant Use of grants for provision of various education materials	Some schools used part of the money for sports materials, several schools are planning to purchase education materials.
H. Performance grants Expected implementation of performance grants	Only two types of performance grants (Reward for schools attaining Survival Rate of 85%, and Reward for schools attaining high proportion of girls enrolment) are under implementation in sample districts. The EFA Budget/Programme (2061/62) does not have provision of implementing certain

	performance grants (mentioned in SGOG, 2061) such as award of Rs 4 lakh to schools attaining 50% pass rate in SLC examination.
I. Institutional	
a. <u>DEO</u> : Expected speedy release of grants funds to the schools.	Delay in release of funds to schools due to the need to fulfill various processes before releasing it.
b. <u>School</u> : Expected use of grant funds by schools for school improvement activities.	Delay in use of grants funds by schools (except salary grants).
c. <u>SMCs</u> : Effective functioning	SMCs meetings have not been held regularly.

Chapter VI

Strengths and Weaknesses of the Block Grants System

Strengths

The block grant system is a continuation of financial assistance and support provided to the public schools, that the government has been providing to these schools for the past many years under regular programs of the government and donor supported projects. Most of the earmarked grants have been regular features of government support to the schools. Payment of salaries of the teachers of community schools, provision of school scholarships for the girl students and dalits as well as support for alternative systems of delivery of primary education have existed since long. What is new about the block grant is that grants are now being provided for the following purposes in a more regular pattern:

- Support to schools transferred to community management to pay salary for additional teachers
- Support to schools run by community for paying the salary of a specified number (up to 2) of teachers
- Educational materials provision
- Implementation of SIP
- Encouragement to schools for attaining higher levels of internal efficiency, higher girls' enrolment, higher enrolment of students from dalit and disadvantaged communities and higher pass rates in SLC examination.

One single but most prominent feature of the block grant is the support provided to schools for implementation of the SIP. Besides the new set of financial supports to the schools, the block grant system has the underlying principle of promoting school autonomy, and of enhancement of the power of SMC to make decisions of the use of financial and other resource of the school. As the document on Project Appraisal on EFA (World Bank, June 2004) puts it

“the key objective of school block grant as envisaged in the EFA program is to allow publicly managed schools to make their own choices in respect to educational inputs and to have the resources for financing these inputs (P. 106).

Promotion of school autonomy and providing opportunities for taking decisions in the use of resources (to attain the school grants) are implicit objectives of the block grants system.

Contribution of the Block Grant System

The assessment of strengths and weakness of the block grant system needs to be made by keeping in view the objectives set for it. The specific objectives of the block grant system as stated in official documents are:

- Empowering SMCs for managing schools by providing flexibility with respect to utilization of resources;
- Facilitating attainment of high educational achievements of all students as expected by the curriculum;
- Ensuring attainment of universalization of primary education within the service area of each school in coordination of all schools within the VDC/Municipality; and
- Promoting the internal efficiency of schools.

The attainment of the above objective is possible through a combined set of programs of which funding is one aspect.

Empowerment of SMC

The aim is to attain promotion of school based management. So far the decentralization of education management in Nepal has been interpreted in the form of devolution of management of authority and spending power to the local bodies (DDC, VEC). The block grant scheme intends to empower SMC comprising teacher, parents and community members in decision making on budget, personnel and educational programs within the national curriculum). The SGOG, 2061 stresses the fact that the block grant will spend as decided by the SMC.

Ensuring high Educational Attainments by Students

The attainment of this goal is expected to be facilitated by the provision of educational materials grant (Rs 100/- per student). The grant amount on this category of grant can be quite large (For instance a school with 200 students can get Rs 20000/- from the grant). The schools which have so far been unable to spend on educational materials, can now add to their educational materials (every year) from this grant. The availability of the materials it is hoped will be helping promote better teaching in the school.

Ensuring Attainment of Universalization of Primary Education

Numerous programs are being implementing for attaining this objective. School funding can play a role in this respect by supporting school activities to promote access and raise retention rates. Various performance based grants are aimed at reducing schools attaining high girls' enrolment, enrollment of disadvantaged children and high retention rates. Similarly, various scholarship provisions for dalit and girls in the school grants program will help in enrolment expansion of the disadvantaged and of girls.

Enhancing Internal Efficiency of Schools

Performance grants are to be provided to schools that can retain high survival rates at the primary level and high SLC pass rates at the secondary level. As in the case of other objectives of block grants; financial provision is one aspect of programs to attain the intended goal of raising internal efficiency.

In the first year of implementation of the block grant system, the following attainments are notable:

- Preparation of SIP documents by the school for a five year period.
- Formation of SMCs and PTAs.
- Participation of SMC, PTA in SIP training.
- Assessment of the school condition and resources by school in the contents of development plan of SIP.
- Provision of non-salary grants to the schools for development proposal.
- Initiation of efforts to promote school quality.

Further, the school particularly those with limited resources feel empowered after getting the grants. These schools can now make their own decisions about the use of the money.

Weaknesses

Lack of clarity about some grants

Schools still are not clear about the purposes of the block grants and norms for use.

Complex performance grants

The block grants have just been distributed. The schools need time to deliberate on the use of the funds.

Complex performance grants

The performance grants are quite complex to administer mainly because a lot of statistical analysis of school data is needed to determine the award winning schools.

Difficulties of accreditation system

The accreditation process is complex and time consuming.

Too high expectations of the school

The block grant system seems to give an impression that the government will provide responsibility for all expenses. A review of SIP of the sample schools indicates that the schools expect government funding for virtually every activity and program of the school. It would be unrealistic for the schools to expect such funding. The schools should seek community resources and support from other sources (INGOs, donors), wherever possible. The block grant should be used mainly (by SMC) for enhancement of quality of teaching and improvement of school facilities.

Grants more needed by resource poor schools

The block grants are provided to all schools, rich and poor. The strong schools would need the grant resources less as compared to the resource poor schools.

Chapter VII

Major Findings, Conclusions and Recommendations

Major Findings

- The School Grant Operation Guidelines (SGOG), 2061 is not available at the school level.
- Most of the schools have not received a clear breakdown on the school grants released by the DEO; and the schools have not received clear instructions on the use of the grants.
- Most of the schools are still collecting admission fees, monthly fees and exam fees from the students even after receiving the block grants.
- The sample districts have provided notification of fund release to schools much later.
- Budget implementation (grants budget) faces difficulty because of the difference in the school year (April-March) and the fiscal year (July-June).
- The delay in the submission of Flash reports I has led to the lower rate of distribution of dalit and girls' scholarships, whereas the schools are under pressure to enroll disadvantaged groups and girl children even after the last day of admission, 8th Jestha.
- The teachers' salary disbursements of the third trimester have not yet been released even by the month of Jestha. Thus, some schools have used a part of SIP money for salary purpose (to be reimbursed later).
- Administrative grant money is generally used for paying for the salary of the school peon is generally released towards the end of the fiscal year.
- The process of disbursement of the teachers' salary through DDC and municipality in Kavre is lengthy and time consuming.
- Textbook expenditure grant for 2061/62 has been made at the price level (of books) of the previous year. Thus schools are unable to meet the full costs of textbooks distributed.
- Book corner expenses face problems either of a) inadequate amount to purchase materials or b) non-use of the amount.
- Chairmen of SMC and SMC members are not aware of the release of block grants from DEOs.
- Per student educational materials grant has been spent for buying sports materials in some schools.
- The idea of providing higher level SIP grants for schools which qualify for level I and level II accreditation has been disputed by some; such a system would cause giving higher amounts to the well off schools whereas grants are needed more for resource poor schools.
- Most management transferred scheme schools have not yet used the incentive grant of Rs 100,000/- which they have got. These schools are not sure about the purpose of the grant. The SGOG has not stated anything about the for which the grant is to be used.
- The SGOG has required social audit from all schools (receiving the grants). The meaning of social audit and the process of conducting it are not clear.
- According to SGOG, the grants money for school had to be released by DOE in the month of Srawan, actual release has occurred only in Chaitra or even Baisakh. This delay has caused implementation of the grants.
- RP signature is required for putting up requests by schools to DEOs; the RPs' visit however is limited to the schools.
- Lack of monitoring and supervision by RPs/supervisors and DEOs.

- The disbursement of booster scholarship has been delayed due to difficulty in identifying the type of the child who merits the scholarship.
- Most schools have not used major grant resources such as SIP implementation grants and the educational materials grant.
- There is a tendency among management transfer scheme schools to request for salary of more teachers appointed by the schools.

Conclusions

There is very little awareness about the block grants and its purpose among the teachers and SMC members. Some efforts have been made by the DEO to disseminate information by holding workshops of RP. But the information dissemination has not been extended up to the school level. Major block grants that have been provided in 2061/62 are SIP implementation grant, educational materials grant and salary support to schools run by the local community. Only two types of performance grants have been implemented. The DEO offices disburse the block grants in school's rank accounts. The official letters have been sent from DEO in Chaitra and from RC in Kavre district only in Jestha/Asadh, 2062. The block grants were released to schools mainly in the third trimester of the fiscal year (Chaitra/Baisakh). There are delays in school grant release. The salary grants are provided on a trimester basis. There is delay of one or two months in the case of salary release for primary teachers which goes through DDC.

Schools generally use the earmarked grants that have been received in bank accounts; in the case of block grants the schools have not taken any decisions on the use of priorities as yet (Jestha). The convening of SMC meetings for this purpose has not taken place yet. There is the lacking of monitoring and follow-up of the use of block grant money. This work is expected to be done by the RPO/supervisors.

The main problems in implementation are: i) limited awareness about the grant system among the schools, ii) delayed release of funds, iii) lack of monitoring and follow-up, iv) schools not ready enough to prepare data, reports, accounts as required by the block grant system.

The strengths of the block grants system is: i) it promoted preparation of SIP, ii) strengthened powers of the SMCs, and iii) it has provided resources to the poorer primary schools to make provision of educational materials.

The weakness of the block grants is: i) the system envisaged in the SGOG, 2061 documents demands fulfillment of a number of conditions by schools, ii) the SGOG, 2061 is complex, particularly the accreditation section, iii) the performance grants criteria can hardly be met by most primary schools.

Steps are needed in speeding up the disbursement in providing official letters (of release) to schools (through the RCs) in encouraging schools to convene SMC meetings and in explaining further the purpose of the grants to the schools.

Recommendations

Based on the above study the following recommendations are proposed:

Dissemination of the information about the block grants:

The DOE and the RC should take further steps to disseminate information about the block grants, with explanation on use of the grants money for quality improvement purposes in the schools.

Information on specific purposes of the various types of grants:

The schools should be provided information on specific purposes of the grants. The schools should determine programs and activities (based on their respective SIPs), which will be carried out with the use of the money. The SGOG, 2061 document specifically states the responsibility of the DEO to monitor the use of grant money.

Compulsory reporting by schools on the use of the grant money

The schools should submit periodic reports to the DEO on the use of the grants money, what improvements that have been made in school facilities and teaching with the use of the money.

Monitoring on the use of the grant money

The monthly meeting of HTs in the DEO should be used in clarifying the norms of the use of the grant money (various types). The DEO should highlight the role of RC/RP in monitoring the use of grants (along with other aspects of school functioning). The HTs should be made aware of their responsibilities with respect to the receipt and use of grants as stated in the SGOG, 2061. The preparation of school annual report, school progress report, submission of school flash report to RC by specified dates, conducting financial and social audit of the accounts are the main responsibilities of the schools.

Reducing delay in disbursements of grants:

The fund disbursement from the DOE to the DEO and the release to the school should be made without delay. This requires actions both the centre and the district levels. The DOE disbursement depends on getting authorization from the MOF (FCGO). The speedy process of getting authorization from the MOF is essential. At the district levels disbursements decisions (based on district EFA program budget) should be made without delay.

Accreditation of schools:

The SGOG, 2061 has elaborated the process of accreditation and the criteria of accreditation (grading of schools as Basic, Level I and Level II). Periodic assessment of schools by responsible authority and competent persons will be helpful in determining measures for school improvement. Accreditation process stated is mainly for grading of schools for differentiated SIP grants. The accreditation process needs to be explained to the schools and communities before indicating the level (Basic, Level I and Level II) of the schools.

Follow-up study:

It is highly recommended that further follow-up study on the use of block grant disbursements should be conducted in the next few months.

Convening of SMC meetings in schools:

The block grants system expects an active role of SMC in decision making about the use of the grant resources. Thus developing awareness among the SMC members about the grants in the role of SMCs in the use of grants, as well as the monitoring of the use is essential. The meetings of SMC to make decisions on use of grants should be convened in all schools as early as possible. The SIP document of respective schools should be studied and reviewed by all SMC members. The copies of SIP documents should be made available to all SMC members.

Account keeping in the schools:

The school grants system has evidently added to the tasks of schools in keeping accounts (receipt of grants and expenditures). The school should engage part time services of accounts personnel with the school's own resources.

Financing management in DEOs:

The DEO accounts section should be strengthened with computer equipment/software and capacity building to keep track of disbursement of school grants and expenditure made by schools.

Scholarship distribution guidelines:

There is a lot of confusion in schools regarding scholarship distribution by schools. The scholarship distribution guidelines prepared by the Women's Education Section of DOE should be made available to all schools in order to remove various discrepancies in scholarship distribution by schools.

Support to DEO for monitoring:

There are a number of EFA programs being implemented in the districts. The block grant distribution is one of the main programs. The DEO needs financial and materials support for monitoring these programs at field levels.

The Central level School Inspectorate (in the MOES) should take due note of the block grants being provided under the EFA project and SESP project, and take measures to ensure proper monitoring and supervision of the use of grant funds by the schools. The DOE should organize regular monitoring teams (consisting of RED officials and RPs) to visit schools to observe the status of utilization of grants by schools and to provide necessary guidelines/helps where necessary.

Capacity Building at School Level:

The capabilities of SMC head teachers and parents association to properly manage and use the grants funds should be enhanced (orientation on purpose and use of grants, decision making on use of grants, reorientation of school SIPs, and account keeping, social audit process).

Steps needed for enabling schools to use the Block Grants:

Several steps are needed to ensure the use of Block Grants funds. These are: (a) Early Convening of SMC meetings (b) identification of priority programs based on SIPs (c) Preparation of annual SIPs, (d) School capacity enhancement to keep financial records.

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Annex 1

Remarks on Provisions of School Grants Operation Guidelines, 2061

Coverage of the guidelines

The School Grants Operation Guidelines, 2061 seeks to bring a large number of government supports, subsidies and grants under one fold. Two major regular expenditures of MOES namely Teachers' salaries and free primary textbooks have been included in the 'Earmarked grants'. The SIP grants and a large number of grants based on performance of schools have also been included under school grants.

Fund Flow

A direct fund flow system from the DOE to DEO and then on to schools is implicit in the fund flow pattern envisaged in the guidelines. However, the flow of salary amount is still to pass through the DDC and DDF.

Focus of the Grants

The major focus of the grants dealt in the Guidelines is on the primary education level, The SIP grants and most of the performance grants are for primary education. The following grant categories apply for secondary education:

- Salaries of lower secondary and secondary teacher
- Feeder hostel scholarships
- Scholarships for Dalits studying at lower secondary and secondary levels
- Scholarships and fee reimbursements at lower secondary and secondary levels
- Performance grants based on high pass percentage at SLC exams.
- Incentive grants for schools being transferred to community management.
- School grants of Rs. 3000 for each school (of all levels).
- School education materials grants

Feasibility of implementing performance grants:

The performance grants based on the survival rate (at primary level) and the higher enrolment rate at VDC/Municipality level are difficult to attain. So, few schools will qualify for grants on the basis of these indicators. Similarly, while the spirit of increasing the proportion of female and Dalit teachers in primary schools is appreciated, it will be difficult for most schools to attain the threshold of 30 % (out of total number of teachers).

Obligations of schools

The Guidelines lays down a number of requirements (submission of data, submission of program reports) for release of funds from the DEO. There are several new types of reports expected from the schools. These are self assessment report of school, social audit of school finances, and submission of data for flash reports.

Accreditation Process

The accreditation process allows for grading of schools based on various criteria. The Guidelines mentions that while all schools submitting SIP receive basic level grants, Level I and Level II school receives more per student grants. The accreditation process mentioned in the guidelines is quite complex and it would require a lot of time and resource to complete the

process. The findings of the accreditation process are to be used only in determining the rate of per student allocation for financing the SIPs.

The multiplicity of type of scholarships:

There is quite a range of scholarships mentioned in the Guidelines. A new type of scholarship has been introduced in the guidelines; this is fee reimbursement for study at lower secondary and secondary level. The student under this scheme does not get cash, but gets to study in the school free (of tuition fees). The multiplicity of scholarships type makes the administration of scholarships difficult.

The volume of grant money accessible to schools:

Excluding the earmarked grants, the schools can have access to a number of grant provisions. The money at the disposal of the schools for expenditures on programs as decided by the SMC is much bigger now than ever before. A review of grants received by sample schools (Annex 2) shows that schools now receive substantial amounts in grants (under EFA). The lower secondary and secondary schools get additional money in the form of SIP grants, and of educational materials grant.

Full scale implementation of the guidelines:

The fiscal year 2061/62 is the first year of implementation of the Block grant scheme (and the guidelines in general). There are several provisions in the guidelines which would require time to be fully understood by all stakeholders and then implemented. The schools are in indirect need of most resources. But the Guidelines requires the school to fulfill a number of preconditions as well. Accreditations process would take time to be implemented as well.

Annex 2

Grants received and Their Use made by the Sample Schools

Kavre District Sample Schools

Bal Mandir Lower Secondary School, Dhulikhel, Kavre (Community Management Transfer School)

This school is located in Dhulikhel Municipality. It is at a near distance from the DEO office. The school is a community management transfer scheme school. The school had previously been benefitted by a donor supported Quality Education Project. This project has helped in developing physical facilities for the school (such as classroom blocks, toilet, boundary wall). The school has 228 students at the primary level, and 53 students at grades 6, 7 of the lower secondary level.

The school has received Earmarked and Block grants both for the Primary Level and the Lower Secondary level. The major block grants received by the school in 2061/62 are School Improvement Plan Implementation Grant (Rs 40,950), Educational Materials grant (Rs 20,500) and Grant for salary support (one teacher) for Community Transfer School (Rs 53,300).

This is a programme intensive school; so it has got some technical help (mainly in preparing documents) from a local NGO. The NGO has got grant assistance from the government (Rs 50,000) for its services to the school.

The school has an ECD Centre, for which it had received salary support grant from the government for the centre.

The salary of primary teachers (in *darbandi*) deputed by the DEO to the school is released through Dhulikhel Municipality, which has been assuming the responsibility for managing fourteen primary schools in the Municipality area.

As regards the use of the grants provided by the DEO, most of the major grants (SIP Implementation Grants, and Educational Materials grants) are still unused. The salary support for one teacher in the primary section has however been used. The school grant (Rs 3,000 per school) has also been used in developing the SIP document.

The school has received Booster, Dalit and Girls Scholarships. The process of distributing these scholarships has been started. The scholarships have been used mainly in the form of distribution of school dress to all primary level students, as decided by the School Management Committee.

The Book Corner grant has been used in buying a cupboard.

The school has received SIP implementation grant of Rs 25,900 for the Lower Secondary level and also a grant of Rs 20,000 for Educational Materials. There is also a small scholarship grant for two Dalit students at the lower secondary level.

The school feels hard pressed in managing the different grant funds. It very much feels the need of an accountant to keep track of the school's finances.

Delay in making use of the grant funds is ascribed (by the headteacher) to the delay in convening SMC meeting.

The school received information about grant disbursement from the DEO (through the letter addressed to the Resource Centre, dated 5th Falgun 20610).

Table 1.A: Bal Mandir Lower Secondary School, Dhulikhel, 2062

S.N.	Types of grants	Amount (in Rs)	Status of use
1.	<u>Primary Level</u>		
	Scholarships		
	a. Booster	11,000	Process of being used
	b. Dalit scholarships	3,750	Used
	c. Girls' scholarship	14,250	Used
2.	School Improvement Plan		
	SIP Development	3,000	Used
	SIP Implementation	40,950	Not used yet
3.	Educational Materials (based on no. of students)	20,500	Not used yet
4.	Grant for salary support to Community Management (Transfer school)	53,300	Used
5.	Support for ECD		
6.	Salary for Primary Teachers (from municipality)		1st and 2nd/Trimester release
	(Request for third trimester)	143,117	Used
7	Book Corner	1,000	Used
	<u>Lower Secondary and Secondary Level</u>		
	Salary support for Lower secondary teachers (from DEO)	20,000	Used
	SIP implementation for Lower secondary level	25,900	Not used
	Educational Materials Grant	20,000	Not used

Source: Kavre DEO and School Records.

(2). Jhingani Devi Primary School, Panchkhal, Kavre
(Grade 1-3 Primary school operated by Community)

This primary school is located in a rural area in Panchkhal, Kavre district. The school is running in a building constructed by an NGO with Japanese NGO assistance. The building has an office room, three classrooms, and also the facilities of toilets and water supply.

The school has almost all the students coming from the disadvantaged community (Danuwar) in the local Tinpale area. The total number of students in this three grade (1-3 grades) school is 61.

The school has three teachers including the headteacher. One of the teachers gets salary from the NGO, which has constructed the school building. Two remaining teachers are supported by the salary support (for one teacher from the DEO (Rs 53,300).

The school has received SIP Implementation grant (Rs 20,575), per school grant (Rs 3,000 per school) and scholarship grant (Rs 3,250) in 2061/62. Besides, textbooks grant, and book corner grant has been received.

The school has so far used the salary grant, textbooks grant, the school grant of Rs 3,000 and the scholarships.

No decision has so far been taken regarding the use of SIP Implementation grant money. (Table 1.B).

Table 1.B: Jhingani Devi Primary School, Panchkhal, 2062
(School run by Local Community)

S.N.	Types of grants	Amount (in Rs)	Status of use
1.	Scholarships (50% of girls, Dalits)	3,250	Used
2.	School Improvement Plan		
	a. SIP Development	3,000	Used
	b. SIP Implementation	20,575	Not used yet
3.	Salary support for one teacher	53,300	Used
4.	Book Corner	1,000	Not used yet
5.	Primary school textbook distribution	1,777	Used

Source: Kavre DEO and School Records.

(3) Mahendra Secondary School, Sanga (Government/Aided Public School)

This is a large public school located in Sanga, on the way to Banepa. The school has been benefited extensively by both government and NGO assistance. The primary section of the school has 173 students and the secondary level has 381 students.

The school has received scholarship grants (Rs 14,000) SIP Implementation grant (Rs 12,600), Educational materials grant (Rs 14,300), Book Corner as well as Administrative (Rs 21,000) and stationery (Masaland) grant. The major grant categories are SIP Implementation Grant, Educational Materials grant, and Administrative grant.

The school has used scholarship grant, Book Corner grant and Administrative grant as of now. The SIP grant and Educational Materials grant have not been used as yet. Some funds from SIP grants have been used for payment of teachers' salary, pending the Third Trimester release of salary by the DDC.

The school also received SIP Implementation grant for the Lower Secondary Level (Rs 25,900) Educational Material grant (Rs 20,000), as well as scholarship for Dalit students. These grants have so far not been used. (Table 1.C)

Table 1.C: Mahendra Secondary School, Sanga, Kavre, 2062

S.N.	Types of grants	Amount (in Rs)	Status of use
1.	<u>Primary Level</u>		
	Scholarships		
	a. Dalit scholarships	6,500	Used
	b. Girls' scholarship	7,500	Used
2.	School Improvement Plan		
	a. SIP Development	3,000	Used
	b. SIP Implementation	12,600	Not used yet
3.	Educational Materials (based on no. of students)	14,300	Not used yet
4.	Book Corner	1,000	Used along with addition from school resources
5.	Administration and Masaland grant		
	a. Administration	21,000	Used
	b. Masaland	2,000	Used
	<u>Lower Secondary and Secondary Level</u>		
	1. SIP Implementation grant	25,900	Not used yet
	2. Educational materials grant	20,000	Not used yet
	3. Scholarships for Dalit students	8,000	

Source: Kavre DEO and School Records.

Kaski District Sample Schools (1) Ambika Secondary School, Hemja, Kaski
(Government Aided Public School)

This school is located in Hemja VDC, on the way to Baglung. The school has a classroom block, an office block, and an ECD centre block. The school maintains a small library for students; it has toilet and water supply facilities. The Headteacher and other teachers share the same room (office room). The school has 159 students at the primary level and 144 students at the secondary level. There are 11 darbandi (approved posts) teachers and 2 teachers on school's resources.

The school has received quite a number of school grants. The main grants are SIP Implementation grant (Rs 22,260), Educational Materials grant (Rs 40,000), and several scholarship grants.

The school has an ECD centre, which is well equipped and has a good learning environment for young children. The Korean volunteer service is assisting the centre. An admission fee of Rs 140 is charged for each enrollee in the ECD class.

The SIP development grant (Educational development grant of Rs 3,000), has been used in preparing SIP document. Book corner grant, as well as the ECD Educational Materials grants have been used for the stated purposes. Further, the primary textbooks grant (Rs 141,000) has also been fully used. The scholarships have so far not been distributed; however, the process (like preparation of the list of eligible students) has been started.

The lack of clarity about the grants by the specific grant category is stated to be a reason for delay in making use of Block grant funds.

The school has received SIP Implementation grant (Total of Rs 51,800) for Lower Secondary, and Secondary SIP Implementation. This amount has not been used yet. (Table 2.A)

Table 2.A: Ambika Secondary School, Hemja, (Kaski District), 2062

S.N.	Types of grants	Amount (in Rs)	Status of use
1.	Scholarships		Being used in process of use
	a. Booster	4,000	
	b. Target groups	5,300	
	d. Disabled	6,000	
2.	School Improvement Plan		Used
	a. SIP Development	3,000	
	b. SIP Implementation	22,260	Not used yet
3.	Educational Materials grants	40,000	Not used yet
4.	Grants based on no. of students	9,240	
5.	Book Corner	1,000	Used
6.	ECD Educational Materials (secondary trimester)	4,000	Used
7.	Primary School Textbooks (2062)	141,000	Used
	Secondary Level Grants		
	1. Disabled (Scholarships)	3,000	
	2. School Improvement Plan (Lower secondary, Secondary)	51,800	

Source: Kaski DEO and School Records.

(2) Divya Jyoti Primary School, Hemja, (Government Aided Public School) - 2062

The school is located in Hemja VDC, on the way to Baglung. It has a classroom building and an office building. Part of the office building (built with French government's help) is used for conducting classes. A health post is located in the premises of the building. A Resource Centre under the DEO office, Kaski is located in the school compound. Facilities like drinking water and toilets are available.

The school has a total of 155 students. The school has 4 *darbandi* (approved posts) teachers (all female) and one teacher paid with school resources.

The school has received various Scholarship grant, SIP Implementation grant, ECD Educational Materials grants and Primary Textbooks grant. The major grants are Dalit scholarships (Rs 28,500), the SIP Implementation grant (Rs 20,564), and Educational Materials grant (Rs 8,536).

The use of the grant resources is very limited. All the scholarships have remained unused so far the process of using them (distribution) is to be initiated soon, according to the headteacher of the school. The SIP Implementation grant, the Educational Materials grant, and Book Corner grant have so far not been used. Primary textbook grant, and ECD Materials grants have been used.

The school ECD Centre is being assisted by the Korean Volunteer Service. (Table 2.B)

Table 2.B: Divya Jyoti Primary School, Hemja, (Kaski District) 2062

S.N.	Types of grants	Amount (in Rs)	Status of use
1.	Scholarships		
	a. Booster	3,500	In process of use
	b. Disabled student	1,000	
	c. Dalit scholarships	28,500	In process of use
	d. Girls' scholarship	4,000	In process of use
2.	School Improvement Plan		
	a. SIP Development	3,000	Used
	b. SIP Implementation	20,564	Not used yet
3.	Educational Materials grants based on number of students	8,536	Not used yet
4.	Book Corner	1,000	Not used yet
5.	Primary textbooks (2062)	9,800	Used
6.	ECD grants (second trimester)	4,000	Used

Source: Kaski DEO and School Records.

(3). Gyan Bhumi Lower Secondary School, Nadipur, Pokhara Municipality, (Community Management Transfer School)

The school is located in Pokhara Municipality. A new building of the school was recently constructed with the assistance of Rotary Club, Pokhara. Classes are being run in the old classroom block as well as in the new building. School office is in the old building. There are 232 students at primary level, and 59 students in classes 6 and 7 (together).

The school has received a number of school grants such as various types of scholarships, SIP Implementation grant (Rs 25,900), Educational Materials grant (Rs 20,000), as well as the Incentive grant of Rs 100,000 for Community Management Transfer.

Most of the grants made available to the school have not been used. Of the scholarship grants, only girls' scholarship have been distributed. Major grants like SIP Implementation grant, and Educational Materials grants have not been used so far. The Management Transfer Incentive grant of Rs 100,000 has remained unused.

The school is acutely concerned about dismantling its old classroom building and erecting a commercial facility (with shutters) in its place. This is one key activity mentioned in the school's SIP.

The school has received a small scholarship grant for Dalit students studying at lower secondary level. The amount has also not been used so far (Table 2.C).

Table 2.C: Gyan Bhumi Lower Secondary School, Pokhara, Kaski, 2062

SN	Types of grants	Amount (in Rs)	Status of use
1.	<u>Primary Level</u>		In the process of being distributed
	Scholarships		
	a. Booster	4,000	
	b. Dalit scholarships	15,750	
	c. Target groups	4,800	
	d. Girls scholarship	15,000	
2.	School Improvement Plan		Used
	a. SIP Development	3,000	
	b. SIP Implementation	25,900	
3.	Educational Materials grants	20,000	Not used yet
4.	Grants based on no. of students	13,288	
5.	Book Corner	1,000	Not used
6.	Primary Textbooks (2002)	15,100	Used
7.	Incentive grant (Management transfer)	100,000	Not used yet deposited in bank
8.	Management Improvement grant	3,750	Not used
1.	<u>Lower Secondary Level</u>		Not used
	Freeships for disadvantaged and Dalit students	4,000	

Source: Kaski DEO and School Records.

3. Chitwan District Sample Schools

(1) Divya Jyoti Rastriya Primary School, Harnari, Chitwan, (Community Management Transfer School)

This school is situated in the rural area of Chitwan. The school has classrooms for all the grades, office room, teachers room, a room for SMC, and facilities of water and toilet. The school has total enrollment of 249 students and 6 teachers (including one female teacher). Three of the teachers are *Darbandi* (sanctioned posts) teachers, two teachers have been supported by the teacher salary support grant of Rs 53,300; and a social mobilizer deputed by Kantipur Jansakti Vikas Kendra has been working as a teacher.

In 2062, the school received a large number of grants. Prominent categories of grants received are SIP Implementation grant (Rs 30,740), Educational Materials grant (Rs 17,850), Salary support grant (Rs 53,300), Management Transfer grant (Rs 100,000), Enrolment Expansion grant (Rs 23,500). The school also gets a grant of Rs 105,750 for capacity development. Part of this money is given to an NGO for capacity development services. A social mobilizer also engaged under this funding.

The school has so far used the following categories of grants:

- All scholarships distributed to identified groups
- Salary support grant of Rs 53,300 for paying salary to teachers
- Per school grant of Rs 3000 for holding workshop
- Textbook grants

The incentive grant of Rs 100,000 has been deposited in the school's fund.

The grant categories not used so far are:

- SIP Implementation grant (Rs 30,740)
- Educational Material grant (Rs 17,850)
- Enrollment Expansion grant

The school has got an active SMC and supportive PTA. SMC members and parents often contribute voluntary work to the school. (Table 3. A)

Table 3.A: Divya Jyoti Rastriya Primary School, Harnari, Chitwan, 2062

SN	Types of grants	Amount (in Rs)	Status of use
1.	Scholarships a. Booster b. Dalit scholarships (for 2) c. Girls' scholarships d. Other scholarships	3,000 500 13,500 10,000	Provided for only 2 Dalis Distributed according to 2061 data Distributed
2.	School Improvement Plan a. Baseline survey b. Per school grant for Educational Improvement b. SIP Implementation	1,000 3000 30,740	Used for conducting workshop Not used yet. Last years SIP grant used for furniture, fans.
3.	Educational Materials (based on per student grant)	17,850	Not used so far
4.	Grants for salary support to Community Management Transfer	53,300	Used in paying teachers salary
5.	Incentive grant for Community Management Transfer	100,000	Deposited in ' <i>Arshyaya Kosh</i> ' of the school
6.	Textbooks Expenditure grants (1-5 grades)	20,566	Full amounts not yet distributed
7.	Book corner	1,000	Not used yet
8.	Enrolment expansion	23,500	
9.	Capacity Development (grants for programme intensive school)	105,250	Kantipur Jansakti Vikas Kendra (given to a NGO) of this, Rs 50,000 used for paying salary of social mobilizer.

Source: Chitwan DEO and School Records.

(2) Khaireni Secondary School,(Government Aided Public School), Khaireni, Chitwan

The school is situated near Parsa Bazaar of Chitwan. It is a well established school, and has four classroom buildings and an office block.

The school has a large student enrolment; the Primary Section has 463 students and there are 10 teachers (all Darbandi or approved post) at the primary level.

In 2062, the school received a large number of grants for the Primary level, and for the lower secondary and secondary levels. Prominent grants received by the school are Girls scholarship (Rs 31,250), SIP Implementation (Rs 67,135), Educational Materials grant (Rs 33,575), Textbooks (Rs 31,880), ECD Matching Fund (Rs 10,000), at the Primary level, and SIP Implementation for Lower secondary and Secondary level (Rs 25,900) for each level and Education Materials grant (Rs 20,000) at the lower secondary and secondary level.

Most of the grants (categories) have not been used so far. However, process is reported to have been started for making use of the grants. For instance, criteria are being developed for distribution of girls scholarship; similarly the process of using SIP grant for construction and furniture provision has been started. Process has been started also for using Educational Materials grant. Procurement of science laboratory equipment is planned.

Grants so far used are:

- Textbook grants
- Book corner grant
- Per school grant (Rs 3000)
- ECD remuneration and materials grant

Major categories of grants for lower secondary and secondary levels (SIP grants, Educational Materials grants) have not been used so far.

The school has complained that the school was given the assurance of an award of Rs 4 lakh for attaining SLC pass rate of over 50% (in 2060). So far the award has not been given. The school headteacher states that an old classroom building was demolished for reconstruction in the expectation of getting the award money. This, according to the headteacher, has not been made available as yet. (Table 3.B).

Table 3.B: Khaireni Secondary School, Khaireni, Chitwan 2062

SN	Types of grants	Amount (in Rs)	Status of use
1.	<u>Primary Level</u> Scholarships		
	a. Dalit scholarships	-4,000	In process of distribution in form of dress.
	b. Girls scholarship	31,250	Not distributed yet, criteria being developed.
2.	School Improvement Plan		
	a. Per School grant (Rs3000) b. SIP Implementation	3,000 67,135	Process of use in construction of classroom and furniture provision
3.	Educational Materials grants (per student grant)	33,575	Process started; school's aim to use it for science lab. equipments
4.	Textbooks for 2062	31,880	Used

5.	Book Corner	1,000	used; but money in sufficient
6.	a. ECD Remuneration	1,000	Paid to facilitators
	b. ECD Matching Fund	10,000	Deposited in bank, interested used for facilitator
	c. ECD Materials	3,000	Used
	<u>Lower Secondary Level</u>		
1.	Full scholarships for 4 students	6,800	Used
2.	Freeships for 3 students	2,100	Used
3.	Dalit Students scholarship for 4 students	2,000	
4.	Disabled scholarship	250	Used
5.	SIP (Lower Secondary)	25,900	The SIP Money was used
6.	SIP (Lower Secondary)	25,900	for teacher salary payment process for Sc. lab.
7.	Educational Materials	20,000	In process of use.

Source: Chitwan DEO and School Records.

(3) Sita Ram Sanskrit Secondary School Devighat, (*Public Secondary School, with Primary School approved by the government and operated by Community*) - 2062

The school (established initially as Sanskrit Secondary School in 2035) is located in a wooded area near the Devighat religious site. There are 160 students in the primary section. There is also an ECD section with 42 students. There are 206 students in grades 6-10. There are 15 teachers in the school; all the nine teachers at lower secondary and secondary levels are *Darbandi* (approved posts) teachers, and five teachers primary sections are in "private" posts. (Supported by school resources)

The school physical facilities include an old classroom block, two blocks constructed with BPEP assistance (one used for office and the other for classroom). The ECD classroom has no kind of materials at all and does not look like an ECD centre. All classrooms in the old building are dilapidated.

The school has received a large number of school grants for the primary level as well as for Lower Secondary and Secondary level in 2062.

The major grants received by the school are Girls scholarships (Rs 6,250), SIP Implementation grant (Rs 17,255), Salary support for two teachers of the Primary level (Rs 106,600 for two teachers positions), ECD remuneration (Rs 13,000), ECD Matching fund (Rs 10,000) and Textbooks grant (Rs 11,822) for the primary level.

Grants for Lower Secondary and Secondary Level are SIP Implementation grants (Rs 51,800), Educational Material Grants (Rs 20,000) and Administrative grants (Rs 21,000).

The scholarship grants (Dalit, Girls scholarship) have not yet been distributed. The SIP Implementation grant has not been used. The Salary support grant for two primary teacher positions has been used to pay the salary of 5 primary school teachers. The ECD remuneration amount has been used. Primary textbooks grant has also been used.

The SIP Implementation grant for Lower Secondary and Secondary level has been used partially for furniture purposes. The administrative and Masaland (stationery) grants have been used. (Table 3. C).

Table 3.C: Sita Ram Sanskrit Secondary School, Devighat, Chitwan 2062

SN	Types of grants	Amount (in Rs)	Status of use
	<u>Primary Level</u>		
1.	Scholarships		
	a. Booster	-	
	b. Dalit scholarships	1,000	Not distributed yet
	c. Girls scholarships	6,250	Not distributed yet
	d. Disabled scholarships	500	Used/distributed
2.	School Improvement Plan		
	a. School Improvement Management (per school grant)	3,000	
	b. SIP Implementation	17,255	Not used
3.	Educational Materials grants (per student grant)	10,030	Not used yet
4.	Salary grant for community-run schools (two teachers' salary) Rs. 53,300 per teacher	106,600	Used for paying salary for 5 teachers in Primary classes
5.	Book Corner	1,000	used for cup board
6.	ECD Remuneration	13,000	Used
7.	ECD Matching fund	10,000	Deposited in bank
8.	Primary textbooks (grade 2-5 textbooks)	11,822	Used
	<u>Lower Secondary Level</u>		
1.	Lower Secondary and Secondary SIP based Programmes	51,800	Partly used for school, furniture
2.	Educational Materials	20,000	School's aim to use it for science lab.
3.	Administrative Expenses	21,000	Used
4.	Masaland	4,500	Used

Source: Chitwan DEO and School Records.

Annex 3.1

Gist of School Improvement Plans of Sample Schools, (2061-66)

Kavre District

Bal Mandir Lower Secondary School	Mahendra Secondary School	Jhingani Devi Primary School
<u>Educational</u> Preparation of Annual Plan Use of Educational Materials Introducing Play way method in early primary classes Educational tours of teachers Educational tours of students Classroom management Student Welcome Programme Introducing additional English course Introducing workbooks etc. Introducing computer education Carrying out Extracurricular activities Maintaining individual files on students	<u>Educational</u> (a) Operation of ECD (b) Conducting additional classes in Maths and Sciences (c) Procurement of equipment for laboratory (d) Arranging reading room (e) Books for Library (f) Enhancing achievement levels at primary level (g) Starting student progress reports (h) School calendar (i) Free stationary (Exercise Book) for grade 1. <u>Physical facilities</u> Repair of Classrooms Repair of Resource Centre building Furniture repairs Repair of toilets, water tank	<u>Educational</u> Requesting DEO for Darbandi teachers. Operating ECD classes Distributing scholarships Development of Educational materials Procurement of Educational materials. Ghar Dailo programme <u>Physical facilities</u> Construction of 3 new classrooms Tap repair Wire boundary
<u>Physical Facilities</u> Construction 4 new classrooms Construction of paths inside school compound Installing grills in building Sanitation works <u>School Administration</u> (a) Rewards to teachers (b) Arrangement of substitute teachers (c) Conducting staff meetings (d) Suggestion box <u>Finance</u> Requesting for additional teachers Scholarships to students <u>Environment</u> Tree planting	<u>School Administration</u> (a) Staff meetings (b) Classroom observations (c) Meetings of subject teachers <u>Finance</u> Resource mobilization for Lower Secondary and Secondary Levels Requesting for financial support from VDC Operation of a contingency fund	<u>Environment</u> Improving School Environment <u>School Administration</u> Improving School Management Appointing a school peon
<u>School Community Relations</u> (a) Interactions with community (b) Parents' meeting (c) Street Drama (d) Workshops	<u>School Community Relation</u> (a) Ghar Dailo programme (b) Annual Day (c) Parents' Meeting (Level wise) (d) Interactions among SMC, PTA, teachers	-

Appendix 3.2

Gist of School Improvement Plans of Sample Schools, (2061-66)

Kaski District

Gyan Bhumi Lower Secondary School	Ambika Secondary School	Divya Jyoti Primary School
<u>Educational</u> Development of Annual Plan Development of Annual Lesson Plan Extra-curricular Activities Procurement of Educational Materials Teacher Training Educational Tours Scholarship for students <u>Physical Facilities</u> Construction of a building with 13 shutters (for commercial use) Supply of furniture Provision of drinking water	<u>Educational</u> Educational Materials Procurement Materials for Extra-curricular Activities and Games Awareness Campaign in the community Educational Tours Procurement of Science Materials Books and reference materials for the library Development of Annual Work Plan Orientation on student evaluation Management of ECD Supervision and monitoring Coaching class for weak students	<u>Educational</u> Activities for promoting regular attendance of students Adopting children centred teaching methods Using teacher guides for teaching Requesting for salary support of private (own resource) teacher Conducting examinations Conducting Extra-curricular Activities <u>Physical Facilities</u> (a) Supply and Repair of Furniture <u>School Management</u> (a) Improved School Management (b) Conducting Staff Orientation

Appendix 3.3

Gist of School Improvement Plans of Sample Schools, (2061-66).

Chitwan District

Khaireni Secondary School	Divya Jyoti Rastriya Primary School	Sita Ram Sanskrit Secondary School
<u>Educational</u> Strengthening of science lab. Book corner (grade 1 and 5) Procurement of game materials and music materials Procurement of educational materials for primary, lower secondary, secondary levels Extra-curricular activities Scholarship for poor, intelligent students, Dalit students and Booster scholarships Reference materials procurement Training for primary teachers Library strengthening <u>Physical facilities</u> Construction of Boundary wall One new classroom block Toilet Procurement of furniture	<u>Educational</u> Procurement of educational materials (subjectwise) Conducting extra-curricular activities Music materials procurement Materials for attractive classrooms Educational forms Distribution of scholarships and uniforms Provision of additional teachers with community support Educational Tours Training of teachers	<u>Educational</u> Educational materials preparation workshops Distribution of scholarship Extra curricular activities Computer procurement Educational Tours Adopting homework for students' system SIP development Requesting teacher posts for primary level Educational forms Conducting examination ECD centre operation
(a) Saraswati Temple construction (b) Painting the school building (c) Drainage system (d) Repair of earthquake resistant block <u>Others</u> (a) Peon for primary section (b) Primary healthcare in the school (c) Awards (d) Development of SIP for 2061	<u>Physical facilities</u> (a) Saraswati Temple construction (b) Water tank construction (c) Repair of classrooms (d) Constructing compound wall (e) Corner rack furniture (f) Construction of a classroom building (g) Furniture supply <u>Others</u> School community relations promotion Cleanliness program Health check up and medicine supply Parents' meeting Mothers meeting Ghar Dailo program	<u>Physical facilities</u> Construction of drinking water supply system and toilets Repair of classrooms <u>Others</u> Parents' meeting Interactions: SMC and Teachers Day Annual function PTA meeting Ghar Dailo program