

Nepal: Enhanced Vocational Education and Training Project - EVENT (P104015)

Aide-Memoire

Implementation Support Consultations

July 25 – August 6, 2012

I. Introduction

1. An IDA education team¹ for Nepal carried out the second Project Implementation Support Consultations (ISC) for the Enhanced Vocational Education and Training Project (EVENT) from July 25 to August 6, 2012.

2. **ISC Objectives:** The objectives of the consultations were to review implementation progress on the following: (i) project components, implementation arrangements and quality of implementation in terms of human resources, processes and timeliness of activities; (ii) activities related to the project's Disbursement Linked Indicators; (iii) disbursement of grants to scholarship recipient students, and management of scholarship student database; (iv) implementation of performance and matching grant programs, (v) implementation of short-term training programs; (vi) communication and outreach activities; (vii) establishment and functioning of a monitoring and evaluation system for the project; and (viii) progress made on actions agreed in the first review consultations. The consultations also reviewed governance, financial management, procurement, social safeguards and environmental aspects of the project. Key issues were identified, agreements reached, and an action plan prepared describing the next steps to be undertaken to speed up project implementation.

3. The IDA team met with senior officials of the Government of Nepal (GON), including the Ministry of Finance (MOF), the National Planning Commission (NPC), Ministry of Education (MOE), the Council of Technical Education and Vocational Training (CTEVT), the National Skills Testing Board (NSTB), Training Institute for Technical Instruction (TITI), Student Financial Assistance Fund Development Board (SFAFDB), and Employment Fund (EF). The team also held focus group discussions with EVENT scholarship recipients, and graduates of the lead, assistant and master trainer training programs and the skills test assessor and manager training program funded by EVENT. The team would like to thank all the officials of the institutions visited, and the EVENT Project Secretariat for organizing the ISC meetings and visits, and for their cooperation and hospitality.

4. **This Aide Memoire reports on consultations findings and recommendations, and agreements reached on next steps vis-a-vis the above objectives.** This Aide-Memoire was discussed at pre-wrap-up meetings with the Ministry of Education on August 5, 2012 and with the National Planning Commission on August 6, 2012. A wrap-up meeting was held with the Ministry of Finance on August 6, 2012.

5. As agreed with the MOF, this aide-memoire will be classified as a public document under the World Bank's Access to Information Policy.

¹ Saurav Dev Bhatta (co-TTL, Senior Education Specialist), Sangeeta Goyal (co-TTL, Senior Economist), Mohan Prasad Aryal (Operations Officer), Venkatesh Sundararaman (Senior Economist), Uddhav Kumar Bhandari (Economist), Jayakrishna Upadhaya (Research Analyst), Bigyan Pradhan (Senior Financial Management Specialist), Nagendra Nakarmi (FM Assistant), Kiran Ranjan Baral (Senior Procurement Specialist), Shambhu Prasad Upreti (Procurement Specialist), Hiramani Ghimire (Senior Governance Specialist), Bandita Sijapati (Social Development, Consultant), Drona Raj Ghimire (Environmental Specialist), and Agni Kafle (TVET specialist, Consultant). Sushila Rai (Program Assistant) provided all the logistical support for these consultations.

II. Key Achievements

- Hundred and sixty percent of the FY 2011/12 target for the training of master trainers (DLI 2) and 100% of the target for the training of lead and assistant trainers (DLI 1) were met.
- Eighty four percent of the FY 2011/12 target for the training of skills test assessors (DLI 3) and 72% of the target for the training of skills test managers (DLI 4) were met. These results were achieved in a period of five months, compensating for the delay in project start-up.
- Scholarship candidates from Technical School Leaving Certificate (TSLC) programs have received 100% of the payment for FY 2011/12.
- A total of 87 firms have been shortlisted to provide results-based short-term training to 7,500 beneficiaries. The evaluation of their technical and financial proposals is nearing completion.
- A total of 4,132 candidates (103% of the annual target in the Results Framework) were tested for the Recognition of Prior Learning.
- Arrangements have been made for third party verification of the DLI outputs 1-4 through the Citizen Action for Results, Transparency and Accountability (CARTA) Program.
- The verification of DLI outputs 1-4 will be done jointly by the PS and IDA as an exception for FY 2011/12 and will be completed by September 31, 2012.
- The Financial Management Information System (FMIS) is fully operational. The programs are almost ready for the project Management Information System (MIS) but the software for the server is yet to arrive.
- The Implementation Progress Report (IPR), including the Financial Management Report (FMR), for the second trimester (FY 2011/12) was submitted on time and has been approved.
- Total disbursement as of July 28, 2012 is USD 6.79 million (13.58% of total IDA financing).

III. Critical Issues and Challenges affecting Implementation

Critical issues and challenges that need to be effectively addressed to ensure that the gains from key achievements are sustained and further implementation progresses in a timely manner include *inter alia*:

- Establishment of a comprehensive and effective Monitoring and Evaluation (M & E) system for short-term training. The training will commence once the M & E system is in place.
- Timely selection of short-term training providers, and the delivery of short-term training within the current fiscal year (FY 2012/13). Two rounds of selection and training delivery are planned.
- Timely signing of MoUs between the PS, TITI, and CTEVT, and between the PS, NSTB and CTEVT for the delivery of targets specified in Disbursement Linked Indicators (DLI) 1-4 for FY 2012/13.
- Timely signing of an MoU between the PS and CTEVT for the delivery of targets specified in DLIs 5-7.

- Timely initiation of an intensive media and information dissemination campaign to ensure that potential beneficiaries of EVENT scholarship know about and apply for scholarships in the next round.
- Timely completion of scholarship candidate selection for FY 2012/13.
- Finalization of performance criteria for grants to public and private TSLC/Diploma training institutions.
- The establishment of a functional MIS by the end of August, 2012.
- Hiring of individual consultants for the PS Technical Team by October 15, 2012.
- Submission of updated procurement plan for FY 2012/13 by the end of August 2012.

IV. Component-wise Implementation Progress, Issues and Recommendations

6. Project Development Objective: The Project Development Objective is *to expand the supply of skilled and employable labor by increasing access to quality training programs, and by strengthening the technical and vocational education and training system in Nepal.*
7. The project consists of the following four components: (1) Strengthening TEVT Regulatory Activities and Capacity Building; (2) Strengthening Technical Education; (3) Support for Short-Term Training and Recognition of Prior Learning; and (4) Project Management and Monitoring and Evaluation.

Component 1: Strengthening TEVT Regulatory Activities and Capacity Building

8. This component focuses on the regulatory environment and institutional resources available to the TEVT sector to draw upon for current functioning and future development. Disbursements under this component are results-based and linked to specific outputs and milestones for each activity supported.
9. In spite of a delay in project start-up, very good progress has been made towards the achievement of targets for DLIs 1-4. As summarized in Table 1, the FY 2011/12² target for the training of master trainers (DLI 2) has been exceeded by 60%; and 100% of the target for the training of lead and assistant trainers (DLI 1) has been met. Although the targets for the remaining two DLIs have not been fully met, the progress should be considered satisfactory considering that the MoU between the PS and NSTB for the achievement of DLIs 3 and 4 was signed only five months ago³.

² The DLI achievements are for FY2011/12 for reimbursement after verification in FY2012/13.

³ The MoU between the EVENT PS and NSTB for the training of skills test assessors (DLI 3) and managers (DLI 4) was signed on February 26, 2012. Similarly, the MoU between the EVENT PS and TITI for the training of master trainers and lead/assistant trainers was signed on January 19, 2012. The training for all four categories of trainees was conducted by TITI.

Table 1: Achievement of targets for DLIs 1-4

DLI description	FY 2011/12 target	FY 2011/12 achievement	% of target achieved
DLI 1: Number of lead and assistant trainers trained	200	200	100%
DLI 2: Number of master trainers trained	25	40	160%
DLI 3: Number of skills test assessors trained	1,250	1,050	84%
DLI 4: Number of skills test managers trained	100	72	72%

10. During the course of the consultations, the joint review team held discussions with groups of lead and assistant trainers, master trainers, skills test assessors and skills test managers trained by TITI as part of the EVENT project. The training graduates were unanimous in their view that the training was of high quality in terms of management, content and delivery.
11. The PS has met the minimum targets for DLIs 1-4 for the year 2011-12. Reimbursements for the achievement of DLI targets 1-4 will be made by IDA after the PS submits its achievement report and IDA independently verifies the outputs. Because of a delay in the selection of an appropriate organization to carry out the third party verification, it has been agreed that the verification of outputs for DLIs 1-4 for FY 2011/12 will be done jointly by IDA and the PS '*as an exception.*' Starting FY 2012/13, the verification will be done by a third party. Arrangements have been made for third party verification of these DLI outputs through the Citizen Action for Results, Transparency and Accountability (CARTA) Program. The joint verification of outputs for FY 2011/12 will be completed by September 31, 2012.
12. For each fiscal year, IDA disbursements will be made independently for each DLI according to the outputs achieved. For each DLI, a minimum of 50% of the annual target must be achieved for any disbursement to be made for that year. However, if the achievement is below 50%, the outputs from the following year(s) can be used to make up for the shortfall.
13. The preparation of the MoU between the PS and CTEVT for strengthening the CTEVT affiliation system (DLI 5), strengthening the CTEVT examination system (DLI 6) and scaling up the Training Management Information System or the CTEVT TMIS (DLI 7) has been delayed, and now is undergoing revision to be signed and made operational in this fiscal year. It has been agreed that the MoU will be submitted by the PS to IDA for review and clearance by August 15, 2012, and the MoU will be signed between the two parties by September 30, 2012. The plan for developing/revising 20 TSLC and Diploma level courses may be included as part of the same MoU.
14. For the next cycle of DLIs 1-4 for FY 2012/13, it has been agreed that the PS will submit the MoUs that need to be signed between the PS, CTEVT and TITI for DLIs 1-2, and the PS, CTEVT and NSTB for DLIs 3-4, to IDA for review and clearance by August 12, 2012, and complete the signature process by August 25, 2012. IDA strongly recommends that the time-line agreed to be adhered to so that the momentum gained in the achievement of these DLI outputs is maintained, and there are no gaps in the transition from the first cycle to the next.

Component 2: Strengthening Technical Education

15. This component focuses on strengthening technical education at the Technical School Leaving Certificate (TSLC) and Diploma levels provided by CTEVT constituent and affiliated institutions,

and Community School Annex Programs (CSAPs) by providing Matching Grants⁴, and Performance Grants⁵ on a competitive basis⁶ (see Annex 4 for details).

16. Matching Grant: IDA has cleared guidelines for the selection of TSLC and Diploma training institutions, including the distribution mechanisms of these grants to institutions, subject to the PS incorporating comments provided. LOI for matching grants for the first round has been published and the last date for receiving applications is August 4, 2012. Short-listing of eligible institutions for the first round is expected to be completed by August 18, 2012. Call for LOIs for matching grants for the second round will be published by August 31, 2012. Between October 15 and November 1, 2012, selection of institutions from both rounds of calls for proposals will be completed. Performance Grant: The PS has shared an initial draft of guidelines for selection of private TSLC and Diploma training institutions for performance grants. Institutions selected for support under matching grants are automatically eligible to receive funds under performance grants. The PS still needs to finalize the mechanism for distributing performance grants to the selected institutions. During the consultations, 11 performance indicators under 3 different categories were agreed upon: (i) quality and efficiency – 4 indicators; (ii) equity – 3 indicators; and (iii) expansion and innovation – 4 indicators (see Annex 4). Indicators and formulae for computing performance grant amounts for supported institutions will be piloted and finalized by August 15, 2012. It was agreed that the PS will share the updated draft of the guidelines with IDA for review and clearance by August 31, 2012, and publish call for proposals from private affiliated institutions by September 15, 2012.
17. CTEVT affiliated eligible community technical institutions can also compete for matching and performance grants but the criteria for defining these institutions need to be clarified. During the consultations, criteria developed by CTEVT for the purpose were discussed. It was agreed that these criteria would be finalized after further discussion, that the final criteria should not conflict with those GON has already developed for community higher education institutions for public funding.
18. *Scholarships for TSLC and Diploma students (FY 2011/2012)*: Of the targeted 1,104 scholarship recipients for the FY 2011/12, 904 (730 TSLC and 174 Diploma) were selected and have received the first and second installments (through Rashtriya Banijya Bank Limited).
19. *Scholarships for TSLC and Diploma students (FY 2012/13)*: The Proxy Means Targeting (PMT) mechanism is being used to select this cohort of students. Tasks have been divided amongst the PS and SFAFDB through an MoU: the PS is responsible for information outreach and media campaign throughout the country and SFAFDB is mandated for timely distribution and collection of filled PMT forms from applicants, data entry and category-wise short-listing of applicants. The final selection will be done by the PS itself. Due to delays in signing the MoU and extension of the application submission deadline, selection of beneficiaries could not be completed before the students took CTEVT entrance exams as agreed earlier (to generate the largest pool of applicants for the scholarships as possible). Important tasks that still remain to be carried out before final selection are: a. verifying from the applicant database whether or not applicants have passed the CTEVT entrance exams; and b. field verification of information for at least 10% of applications. It was agreed that the PS will publish the list of scholarship recipients for FY2012/13 by October 30, 2012, and sign the participation agreements with selected candidates by December 15, 2012.

⁴ Three types of technical institutes eligible for Matching Grant: (i) CTEVT Constituent Institutes; (ii) CTEVT affiliated Community Institutes; and (iii) Community School Annex Programs.

⁵ Four types of technical institutes eligible for Performance Grant: (i) three types of institutes eligible for MG; and (ii) CTEVT affiliated Private Institutes.

⁶ Each type of institutions will compete among themselves to qualify for the grants.

Component 3: Supporting Short-Term Vocational Training and Recognition of Prior Learning

20. This component supports short term vocational training and the certification of technical and vocational skills acquired through informal means.

Short-term Training

21. The project targets for short-term training for FY 2012/13 under the voucher-based and results-based financing modalities were 1,000 and 7,500 beneficiaries, respectively. While short-term training has not yet been launched, letters of intent (LOIs) from potential training providers have been received and evaluated by the PS for both modalities.
22. In the case of results-based short-term training, 87 firms were shortlisted from a pool of 170 that submitted LOIs, and were asked to submit their technical and financial proposals to the PS. Among the 170 applicants, training providers that met the project's eligibility criteria (95 in total) were given Rapid Market Appraisal (RMA) training before the short-listing was done. The RMA training was conducted jointly by the PS and the Employment Fund (EF), utilizing the latter's expertise and experience in RMA training. The evaluation of the technical and financial proposals for the 87 firms is nearing completion. These firms will be contracted to train a total of 7,500 beneficiaries during FY2012/13 for meeting the target from the previous year.
23. The PS has proposed a target of 11,000 beneficiaries for FY2012/13. It therefore plans to publish another call for LOIs for results-based short-term training after the launch of the first round.
24. As there will be over 900 short-term training events during FY 2012/13 alone, and each training event requires 4-5 monitoring visits⁷, a comprehensive and effective M & E system for short-term training must be in place before any short-term training is launched. In order to set up such a system in a timely manner, the PS has proposed a joint monitoring mechanism with EF whereby their existent extensive regional monitoring infrastructure, experience, and expertise can be utilized to effectively monitor short-term training under EVENT without any significant cost. The PS can also make use of resources of the MoE at the central, regional and local levels in the process. The PIC will make a decision on the setting up of an appropriate M & E system by August 10, 2012. IDA will provide its no-objection for carrying out short-term training activities under this component once a sound M & E system is in place.
25. One issue raised by CTEVT and the PS during the consultations was the need to allow CTEVT constituent schools to provide short-term training under the project. It has been agreed that IDA and the PS will further discuss how this can be accomplished.

Recognition of Prior Learning

26. Altogether 4,132 youth from 72 districts were tested for recognition of prior learning (RPL) in 38 centers across the nation. The certification process is on-going and is expected to be completed by September 2012. The advertisement for the next round of RPL will be published by November 15, 2012.

⁷ As each training event has an average class size of 20, there will be approximately 925 training events (18500 beneficiaries/20 beneficiaries per event) during FY 2013/14.

Component 4: Project Management and Monitoring and Evaluation

Project Management:

27. The PS will finalize the Terms of Reference (TORs) and complete the hiring of the technical team consisting of individual consultants – procurement, Financial Management (FM) and M & E by September 2012. The PS has hired one media expert for developing communications strategies for the project. Given the increasing need for enhanced outreach, the TORs for this position need to be reviewed to cover a wider mandate.
28. Finalization of Project Implementation Manual: As also suggested during the last consultations, the PS will prepare two simplified guidelines in Nepali targeted towards the beneficiaries – one for scholarships or stipends and the other for users of Category 1 activities⁸. The work is already in progress and the PS aims to complete these by September 15, 2012.
29. Project website⁹: The PS has been advised to regularly update the project website and to upload all project documents including the Project Appraisal Document (PAD), Project Implementation Manual (PIM), the Environmental and Social Management Framework (ESMF), guidelines prepared for various activities, advertisements for applications, aide-memoires etc. As much as possible, Nepali versions of the documents should also be prepared and uploaded.
30. Monitoring and Evaluation (M & E): The second trimester Implementation Progress Report [November 2011-March, 2012] has been submitted by the PS to IDA. It has been reviewed and approved by IDA. An update on the Results Agreement is provided in Annex 2.

Component-wise Progress of the M & E System

31. Component 1: The monitoring forms and manuals for DLIs 1-4 have been developed. The monitoring tools and system for the remaining 3 DLIs will be developed after the MoU with CTEVT has been signed. Third party monitoring and verification of the outputs for DLIs 1-4 will be done by the Citizen Action for Results, Transparency and Accountability (CARTA) Program. The joint verification of outputs for FY 2011/12 will be completed by September 31, 2012
32. Component 2: The PS is working on the monitoring tools, their manual and guidelines for this component. For PMT based scholarship to TSLC and Diploma students, the M & E tools for all stages of student selection processes (information dissemination, forms distribution and collection, data-entry, field verification, stipend distribution and student enrollment and attendance) have been finalized. While many of these forms could not be used this year as activities were already completed by the time the forms were developed, they will be used for the next round of student selection for scholarship support. Baseline data from institutions will be collected once they have signed the participation agreements (contracts/MoUs) with the PS.
33. Component 3: While the tools for monitoring both short-term training and RPL activities have been developed, an appropriate M & E system for short-term training is not yet in place. As the training will take place across many districts, the PS needs to quickly decide how to establish such a mechanism so as not to delay the launch of this activity. Baseline data from institutions will be collected once they have signed the participation agreements (contracts/MoUs) with the PS.

⁸ “Category” means a category set forth in the table in Section IV of Schedule 2 of the Financing Agreement for the EVENT project between GON and IDA.

⁹ www.event.gov.np

34. **Component 4:** A formal MoU has been signed between the Employment Fund (EF)¹⁰ and EVENT to share knowledge and experience. Through this MoU, EF has provided pro-bono technical support to EVENT in the area of short-term training including conducting Rapid Market Appraisal training. The Project has also taken the EF electronic management information system (MIS) and adapted and expanded it to develop a comprehensive Project MIS for EVENT.
35. Programs for the MIS have been written but the server is not yet ready. The MIS consultant has completed developing formats for DLIs 1-4 under component one, all stages of the student selection processes (information dissemination, form distribution and collection, data-entry, field verification, stipend distribution and student enrollment and attendance) under component 2, and short-term training and certification of prior learning. A system of evaluation based on the monitoring tools and information fed in by end users received at the PS is being finalized.

V. Procurement

36. Project procurement planning and implementation status of the approved procurement plan has been satisfactory. Project procurement includes procurement of goods, services and non-consulting services. With regard to the implementation of the approved procurement plan, procurement of the activities under goods has met their target within the schedule or with some delay. Progress under the procurement of consulting and non-consulting services is only around 70%. The PS shared that the main reason for this was the delay in signing the MoU between the PS and CTEVT and between the PS and the Department of Labor. Short-term training is provided in both CTEVT constituent public and affiliated private training institutions. During the meetings, it has been agreed that the PS and IDA will have discussions on how CTEVT constituent schools can participate in the provision of short-term training under the project. It was also agreed that building on the experience gained by the Project and other agencies in conducting similar trainings, an appropriate method for selecting training providers will be worked out and based on all this an updated procurement plan for FY 2012/13 will be prepared and submitted to IDA by the end of August, 2012.

VI. Financial Management and Disbursement

37. **Budget for FY2011/12 and Estimated Expenditures:** The budget for EVENT is allocated under the budget head 3,501,353 (Recurrent) and 3,501,354 (Capital). Total budget of NRs.596.80 million (eqv. USD 7.20 million) has been allocated under Recurrent (NRs.479.70 million) and Capital (NRs.117.10 million). The review team noted that all anomalies in the budget as noted during the last review have now been corrected. Total estimated expenditures for FY2011/12 are only NRs.120.67 million, which is only about 20.2% of the approved budget. Of this, total recurrent expenditures were NRs.105.61 million or 22% of the approved Recurrent Budget and total capital expenditures were NRs.15.06 million or 12.9% of the approved Capital Budget. This indicates that the implementation during FY2011/12 was very slow.
38. **Retroactive Financing.** There is a retroactive financing provision in the legal agreement for expenditures incurred on or after May 16, 2011 under Categories 3 and 4. The review team confirmed that there are no retroactive financing incurred.
39. **Budget for FY2012/13.** Due to political situation affected by the dissolution of the Constituent Assembly, the government was not able to announce the annual work program and full budget for

¹⁰ The Employment Fund, which has extensive experience in short-term training, is guided by a steering committee chaired by the Joint Secretary of Planning at MoE. It also implements the IDA-funded Adolescent Girls Employment Initiative (AGEI) project.

FY2012/13. According to the decision of the government, only one third of previous year's expenditures have been approved to be programmed for the first trimester. EVENT is preparing the work program and budget based on this decision. No major development expenditures will incur during the first trimester. The review team suggested to include the committed program and related expenditures in the work program and provide with appropriate justification if this exceeds the ceiling based one one-third expenditures of the previous fiscal year.

40. **Disbursements.** Total disbursement as of July 28, 2012 is USD 6.79 million drawn from IDA Grant as the initial deposit to the Designated Accounts. The Project has not drawn any funds from the categories. Key reasons for no disbursements are slow start up of the Project and delay in compliance with disbursement conditions. The second trimester Implementation Progress Report which includes Financial Monitoring Report has recently been approved, and it has not called for any documentation of expenditures nor required any further advance to the Designated Account. The review team noted that there has been some progress in the achievement of DLI 1 to 4, and upon independent verification and certification of the outputs achieved, some disbursement is expected under Category 1.
41. **Disbursement Condition.** There is a disbursement condition that relates to Category 1 and 2. Preparation of the Project Implementation Manual acceptable to IDA and adoption of the Manual is the disbursement condition in order to implement activities and disbursements incurred under these two categories. The disbursement condition for Category 2 was lifted in March 2012. Somehow lifting the disbursement condition for Category 1 was missed during this time, which was noted during this review. During the review period, IDA lifted the disbursement condition for Category 1.
42. **Financial Management Action Plan.** The review team reviewed the implementation of FM Action Plan as agreed during negotiations. Due to delay in project start up, there has been a slippage in a few actions. The review team discussed and agreed new time line for these actions, which are as follows:
 - a. **Finance Staff.** There is an agreement that one Finance Officer and one Accountant would be put in place in the Project Secretariat by May 30, 2011. The Accountant is already in place, and the position of Finance Officer has been created. However, the Finance Officer position has yet to be filled. If there is a further delay in getting the Finance Officer in place, the Project agreed to use a temporary staff for this work, and also recruit a short-term consultant to provide support to the Project. In addition to provide financial management support to the project, the consultant will also play a key role in monitoring the financial management status of the beneficiaries of the Project. The Project agreed to share the terms of reference of the consultant with IDA for comments. The Project aimed to have the consultant on board by September 2012. The review team reminded the government the clause under Schedule 2, para 2 (d) of the Financing Agreement which specifies that critical staff will not be transferred until the completion of the Project.
 - b. **Computerized Financial Management Information System (FMIS).** The review team noted that the FMIS is now operational. The whole financial transaction is now entered in the FMIS and all reports are generated through the system.
43. **Financial Management.** The project team has made good efforts in maintaining books of accounts as required by the government system. The review team noted that the books of accounts are all up-to-date. The Project has now begun to deface the invoices with the PAID stamp after the payments are made. Internal audit has not taken place.

44. **Implementation Progress Report:** There are no outstanding implementation progress reports. The second trimester report for FY2011/12 has been received and approved. No progress is observed from the financial report of the second trimester. It did not warrant for any documentation or for any further advance. The review team reminded that the third trimester report of FY2011/12 is due on August 31, 2012.
45. **Audit Report:** The first unaudited report that will be required is for FY2011/12 which is due on October 15, 2012. The review team also reminded that the first audited report is for FY2011/12 which is due on January 15, 2013.

VII. Environmental Management and Social Safeguards

46. **Environmental Management:** The PS has prepared Matching Grant operational Guidelines, Performance Grant Operational Guidelines and Short-Term Training Guidelines. These Guidelines, inter alia, also contain environmental provisions. It was agreed that Chapter 3 of the ESMF will be provided as an annex in these guidelines. During the previous consultations, it was agreed that the trimester Implementation Progress Report (IPR) of the project will contain information regarding environmental safeguard activities. As of now, no subproject proposals for civil works have been received by the PS.
47. There have been delays in the following actions from the previous consultations for which new completion dates have been agreed: a) While the ESMF has been finalized it is yet to be translated into Nepali. It was agreed that the final English version of the ESMF will be uploaded on the project website and disseminated to potential partner institutions immediately; ESMF will be translated into Nepali by August 31, 2012, and disseminated by September 2012; b) during the orientation workshop for partner institutions, the ESMF provisions and requirements were not covered. It was agreed that in all forthcoming orientations, there will be one dedicated session on the ESMF; and c) although the IPR reports on environmental safeguards status, supervision report does not. It was agreed that supervision report now onward also cover environmental status.
48. During the consultations, the six-monthly environmental management status report to be prepared by the PS and the annual independent environmental compliance check were discussed. It was agreed that the PS will complete the necessary preparatory work for commissioning the latter soon. Considering the lack of environmental expertise within the PS, it was agreed that the PS will maintain a roster of qualified environmental specialists for obtaining their short-term services as and when required. As during the previous consultations, the IDA team reiterated their advice to the PS to coordinate with the Department of Education's environmental engineer on matters related to environmental management in EVENT.
49. **Social Safeguards:** IDA has noted satisfactory progress made by the PS relating to social issues. In the previous year, the Proxy Means Test (PMT) method could not be used to select candidates for scholarships but an agreement has now been signed with SFAFDB to take this process forward. During the FY 2068/69, there were 904 TSLC/Diploma scholarships that were granted. Out of these, 445 recipients (49.2 percent) were girls. The PS has not yet analyzed the information on scholarship recipients along other dimensions of disadvantages such as caste/ethnicity, disability status, lagging regions, etc. It has been agreed that the PS will avail the disaggregated information to the IDA team by end-August 2012.
50. The IDA team also reviewed the 'Matching Grant Operational Guide' prepared for FY 2012/13, and has noted that incentive schemes for the vulnerable groups have been incorporated in accordance with the specifications contained in the Environmental and Social Management Framework (ESMF) for

the project. The team is also pleased to note that the media strategy developed for the project contains specific measures for targeting vulnerable groups in order to ensure that they are knowledgeable and aware of the scholarship schemes.

51. In terms of safeguards, the review team noted a few inconsistencies in the EMSF, PIM and PAD, that needs to be corrected before the final version of the ESMF is publicized in the project website, translated and disseminated. These include different information on the age limits of the trainees, installments for short-term training, and information on land acquisition. The PS has agreed to make these changes immediately.
52. The PIM also includes provisions for social screening of potential projects prior to inviting full sub-project proposals. The PS has not yet developed a checklist or a template for social screening. The IDA team has recommended, and the PS has agreed that a checklist for social screening that is akin to the Environmental Screening Checklist will be developed by end-August 2012.
53. *Monitoring and Reporting*: The PS has agreed that the MIS for the project will incorporate disaggregated information along the various dimensions of vulnerability that the project seeks to address (e.g., gender, caste, ethnicity, lagging regions, etc.).
54. The IPR and supervision related reviews for the project do not report on the implementation of social and environmental management issues on a regular basis. The PS has agreed to incorporate them from now onwards even if there are no major issues to be reported.
55. Finally, the IDA team has noted that a Grievance Redress Mechanism provisioned for in the ESMF has not yet been institutionalized effectively. The project website includes provisions for ‘feedback’ and other types of complaints are handled by project officials as and when people come to the project office to complain. The PS has agreed to formalize the GRM by putting up a ‘Suggestion Box’ in the project office, starting a Complaint Register, and designating a staff to handle complaints/grievances by end-August 2012.

VIII. Governance

56. The Coordination Committee (CC), Project Implementation Committee (PIC), Technical Advisory Committee (TAC) and PS have been constituted as per agreement. Clear terms of reference for the CC, PIC, TAC and all PS staff have been prepared and have received clearance from IDA. CTEVT is represented in the CC and PIC, and leads the TAC. The CC which is not a project specific entity but responsible for all vocational activities across the Government has yet to meet. There has been considerable delay in the passage of NSTB, one of the key implementation partners of EVENT, bye-laws (original agreed date April 21, 2011) with implications for the project’s agreed action on granting greater autonomy to NSTB. Apart from the project action, the recently adopted TEVT policy of the Government foresees more autonomy to NSTB. This needs therefore to be expedited. The CTEVT has agreed to pass the bye-laws by September 30, 2012.
57. The project must have a strong monitoring system. Among other things, the Project should engage third-party monitors in verifying selected project activities, to assess the correctness of information submitted by individual beneficiaries and supported training providers. CARTA has been contracted to carry out independent monitoring services for DLI 1-4 outputs, which is encouraging. With the start of selecting short-term training providers from the private sector who will be conducting more than 900 training events across more than 20 districts, the project’s monitoring capacity needs to enhance significantly, especially at the local level. Among options available to the PS, is the possibility of engaging the Employment Fund to monitor project activities. The EF has technical

expertise and experience in the area of short-term vocational training and is already present in all five development regions and working with them could be more efficient and cost-effective than adding staff to the PS. Each short-term training event needs to be monitored at different stages from the selection and enrollment of trainees, delivery of training, testing and certification of trainees and their job placement. From a governance and accountability perspective short-term training should not be launched before a sound M & E system is in place.

58. The project is committed to developing and publishing service standards for contract management, scholarship process and inter-agency coordination so that the quality of delivery could be assessed against these standards. Work in this area, however, has not started yet. The project's grievance handling system needs to be managed more systematically. This has been an *ad hoc* exercise so far. For example, the project received some complaints on scholarship and PMT; they have been resolved through dialogue with complainants. Going forward, two steps would be important. First, a system should be in place to handle grievances with mechanisms to track progress. Second, information on the system should be disseminated widely so that people know how to approach project authorities in case they are not happy about any aspect of the project. As an immediate improvement, EVENT website could offer some space for grievances, with a tracking system in place.
59. GAAP Implementation: Most GAAP actions are in progress, although they were delayed. The Project itself took some time to take off, which explains why many GAAP actions missed their original deadline. As part of the review, an updated GAAP (Annex 6) has been agreed with project participants.

IX. Next steps and agreed action plan

60. The agreed actions for the next trimester, and target completion dates are provided in Table 2 below. The next set of consultations/joint review is tentatively scheduled for January 2013.

Table 2: Agreed Action Plan (August – November, 2012)

S. N.	Agreed Action	Target Completion Date	Responsibility
Component 1: Strengthening TVET Regulatory Framework and Capacity Building			
1	Submission [to IDA] of FY 2011/12 achievement report for DLIs 1-4	August 20, 2012	PS
2	Verification of outputs for DLIs 1-4 for FY 2011/12	September 31, 2012	IDA/PS
3	Submission [to IDA for clearance] of draft MoUs between (i) PS, TITI and CTEVT for the achievement of DLIs 1-2, and (ii) PS, NSTB and CTEVT for the achievement of DLIs 3-4 and RPL, for FY 2012/13	(i) August 12, 2012 (ii) Aug 20, 2012	PS/TITI/NSTB/CTEVT
4	Signing of MoUs between (i) PS, TITI and CTEVT for the achievement of DLIs 1-2, and (ii) PS, NSTB and CTEVT for the achievement of DLIs 3-4 and RPL, for FY 2012/13	(i) August 25, 2012 (ii) September 5, 2012	PS/TITI/NSTB/CTEVT
5	Submission [to IDA for clearance] of draft MoU between PS and CTEVT for the achievement of DLIs 5-7 for FY 2012/13	September 1, 2012	PS/CTEVT
6	Signing of MoU between PS and CTEVT for the achievement of DLIs 5-7 for FY 2012/13	September 30, 2012	PS/CTEVT
Component 2: Strengthening Technical Education			
7	Short-listing of eligible institutions for matching grants (first round)	August 18, 2012	PS
8	Call for LOIs for matching grants (second round)	August 31, 2012	PS
9	Selection of institutions for matching grants (first round)	October 15, 2012	PS
10	Selection of institutions for matching grants (second round)	November 1, 2012	PS
11	Piloting and finalization of indicators and formulae for computing	August 15, 2012	PS

	performance grants		
12	Submission [to IDA for clearance] of guidelines (revised draft) for performance grants	August 31, 2012	PS
13	Call for LOIs for performance grants from private CTEVT affiliated institutions	September 15, 2012	PS
14	Orientation workshop for matching grant applicants	September 15, 2012	PS
15	Publication of list of selected scholarship recipients for FY 2012/13	October 30, 2012	PS
16	Signing of participation agreements with selected scholarship candidates for FY 2012/13	December 15, 2012	PS
Component 3: Support to Short-term Training and Recognition of Prior Learning			
17	Decision made on monitoring modality	August 10, 2012	PIC/PS
18	Signing of contract/MoU for monitoring	After decision on monitoring modality	PS
19	Submission [to IDA for review] of negotiated contracts for short-term training provision for first round	After decision on monitoring modality	PS
20	Publication of notice for next round of RPL	November 15, 2012	NSTB/PS
21	Launch of next round of RPL	December 15, 2012	NSTB/PS
Component 4: Project Management and Monitoring and Evaluation			
22	Finalization of TORs for Technical Team consisting of individual consultants to support the PS	August 15, 2012	PS
23	Hiring of individual consultants for Technical Team	October 15, 2012	PS
24	Completion of electronic MIS for all components	October 15, 2012	PS

25	Preparation of simplified guidelines, in Nepali, for scholarship recipients	October 1, 2012	PS
26	Preparation of revised action plan projecting for the period December 2012 to February 2013	November 10, 2012	PS
Procurement			
27	Submission of procurement plan for FY 2012/13 to IDA for clearance	August 20, 2012	PS
Financial Management			
28	Hiring of finance officer or accountant to support FM	October 15, 2012	PS
29	Preparation of simplified guidelines, in Nepali, for Category 1 users	October 1, 2012	PS
30	Submission of third IPR/FMR	August 31, 2012	PS
31	Submission of first unaudited financial report for FY 2011/12	October 15, 2012	PS
Safeguards			
32	Translation of ESMF in Nepali	August 31, 2012	PS
Governance			
33	Passing of NSTB bylaws	September 30, 2012	CTEVT

List of Annexes

Annex 1 – List of persons met and institutions visited

Annex 2 – Results framework and progress update

Annex 3 – Progress on agreed action plan from the last consultations

Annex 4— Preliminary criteria and process for payment of matching and performance grants

Annex 5—Summary of discussions with project beneficiaries

Annex 6 - Governance and Accountability Action Plan (GAAP)

ANNEX 1**List of Persons Met and Institutions Visited**

S.N.	Name	Designation	Institution
1.	Kishore Thapa	Secretary	MOE
2.	Janardan Nepal	Joint Secretary	MOE
3.	Narayan Krishna Shrestha	Under Secretary	MOE
4.	Yam Bahadur Bashyal	Section Officer	MOE
5.	Shiba Kumar Rai	Honorable Member	NPC
6.	Atma Ram Pandey	Joint Secretary	NPC
7.	Tek Bahadur Khatri	Under Secretary	MOF
8.	Laxmi Ram Paudel	Project Director	EVENT PS
9.	Ima Narayan Shrestha	Senior Planning & Monitoring Officer	EVENT PS
10.	Asta Lama	Monitoring Officer	EVENT PS
11.	Rajan Bhattarai	Procurement Officer	EVENT PS
12.	Pravin Babu Bhattarai	Monitoring Officer	EVENT PS
13.	Rajendra Kumar Shrestha	Account Officer	EVENT PS
14.	Ravi Prasad Sharma	Planning Officer	EVENT PS
15.	Kisan Kumar Basel	Administrative Assistant	EVENT PS
16.	Krishna Paudel	Communication Assistant	EVENT PS
17.	Jaya Bahadur Tandan	Member Secretary	CTEVT
18.	Shiva Shankar Ghimire	Director	CTEVT
19.	Ramhari Lamichhane	Director	CTEVT
20.	Rajendra karki	Director	CTEVT
21.	Binod Kumar Baniya	Section Officer	CTEVT
22.	Chandra Bhakta Nakarmi	Director	NSTB/CTEVT
23.	Dipak Prasad Paudel	Deputy Director	NSTB/CTEVT
24.	Bhawani Shankar Subedi	Executive Director	TITI/CTEVT
25.	Akim Shrestha	Director	TITI/CTEVT
26.	Durga Prasad Upadhyaya	Director	TITI/CTEVT
27.	Rameshman Shakya	Director	TITI/CTEVT
28.	Salikram Dhakal	Director	TITI/CTEVT
29.	Pramod Bhakta Acharya	Sr. Account Officer	TITI/CTEVT
30.	Sauravram Joshi	Director	TITI/CTEVT
31.	Yam Bhandari	Director	TITI/CTEVT
32.	Binod Kumar Baniya	Master Trainer	TITI/CTEVT
33.	Basanti Roshan Shrestha	Master Trainer	TITI/CTEVT
34.	Fanindra Kumar Chaudhary	Master Trainer	TITI/CTEVT
35.	Balaram Paudel	Deputy Team Leader	EF
36.	Balmukunda Neupane	Monitoring Officer	EF
37.	Pallav Kasaju	Former Director	SFAFDB
38.	Tara Chauhan	Database Officer	SFAFDB
39.	Bijeta Dangol	Accountant	SFAFDB

ANNEX 2

Results Framework and Progress Update¹¹

PDO Level Results Indicators	Core	Unit of Measure	Baseline	Target and Achievements (Cumulative Values)					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (Indicator, definition etc)
				YR 1	YR 2	YR3	YR 4	YR5				
Employment Rate of Short-term training graduates after 3 and 6 months of completing training in supported programs	<input type="checkbox"/>	Percent	70%	70%	74%	78%	80%		Quarterly	Tracer Study	Project Institutions	Indicates employability
Enrollment of TSLC and Diploma students in supported institutions®		Number	TBD	TBD	TBD	TBD	TBD		Annually	Administrative Data; Institution Records	Project Institutions	Indicates institution quality and efficiency improvement
Number of NSTB certified youth without formal training		Number	2000	4500	7000	9500	12000		Six Monthly	Administrative Data; Interviews	NSTB	Indicates improved status as a potential labor market entrant
INTERMEDIATE RESULTS												
Intermediate Result (Component One): Strengthening TEVT Regulatory Activities and Capacity Development (Disbursement Linked Indicators)												
Number of NSTB qualified assessors (DLI 3)	<input type="checkbox"/>	Number	740	1950	3200	4450	5700		Six Monthly	Administrative Data; Interviews	NSTB	Indicates increased capacity to provide certification for previously acquired skills
<i>Achieved</i>				1,790								
Number of NSTB qualified skills test	<input type="checkbox"/>	Number	40	140	240	340	440		Six Monthly	Administrative Data; Interviews	NSTB	Indicates increased

¹¹ Progress is shown in a shaded row just below the relevant indicators.

PDO Level Results Indicators	Core	Unit of Measure	Baseline	Target and Achievements (Cumulative Values)					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (Indicator)
<i>managers (DLI 4)</i>												capacity to provide certification for previously acquired skills
Achieved				112								
<i>Number of Lead and Assistant Instructors trained in modern curricula and pedagogy (DLI 1)</i>		Number	0	200	500	900	1500		Six Monthly	Administrative Data; Interviews	Secretariat	Indicates improvement in TEVT instructor quality
Achieved				200								
<i>Number of master trainers trained (DLI 2)</i>		Number	0	25	50	75	100		Six Monthly	Administrative Data; Interviews	Secretariat	Indicates improvement in TEVT instructor quality
Achieved				40								
<i>Establishment of a Training Management Information System (DLI 7)</i>		-	-	Initiated	Completed	Functional	Functional		Six Monthly	Administrative Data	CTEVT	Indicates improved information flow in the training market
<i>Establishment of an online system for affiliation of training providers (DLI 5)</i>		-	-	Initiated	Completed	Functional	Functional		Six Monthly	Administrative Data	CTEVT	Indicates strengthened and transparent affiliation systems
<i>Establishment of a computerized system for examination evaluation (DLI 6)</i>		-	-	Initiated	Completed	Functional	Functional		Six Monthly	Administrative Data	CTEVT	Indicates improved efficiency in examinations systems, especially reduction in delay in results declaration
Intermediate Result (Component Two): Strengthening Technical Education												

PDO Level Results Indicators	Core	Unit of Measure	Baseline	Target and Achievements (Cumulative Values)					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (Indicator)
Number of TSLC/Diploma providers supported through formula based funding		Number	0	30	35	38	38			Administrative Data; Independent Reviewers Reports	Project Institutions, Secretariat	Indicates success of performance-based financing
Number of students from disadvantaged groups and lagging regions receiving stipends		Number	0	2500	3000	3500	4000			Administrative Data; Independent Reviewers Reports	Project Institutions, CTEVT, SFAFDB, Secretariat	Indicates increased access to TEVT by excluded groups
Achieved				904								
Intermediate Result (Component Three): Supporting Short-term Training and Certification												
Average monthly earnings of Short-term training graduates after 3 and 6 months of completing training	<input type="checkbox"/>	Number (NRS per month)	2000	2000	2200	2400	2500		Quarterly	Tracer Study	Project Institutions	Indicates employability
Number of trainees supported with vouchers	<input type="checkbox"/>	Number	0	2000	5000	8000	10000			Administrative Data; Independent Reviewers Reports	Training Providers/Secretariat	Indicates increased access to TEVT by excluded groups
Number of trainees completing training test in supported programs	<input type="checkbox"/>	Number	0	10000	21000	32000	36000		Six Monthly	Administrative Data; Independent Reviewers Reports	Training Providers/Secretariat	Indicates increased access to TEVT by excluded groups
Number of youth without any formal training tested		Number	2000	5750	9500	13250	17000		Six Monthly	Administrative Data; Independent Reviewers Reports	NSTB/ Secretariat	Indicates increased access to TEVT by excluded groups
Achieved				6,132								
Intermediate Result (Component Four): Project Management and Monitoring and Evaluation												
Effective management by a professionally staffed Secretariat		-	-	Completed	Functional	Functional	Functional		On-going	Administrative Data	Secretariat	Indicates adequacy of project management structure which is critical for effective implementation

PDO Level Results Indicators	Core	Unit of Measure	Baseline	Target and Achievements (Cumulative Values)					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (Indicator)
Achieved				Completed								
<i>Number of Communication Campaigns conducted</i>		Number	0	2	4	6	8		Six Monthly	Administrative Data	Secretariat	Indicates extent of outreach by the project
Achieved				1								
<i>Functioning Labor Management Information System established</i>		-	-	Initiated	Completed	Functional	Functional		Six Monthly	Administrative Data	MOLT	Indicates capacity in the system to improve information flow
<i>Number of employer surveys, tracer studies and satisfaction surveys conducted</i>		Number	-	2	4	6	8		Six Monthly	Administrative Data	Secretariat/ CTEVT	Indicates capacity in the system to conduct evaluations and increase in the information on the effectiveness and usefulness of TEVT programs
<i>Impact Evaluation of Management Consultancy Support to TSLC/Diploma providers</i>		-	-	Initiated	-	-	Completed		On-going	Administrative Data; Consultants Reports	Secretariat	Indicates the extent to which improved management practices can improve productivity of training providers
<i>Impact Evaluation of Short-term training</i>		-	-	On-going	On-going	On-going	Completed		On-going	Administrative Data; Consultants Reports	Secretariat	Indicates capacity in the system to conduct evaluations and increase in the information on the effectiveness and usefulness of TEVT programs

ANNEX 3

Progress on Agreed Action Plan (January – April 2012) from consultations held during January 10-20, 2012

Serial No.	Agreed Action	Target Completion Date	Responsibility	Status/Progress	Actual completion date	Issues/Remarks
Overall Implementation						
1.	Release of Funds from MOF	February 15, 2012	PS/MOF	Completed	March 21, 2012	
2.	Final PIM submitted to IDA	January 31, 2012	PS	Completed	December 29, 2012	
Component 1: Strengthening TVET Regulatory Framework and Capacity Building						
3.	Submission of MoU between PS, CTEVT/NSTB for DLIs 3 and 4 to IDA for review	January 31, 2012	PS	Completed	MoU signed on February 26, 2012	
4.	Submission of MoU between PS and CTEVT for DLIs 5, 6 and 7 to IDA for review	February 25, 2012	PS	NOL from WB obtained on July 2, 2012		Signing postponed; new MoU for FY 2012-13 under preparation; outcome indicators need to be better defined
5.	Preparation of Action Plan by CTEVT for developing/revising TSLC/Diploma curricula	February 29, 2012	PS/CTEVT	Postponed		CTEVT curriculum division busy preparing for technical vocational subjects under SSRP
Component 2: Strengthening Technical Education						
6.	Preparation of LOIs for matching and performance grants	February 29, 2012	PS	Completed	Notice published on May 13, 2012 for matching grants; LOI submission date extended to August 3, 2012	Limited response from CTEVT constituent schools
7.	Piloting and finalization of formulae for computing performance grants	February 28, 2012	PS	Delayed; formulae development in process		
8.	Selection of the remaining TSLC/Diploma scholarship recipients for 2011-2012	January 31, 2012	PS	Completed	June 19, 2012	

Serial No.	Agreed Action	Target Completion Date	Responsibility	Status/Progress	Actual completion date	Issues/Remarks
9.	Verification of data provided by selected scholarship recipients for 2011-2012	March 31, 2012	PS/Consultant	Completed	April 9, 2012	
10.	Finalization of agency responsible for managing the PMT based process for the 2012-13 TSLC/Diploma scholarships	January 31, 2012	PS	Completed (SFAFDB selected)	March 23, 2012	
11.	Initiation of media and outreach campaign for scholarships for 2012-13	February 15, 2012	PS/Consultant	Completed	May 4, 2012	Deadline for PMT application submission extended to application deadline for CTEVT entrance exams
12.	List of selected scholarship recipients for 2012-13 published	Before the TSLC/Diploma Entrance Exams forms for 2012 are available	PS	Delayed (not completed yet)		Delayed due to late finalization of agency for managing PMT, and extension of application submission deadline
Component 3: Support to Short-term Training and Recognition of Prior Learning						
13.	Submission of MoU between PS and CTEVT/NSTB for RPL to IDA for review	January 31, 2012	PS	Completed	MoU signed On February 26, 2012	
14.	Preparation of Action Plan for the implementation of Vouchers based short-term training	February 15, 2012	PS/IDA/Consultant	Action plan not prepared but LOIs for voucher-based training collected and scored; verification underway	February 7, 2012	
15.	Contracts signed with short-term training providers under Results-based financed training	April 15, 2012	PS	Not completed yet		It took long time for LOI scoring, NOL receiving, TP+FP collection and evaluation

Serial No.	Agreed Action	Target Completion Date	Responsibility	Status/Progress	Actual completion date	Issues/Remarks
Component 4: Project Management and Monitoring and Evaluation						
16.	Extension of contracts of PS consultants	March 31, 2012	PS	Completed	March 6, 2012	
17.	Establishment of Project MIS	March 31, 2012	PS	Initial version of web-based MIS system (adapted from EF) in place	July 9, 2012	MIS currently only handles component 3; it is yet to be populated with data
18.	Preparation of TORs for collection of base-line data for TSLC/Diploma and short-term training providers	February 28, 2012	PS/IDA/Consultant	Delayed (not started yet)		Due to delay in signing MoU between CTEVT and PS
19.	Analysis of PMT data provided by current scholarship applicants	February 28, 2012	PS/IDA/Consultant	Not completed		
Procurement						
20.	Revised Procurement Plan submitted to IDA for review and clearance	February 7, 2012	PS	Not revised		Revision was not felt necessary
Financial Management						
21.	Budget revision in line with FA	February 29, 2012	PS	Completed	March 21, 2012	
22.	Revised FMR submitted to IDA	January 31, 2012	PS	Completed	March 12, 2012	
23.	TORs for Accountant sent to IDA for clearance	January 31, 2012	PS	Not completed		
24.	Finalization of EOI for hiring of Technical Team (Firm)	February 15, 2012	PS	Under discussion		Discussions underway on whether to hire a firm or individual consultants
25.	Publication of EOI for hiring of Technical Team (Firm)	February 29, 2012	PS	Not completed		
26.	Submission of Second Trimester IPR	April 30, 2012	PS	Completed	April 30, 2012; revised version sent on July 6, 2012	Revised IPR has been approved by WB

Serial No.	Agreed Action	Target Completion Date	Responsibility	Status/Progress	Actual completion date	Issues/Remarks
Safeguards						
27.	Final ESMF submitted to IDA	January 31, 2012	PS	Completed	February 1, 2012	
28.	Translation of ESMF in Nepali and uploading on EVENT website	February 28, 2012	PS	Not completed		

ANNEX 4

Preliminary Criteria and Process for payment of Matching Grants (MG) and Performance Grants (PG)

Matching Grants (MG)

1. Three types of technical institutes are eligible for MG: (i) CTEVT Constituent Institutes; (ii) CTEVT affiliated Community Institutes; and (iii) Community School Annex Programs (CSAP). Participating institutions selected following due process¹² will receive the MG in installments upon completion of and duly endorsed by the duly formed governing bodies the Institutional Plan/Strategic Plan (SP) of respective institutions.

2. Participating institutions will receive MG in installments: (i) As an incentive grant, institutions will receive 1st installment (10% of the Annual Work Plan and Budget of the fiscal year) upon receiving the institutions commitment of 5% and a credible funding plan for the tasks envisioned under the MG. Subsequent, installments will be released upon approval¹³ of the claims submitted by respective institutions against completed tasks defined in the AWPB.

Performance Grants (PG)

3. Four types of technical institutes are eligible for PG: the three types of above stated institutes eligible for MG and CTEVT affiliated Private Institutes. The Consultations agreed on 11 performance indicators (see Table below) under 3 different categories: (i) quality and efficiency - 4 indicators; (ii) equity – 3 indicators; and (iii) expansion and innovation – 4 indicators.

4. To consider the scale/size of the CSAPs, which are smaller compared to CTEVT Constituent and Affiliated Institutions and also to further promote the community contribution envisioned by the government in the design of CSAPs, unit rate of items for CSAPs in Table 1 is double the amount for CTEVT Constituent and Affiliated Institutions. Similarly, to consider the characteristics of CTEVT Private Institutes compared to Constituent and Community ones, four performance indicators¹⁴ were agreed not to be applicable for private institutions.

5. *Consideration of lagging Regions.* The grant in Table 1 below will be multiplied by a Human Development Index (HDI) Factor (HDIF) of the district the participating institutions. $HDIF = (\text{National average HDI}) / (\text{HDI of the District of the participating institution})$ but should not be less than 1 and more than 1.5. For practical purposes HDIF (standardized) will be used from Table 2 below.

¹² The process has been defined in the Implementation Guidelines.

¹³ PS approved 1st five claims will be prior-reviewed by the Bank; other claims/installments will be post reviewed following Bank's procurement procedures.

¹⁴ The four performance indicators CTEVT affiliated private institutions will not receive PG are: (i) New Program in TSLC; (ii) New program in Diploma; (iii) New innovative program in TSLC; (iv) New innovative program in Diploma.

Table 1: Performance Indicators (to be refined further)

No	Performance Indicator	Unit	Per unit per Capita Grant, NRP	Quantity	Grant Amount, NPR	Remarks
<i>Quality and efficiency</i>						
1	First round of tracer study completed	Batch	12,000	1	4,80,000	
2	Pass rate		Up to 60% = 1200; 60%-80% - 1800; 805%-100% =2400	+20 % point	960,000 1,440,00 1,920,000	
3	Student Counseling and placement cell in place and functioning ¹⁵	Cell		1	600,000	Not per capita
4	Institute – Industry linkage cell established and functioning ¹⁶	Cell		1	600,000	Not per capita
<i>Equity</i>						
5	Share of girls students	%	Up to 30% =1200; 30%-50% =2400;	+20 % point	960,000 1,9200,000	Not applicable for Nursing, CMA and AHA
6	Share of students from Dalits	%	Up to 10% =1,200; 10%-20% =2400; 20%-30% = 3600	+10 % point	480,000 960,000 1,440,000	
7	Share of students from disadvantaged Janjatis		Up to 20% =1,200; 20%-30% =2,400; 30%-40% = 3,600	+10 % point	480,000 960,000 1,440,000	
<i>Expansion and innovation</i>						

¹⁵ Grant will be released in 3 installments: 1st installment (20%) will be released after the cell is duly established and its regulatory framework/guidelines in place; 2nd installment (40%) will be released upon receipt of a satisfactory progress report of 1st round student counseling; 3rd installment (40%) will be released upon receipt of a satisfactory progress report of 2nd round student counseling.

¹⁶ Grant will be released in 3 installments; 1st installment (20%) will be released after the cell is duly established and its regulatory framework/guidelines in place; 2nd installment (30%) will be released upon receipt of a satisfactory progress report of 1st round institute-industry dialogue; 3rd installment (40%) will be released upon receipt of a satisfactory progress report during the last 1 to 2 years..

No	Performance Indicator	Unit	Per unit per Capita Grant, NPR	Quantity	Grant Amount, NPR	Remarks
8	New Program in TSLC ¹⁷				6,00,000	Not per capita; not applicable for private institutions
9	New program in Diploma ¹⁸				1,200,000	
10	New innovative program in TSLC ¹⁹				800,000	
11	New innovative program in Diploma ²⁰				1,600,000	

Table 2: District Human Development Indices

No	Districts	HDI	HDIF (Actual)	HDIF (Standardized)	No.	Districts	HDI	HDIF (Actual)	HDIF (Standardized)
1	Sankhuwasabha	0.481	0.979	1.0	39	Baglung	0.492	0.9573	1.0
2	Solukhumbu	0.479	0.983	1.0	40	Gorkha	0.454	1.0374	1.0
3	Taplejung	0.467	1.009	1.0	41	Gulmi	0.467	1.0086	1.0
4	Bhojpur	0.472	0.998	1.0	42	Kaski	0.593	0.7943	1.0
5	Dhankuta	0.507	0.929	1.0	43	Lamjung	0.492	0.9573	1.0
6	Ilam	0.521	0.904	1.0	44	Myagdi	0.498	0.9458	1.0
7	Khotang	0.442	1.066	1.1	45	Palpa	0.486	0.9691	1.0
8	Okhaldhunga	0.481	0.979	1.0	46	Parbat	0.504	0.9345	1.0
9	Panchthar	0.484	0.973	1.0	47	Syangja	0.535	0.8804	1.0
10	Terhathum	0.523	0.901	1.0	48	Tanahun	0.524	0.8989	1.0
11	Udaypur	0.488	0.965	1.0	49	Kapilbastu	0.437	1.0778	1.1
12	Jhapa	0.494	0.953	1.0	50	Nawalparasi	0.482	0.9772	1.0
13	Morang	0.531	0.887	1.0	51	Rupandehi	0.546	0.8626	1.0
14	Saptari	0.453	1.040	1.0	52	Dolpa	0.371	1.2695	1.3
15	Siraha	0.427	1.103	1.1	53	Humla	0.367	1.2834	1.3
16	Sunsari	0.5	0.942	1.0	54	Jumla	0.348	1.3534	1.4
17	Dolakha	0.45	1.047	1.0	55	Kalikot	0.322	1.4627	1.5
18	Rasuwa	0.394	1.195	1.2	56	Mugu	0.304	1.5493	1.5
19	Sindhupalchok	0.414	1.138	1.1	57	Dailekh	0.381	1.2362	1.2
20	Dhading	0.41	1.149	1.1	58	Jajarkot	0.343	1.3732	1.4
21	KavrePalanchowk	0.543	0.867	1.0	59	Pyuthan	0.416	1.1322	1.1
22	Makwanpur	0.479	0.983	1.0	60	Rolpa	0.384	1.2266	1.2

¹⁷ Grants will be released in 3 installments: 1st installment (20%) after enrollment of 1st batch students; 2nd installment (30%) once the batch appears in the first exam; 3rd installment once the batch appears in the final exams.

¹⁸ Grants will be released in 3 installments: 1st installment (20%) after enrollment of 1st batch students; 2nd installment (30%) once the batch appears in the first year exam; 3rd installment once the batch appears in the 2nd year mid-term/1st semester exams.

¹⁹ Similar to footnote 7 above.

²⁰ Similar to footnote 8 above.

No .	Districts	HDI	HDIF (Actual)	HDIF (Standardized)
23	Nuwakot	0.463	1.017	1.0
24	Ramechhap	0.434	1.085	1.1
25	Sindhuli	0.469	1.004	1.0
26	Bara	0.465	1.013	1.0
27	Chitwan	0.518	0.909	1.0
28	Dhanusha	0.449	1.049	1.0
29	Mahotari	0.407	1.157	1.2
30	Parsa	0.448	1.051	1.1
31	Rautahat	0.409	1.152	1.2
32	Sarlahi	0.408	1.154	1.2
33	Bhaktapur	0.595	0.791597	1.0
34	Kathmandu	0.652	0.722393	1.0
35	Lalitpur	0.588	0.80102	1.0
36	Manang	0.502	0.938247	1.0
37	Mustang	0.482	0.977178	1.0
38	Arghakhanchi	0.471	1	1.0

No.	Districts	HDI	HDIF (Actual)	HDIF (Standardized)
61	Rukum	0.386	1.2202	1.2
62	Salyan	0.399	1.1805	1.2
63	Surkhet	0.486	0.9691	1.0
64	Banke	0.479	0.9833	1.0
65	Bardiya	0.429	1.0979	1.1
66	Dang	0.409	1.1516	1.2
67	Bajhang	0.331	1.423	1.4
68	Bajura	0.31	1.5194	1.5
69	Darchula	0.424	1.1108	1.1
70	Aacham	0.35	1.3457	1.3
71	Baitadi	0.391	1.2046	1.2
72	Dadeldhura	0.434	1.0853	1.1
73	Doti	0.402	1.1716	1.2
74	Kailali	0.442	1.0656	1.1
75	Kanchanpur	0.463	1.0173	1.0
Nepal		0.471		

ANNEX 5

Summary of Discussions with Project Beneficiaries

A. Scholarship Recipients

The interaction focused on notification of scholarship opportunity, selection process, notification of scholarship recipients, registration and verification process of scholarship recipients, opening of bank account of each recipient, dispatch money in each students account, conditions for scholarship, use of scholarship, and students' feelings and reactions on scholarship.

Key Findings

- Students received information about the availability of scholarships mostly through their schools and also from newspapers and friends and relatives.
- After notification students opened bank account in Rastriya Banijya Bank, signed the Scholarship Bond Paper (most of them signed the bond without reading the conditions that applied to their maintaining their eligibility status). The school authorities were handling the check books in one training center and the PS has been asked to correct this immediately.
- Most students chose to undertake the TSLC/Diploma because of the scholarship; otherwise they would have chosen other subjects of study. A few would have not undertaken any further studies.
- Most students said they would look for work after completing their course of study.
- For effective communication and outreach, the students suggested that use of the local FM Radio (morning, news time, evening), Kantipur (national daily), and notice through schools would be effective.

B. Training of Trainers (Master Trainers, Lead Trainers, Assistant Trainers)

In the meeting the discussion focused on how trainees got the notice of training, their motivation to apply, overall management of training and classroom instruction, the quality and adequacy of trainers, training curriculum, trainees' assessment and instructional materials. In addition, trainees were asked about their own assessment of differences in their knowledge, skill and attitude before and after the training.

Key Findings

- Master Trainers learnt about the availability of this training through newspaper and website of EVENT, CTEVT and MOE while lead trainers and assistant trainers got information mostly from friends and newspapers.
- TOT trainees were selected through very competitive entrance tests. They were motivated because TOT has a good market in various fields including technical education and vocational training, and TITI has a very good reputation.
- The curriculum was relevant and adequate; instructional materials and presentation techniques were friendly, and delivery in the classroom was impressive.
- In every lesson there were two trainers in the classroom. There were qualified experts, resource persons, and technical assistants that made instruction, interesting and enjoyable.
- The specific learning from these trainings were instructional material preparation, use of instructional materials, presentation skills, micro-teaching for self assessment, motivation techniques, one on one coaching, correcting trainees' home work, competency based individualized learning, questioning techniques, writing skills, active listening, time management, and so on.

- Trainees found a big difference before and after the training among themselves. The differences were found in their knowledge of TOT and rigorous time management skills.
- Trainers' attendance, discipline with regard to trainees' attendance, reward for good performance and continuous assessment were also appreciated.
- Recommendations made by trainees included: (a) learning content was interesting but time was too short, (b) equalize per diem amounts for Master Trainers, Lead Trainers and Assistant Trainers.

C. Training of Assessors (Skill Test Assessors and Skill Test Managers)

In the meeting the discussion focused on how trainees got the notice of training, their motivation to apply, overall management of training and classroom instruction, the quality and adequacy of trainers, training curriculum, trainees' assessment and instructional materials. In addition, trainees were asked about their own assessment of differences in their knowledge, skill and attitude before and after the training.

Key Findings

- Trainees got information from people they knew, newspapers, websites and local FM radios.
- Technical professionals were motivated to join to enhance their professional skills, sharpen their technical expertise, and to be able to take up the opportunity go to different parts of the country. Some said that being involved in skill test activities would also give them the opportunity for marketing their business as well.
- Some trainees applied through e-mail that made them easy and got reply of their selection by e-mail.
- Previously, some of the trainees had been employed as assessors based on their professional experience. After this training, the trainees said they were able to conduct skill test in a more organized and systematic way. They now also knew what technical competency was; and how competency levels were used in a real job at the workplace.
- In every lesson there were two trainers in the classroom. There were qualified experts, resource persons, and technical assistants that made instruction easy. Every minute was interesting and enjoyable. Time keeping was very strict for both trainers and trainees.
- Three days time was enough for training. Training allowances, lunch and training management was good.

ANNEX 6

Governance and Accountability Action Plan (GAAP) (Updated in July 2012)

Area of work	Issues	Risks	Actions to address the risks	Responsible agency	Timeline	Early warning signs	Status of implementation
Organizational arrangements							
Coordination in project implementation	Inter-departmental cooperation between participating GoN agencies	Weak collaboration between GoN agencies, sometimes, to overlapping responsibilities	<ul style="list-style-type: none"> The Coordination Committee will meet bi-annually to achieve better communication and coordination among all project entities. The Project Implementation Committee representing all project entities will ensure effective communications on a regular basis. PS staff will have clear TORs, including authority to execute policy/program decisions Roles and responsibilities between MOE and other project participants will be clarified more explicitly. The CTEVT-led Technical Team will have explicitly 	MOE	3 and 9	Delayed response to CC/PIC communications	The CC has never met.
				MOE	On-going and quarterly meetings (1, 4, 7, 10)	Frequent absence or lower level representation of members in CC/PIC meetings	Being carried out regularly
				MOE	February 22, 2011	Delays in PS decision-making	TORs for all staff have been finalized
				MOE/DPS	April 30, 2011		Defined and included in PIM
	Effective functioning of PS	PS not fully effective as a result of inadequate delegation of authority within the MOE's administrative arrangements		MOE/CC	February 22, 2011	Reports by GoN agencies or donors or	Defined and included in

Area of work	Issues	Risks	Actions to address the risks	Responsible agency	Timeline	Early warning signs	Status of implementation
	Coordination within sector	Duplication of efforts being undertaken by GoN and donors	<p>defined TORs</p> <ul style="list-style-type: none"> CC will be formed with GoN ministries and other relevant agencies. Other donors will be consulted periodically on project activities to improve harmonization efforts 	PIC/PS	<p>June 30, 2011</p> <p>On-going through the TEVT/Skills DP Group</p>	media on duplication or overlapping of project activities	<p>PIM</p> <p>CC formed but it has never met</p> <p>This has not yet happened. The PS plans to start this in Sept 2012.</p>
Policy							
National Skills Testing Board autonomy	Improved performance of NSTB	<p>Inadequate political support to strengthening CTEVT</p> <p>Greater autonomy not granted to NSTB</p>	<ul style="list-style-type: none"> CTEVT included as a member of the Coordination Committee and Project Implementation Committee. Support to CTEVT based on specific and transparent achievement criteria Bye-laws on NSTB autonomy adopted. 	<p>MOE/CTEVT</p> <p>CTEVT</p>	<p>June 30, 2011</p> <p>April 21, 2011</p>	<p>Upon completion of the current CTEVT vice-chair's term, delay in appointment of new vice-chair</p>	<p>Implemented</p> <p>Not yet happened. Bye-laws will be adopted by 30 Sept 2012</p>

Area of work	Issues	Risks	Actions to address the risks	Responsible agency	Timeline	Early warning signs	Status of implementation
Strengthening delivery systems							
Capacity building	Strengthening of key project entities	Conflict of interest in CTEVT in terms of strengthening the role of TEVT providers	<ul style="list-style-type: none"> All TEVT providers' Institutional Plans for support approved by Project Implementation Committee which has CTEVT as a member 	PS/CTEVT	June 30, 2011	Delay in approval of public training providers	In progress. Delayed as PIM had to be finalized first
		Inadequate capacity of SFAFDB and CTEVT for stipends management	<ul style="list-style-type: none"> Ensure administrative capacity strengthening of SFAFDB and CTEVT for stipends management with support from consultants if necessary 	PS/SFAFDB/CTEVT	June 30, 2011	institutional development plans	Not implemented. To be reviewed whether this should be a GAAP action
	Selection of trainees	Process of selecting trainees not transparent enough	<ul style="list-style-type: none"> Clear and transparent criteria for the selection process will be established 	PS/CTEVT	April 21, 2011	Delay in finalization of Financial Aid Forms (FAFs)	Criteria approved.
Matching/performance grants							
Institutional plans	Needs-based grants for	Weak but important TEVT providers to	<ul style="list-style-type: none"> Selection criteria puts adequate emphasis on strategically located 	PS	April 21, 2011	Formal or informal	Criteria approved.

Area of work	Issues	Risks	Actions to address the risks	Responsible agency	Timeline	Early warning signs	Status of implementation
Performance grants	TEVT providers	lose out to already strong providers Location-specific disadvantages (poor competitiveness) of some TEVT providers	institutions • Performance to be measured against each institution's own baseline/initial status	PS	Bi-annually to coincide with joint reviews in 2 and 8	reports about perceived imbalance in project support to TEVT providers	Not implemented. Work to start by Sept 2012
Procurement							
Selection and use of service providers	Effectiveness of results-based financing	Misuse of voucher- and results-based financing training opportunities	• Establishment of a strong monitoring and verification system for both voucher-based and results-based financing training opportunities	PS	June 30, 2011	Mismatch between reported and verified statistics	In progress
Financial management							
Effective checks and balances in financial management	Strengthening financial systems in project entities	Weak financial reporting and internal controls	• Staff will be trained on financial reporting • Financial reports and their timeliness will be monitored	PS PS	December 31, 2011 and ongoing	Backlog of financial reports	Completed. Being carried out regularly
Project management and Monitoring and evaluation							

Area of work	Issues	Risks	Actions to address the risks	Responsible agency	Timeline	Early warning signs	Status of implementation
Inputs	Staff deployment	Delays in deployment/use of project staff	<ul style="list-style-type: none"> Key staff will be in place before activities start 	MOE	May 31, 2011	Delays in publishing EOIs and TORs	Implemented
Processes	Internal communications	Frequent transfer of staff	<ul style="list-style-type: none"> Effectiveness of the provisions of Civil Service Act will be monitored to ensure enforcement 	PIC Representatives	On-going	Incomplete project progress	Included in PIM
Outputs	Quality control	Delays in disbursement of funds	<ul style="list-style-type: none"> Establishment of project level service standards for disbursement 	PS	April 21, 2011	Delay in the development and approval of plans reporting	Not yet started; will start by Sept 2012.
		Poor communications between project units	<ul style="list-style-type: none"> Mandatory regular field visits by project staff 	PS	On-going		Being carried out regularly
		Slipping deadlines for specific outputs	<ul style="list-style-type: none"> Use of results-based financing for project outputs 	PS	On-going		Being implemented
		Inadequate arrangements for quality control					
Transparency and accountability							
Integrity systems	Affiliation process	TEVT providers perceive unfair practices affecting processes of obtaining affiliation	<ul style="list-style-type: none"> Establishment of a fully web-based system of getting complete information on affiliation requirements and submission of applications Standards of service 	CTEVT	June 2012	Complaints in the media on unfair practices	Will be effective after MoU signed with CTEVT (Sept 2012)
				CTEVT	June	Difficult to recruit	Partially implemented

