

# System capacity grant (SCG)

## Overview

Country:	Nepal	
Period of the next education sector plan/transitional education plan (if applicable):	School Education Sector Plan (2023-2032).	
Coordinating agency:	UNICEF (this function rotates as part of the JFP focal point role on an annual base)	
Maximum SCG allocation:	USD 3,400,000	
Total SCG amount requested (for all windows):	USD 1,649,604 (UNICEF) USD 1,750,000 (World Bank)	
Agency fees (additional to the SCG amount requested): <sup>1</sup>	USD 115,472.28 (UNICEF) USD 30,625 (World Bank)	
Agency fees (as % of SCG amount): <sup>2</sup>	4 percent of UNICEF component	
Other sources of funding for SCG-related activities: (Provide total, then list amount per source of funding)	Total support estimated around USD 488 million, including:	
	Pooled budget support for the School Education Sector Plan:	
	ADB	USD 200 million
	World Bank	USD 120 million
	EU	EURO 40 million
	USAID	USD 25 million
	Norway	NOK 195 million
	GPE (STG)	USD 19.7
	GPE (Multiplier)	USD 40 million
	Finland	EURO 19 million
	UNICEF	USD 2.5 million
	USAID technical support to strengthen equity and inclusion in education: USD 20 million	
	EU & Finland technical assistance to support teacher professional support: EURO 10 million	
EU Complimentary budget to support implementation capacity for the GPE: EURO 4.7 million		
Norway and ADB support to strengthen public financial management in education: NOK 2 million + USD 0.5 million		

<sup>1</sup> If there are multiple grant agents, list agencies and corresponding fees.

<sup>2</sup> If there are multiple grant agents, list agencies and corresponding percentages.

<b>Financing window 1: Strengthen gender-responsive planning and policy development for systemwide impact</b>	
Grant agent:	UNICEF
Amount requested for window 1:	USD 592,237
Estimated starting date:	07/15/2023
Estimated completion date:	07/15/2027
<b>Financing window 2: Mobilize coordinated action and financing to enable transformative change</b>	
Grant agent:	UNICEF/World Bank
Amount requested for window 2:	USD 994,867/ USD 320,000
Estimated starting date:	07/15/2023
Estimated completion date:	07/15/2027
<b>Financing window 3: Strengthen capacity, adapt and learn, to implement and drive results at scale</b>	
Grant agent:	UNICEF/World Bank
Amount requested for window 3:	USD 62,500/ USD 1,430,000
Estimated starting date:	07/15/2023
Estimated completion date:	07/15/2027
Estimated date for system transformation grant/Multiplier submission, if relevant:	The STG application was approved by the GPE Board on January 31, 2023.

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# 1. General information

## 1.1 Activities to be funded

*Check the boxes for the relevant activities for which funding is being requested.*

### **Financing window 1: Strengthen gender-responsive planning and policy development for systemwide impact**

A. System diagnostics, compact development and education sector analyses	<input checked="" type="checkbox"/>
B. Gender-responsive sector planning, including operational planning and budgeting	<input checked="" type="checkbox"/>
C. Supporting policies and plans to identify and address multiple forms of exclusion (planning for children with disabilities, system resilience and inclusion of displaced children)	<input checked="" type="checkbox"/>
D. Strengthening evidence-based diagnosis of critical implementation bottlenecks and identifying potentially scalable, transformative solutions	<input checked="" type="checkbox"/>

### **Financing window 2: Mobilize coordinated action and financing to enable transformative change**

E. Strengthening sector coordination, including local education groups, joint sector reviews and monitoring the effectiveness of the country-level partnership	<input checked="" type="checkbox"/>
F. Establishing and operating pooled funding mechanisms	<input checked="" type="checkbox"/>
G. Strengthening budget processes and ministry of finance engagement; identifying opportunities to improve the equity and efficiency of education expenditure, including processes toward gender equality	<input type="checkbox"/>
H. Cross-sectoral convening	<input type="checkbox"/>

### **Financing window 3: Strengthen capacity, adapt and learn, to implement and drive results at scale**

I. Strengthening data systems, including on improving the availability and use of sex-disaggregated data, and data on children with disabilities	<input type="checkbox"/>
J. Training and support for government staff and central and decentralized levels, including on the uptake and use of data and evidence	<input checked="" type="checkbox"/>
K. Support for implementation capacity, including sector plan implementation monitoring, gender responsiveness of the sector and evaluation of sector plans and policies/programs in priority areas; assess monitoring, evaluation and learning capacity, including use of evidence in policy process	<input checked="" type="checkbox"/>

## 1.2 Linking activities with the partnership compact

Check the boxes that apply.

A. Has the country developed a partnership compact?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
B. Will this funding support <b>activities related to the development of a partnership compact</b> ?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
C. Will this funding support <b>activities related to the needs identified in the compact</b> ?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
D. The amount requested is US\$700,000 or less and will be used for one or all of the following activities: (i) sector analysis, (ii) education sector plan development, (iii) joint sector review	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

E. If the response to all of the above (A–D) is no, please explain why the activities for which this SCG is requested are urgent. Also provide any relevant information regarding other sources of funding expected to be used for capacity reinforcement related to assessment of enabling factors during the compact process.

The Nepal SCG Concept Note has been attached to this application to provide further detailed information. The SCG supports activities to strengthen the institutional capacity for the implementation of Nepal's sector plan, aligned with Technical Assistance (TA) mobilized from other development partners under the Common TA Framework for the SESP.

## 1.3 Grant agent

→ **Attachment:** The complete application should include the minutes of the local education group meeting during which the SCG grant agent was selected.

Please describe the internal procedures and processes of the grant agent in relation to the administration and monitoring of this grant, as well as its added value in terms of technical, financial and/or other strengths, in 400 words or less.

**Rationale for co-grant agency of the Nepal Strategic Capacity Grant;** The SWAp is considered a model in terms of aid alignment and sector dialogue. Based on received expressions of interest for the role of SCG Grant Agent, a co-grant agent modality between UNICEF and World Bank was proposed, allowing to use the respective strengths of the organizations.

**UNICEF** has been successfully managing the previous GPE technical assistance grants over the last eight years, it also has an institutional setup that allows it to be engaged along the education sector. UNICEF is well positioned in taking up convening and coordinating roles within the Nepal SWAp, including focal point for the LEDPG and the GPE Coordinating Agency, and is equally strongly placed to do this in the context of major disruptions/disasters by making sure its dual role as LEDPG focal point and co-lead of the Nepal Education Cluster allows a minimal disruption in the sector coordination as this moves in and out of humanitarian

assistance response and early recovery. UNICEF has successfully managed two previous ESPDGs, which supported institutional capacity strengthening during the federal transition and the development of the SESP.

**The World Bank** is the grant agent of a large portfolio of GPE projects globally. In South Asia, the World Bank is currently the grant agent in Afghanistan, Bangladesh, Maldives, Nepal and Pakistan. In Nepal, the World Bank has successfully implemented three GPE investments under the previous sector plans in partnership with the Government and close collaboration with LEG, the World Bank has a comparative advantage in supporting the GoN in the design and implementation of GPE grants through a unified reporting mechanism and fiduciary systems, supporting capacity development and donor harmonization. The World Bank focuses on empowering governments and communities lead the design and implementation of development programs. The World Bank has supported the following capacity building activities in Nepal: (i) enhancing project management capacities, including planning, financial management and procurement skills, among project officials, academics and community-based management committees; (ii) developing expertise within government and education institutions in environmental and social safeguard aspects of project operations; and (iii) enhancing monitoring and evaluation capacity, specifically strengthening implementation of student learning assessments, surveys and evaluations in school sector and across subsectors.

UNICEF and World Bank were endorsed by the LEG as co-grant agents during the 2022 Joint Review Meeting (JRM) and recorded accordingly and the JRM Aide Memoire (paragraph 50). The 2022 JRM Aide Memoire has been attached as Annex 4a.

## 1.4 Application development

Please describe the approach and process that resulted in this application and its related deliverables (concept note and budget), including the collaboration between the government and development partners, in 600 words or less.

The Nepal SWAp has been a model of participation from the broader LEG in sector dialogue and coordination. Nepal has a longstanding tradition of implementing its education sector plan through a SWAP, which includes a pooled-budget support modality and is supported by a JFA. The pooled-budget support is aligned with the national sector budget, and ensures its full utilization, while minimizing transaction costs and reporting requirements. The establishment of a pooled-funding modality in the Nepal education sector has provided a platform for active sector dialogue over time. This includes systematic engagement of development partners, and other sector stakeholders and representatives, in bi-annual joint sector reviews. This engagement is continued through regular meetings and technical discussions between these bi-annual reviews. This has established several mechanisms for consultation and collaboration within the Nepal LEG.

The GPE Strategic Partnership and the SESP are closely interlinked, and both focused on unlocking the capacity of the local governments to execute their mandate on the management of school education. For this, it is envisioned that by establishing a mechanism that allows local governments to assess their

system/institutional capacity (across the enabling factor areas presented in the next section) and make need-based technical assistance and support available accordingly in a systematic and predictable way.

Both UNICEF and the World Bank play a lead role in harmonizing development partner coordination efforts. This include taking on the role of Focal Point and acting as co-lead in the joint Thematic Working Groups under the SSDP period and as facilitating DP in the current SESP Thematic Committees and working groups.

In terms of capacity to support sector dialogue, UNICEF has played a key role in the establishment and institutionalization of the sector dialogue under the Nepal SWAP, which is regarded as a model SWAP by GPE and others<sup>3</sup>. Within the sector dialogue, UNICEF has continued to support the inclusion of the broader local education group stakeholders (including CSOs and stakeholder representatives, for example through regular engagement with the CSO SWAp partners and supporting Government on how to capacitate these actors to engage strategically and effectively in the SWAp. Under the SESP, UNICEF is engaging in a strategic partnership with the EU and Finland to support the Government in strengthening its coordination and collaboration on key functions in the education sector to ensure that the strong policy frameworks and commitments are met at the municipal and school level with capacity to transform these into quality education services on the ground.

The Nepal education SWAP was initiated during the BPEP II in 1999, when the World Bank, Danida, EU, Finland and Norway agreed a common approach to support the government Program. The approach continued as a SWAp under EFA with DFID, Finland, Norway, Denmark, the World Bank, and government signing the JFA in 2004. The World Bank has played an instrumental role in bringing the DPs together to support a results-based approach by conforming to a common-set of DLIs and verification approach. The World Bank continues to play the coordinating role in the SWAp in terms of being the fiduciary management (FM) lead and offers designated FM staff members to provide support to other JPFs on various FM aspects of projects, as agreed in the SESP JFA, assuring full transparency and efficiency. As GA for the GPE's STG and Multiplier Grant, the World Bank is able to use the standing financial procedures agreement with GPE to eliminate delays; and leverage ongoing dialogues maintained with MoEST and its CLAs, as well as sub-national governments.

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<sup>3</sup> Please refer to the 2019 prospective GPE country evaluation and the 2018 global DCP pre-board meeting, as well as to several webinars organized on this

## 2. Deliverables for the application

### 2.1 Concept note

→ **Attachment:** The complete application should include the **concept note**, prepared in a separate Word document by the country team based on the SCG guidelines. The concept defines the scope of the work and associated tasks. The concept should also include the following items: (1) reasons to address specific enabling factors or areas, (2) how what is proposed will address the specific issues identified, (3) how the proposed action will lead to system capacity reinforcement, and (4) value for money proof that the proposed interventions have reasonable chance of success based on national, regional or global evidence.

The concept note should also indicate how gender equality has been hardwired through the program design, including systematically applying a gender lens and identifying key challenges and design of program activities from a gender equality perspective.

**NOTE:** If this application is informed by a compact that identifies the areas of need, the concept note can exclude item number 1.

Please provide any comments on the document to be attached.

All activities supported by the SCG will ensure a gender lens and identify key challenges and design of the activities from a gender equality perspective. The SCG Concept Note has been developed based on the Nepal GPE Strategic Partnership Agreement (SPA) which serves as the equivalent of the Compact for the Nepal LEG.

The SCG Concept Note has been attached as Annex 1.

### 2.2 Gender equality

Describe how the activities to be financed by the grant support gender equality in the education sector.

Nepal has made significant efforts on gender responsive budgeting and in some respects is a regional leader. However, there has been limited effectiveness at subnational levels to address gaps and achieve widespread adoption. In addition, few budgeting actions related to social inclusion have been taken. There have been attempts to foster girls' education networks and communities of practice between nominated staff at a local level. However, there is not yet clear evidence on the effectiveness of these interventions, nor is there regional consistency. Pedagogy in schools does not consistently demonstrate child-centered, inclusive practices, especially for vulnerable and excluded children. Teachers often lack the tools or guidance to adopt new practices.

Based on this, the LEG agreed that the potential area for transformation lies in building the capacity of local governments to adapt the policy and planning frameworks that have been established at the national level. These need to be contextualized into local level mechanisms that allow gender-responsive planning, implementation



and monitoring, and enforcement of gender policies to ensure that schools have gender-sensitive facilities and that they are free from gender-based violence and harassment. For this, education planners and leaders will need to be supported to make better use of data to identify inequities and promote the perspectives of marginalized groups. Diverse stakeholder views are needed to formulate solutions to social exclusion and facilitate improvements that will challenge harmful traditional practices and address gender-based discrimination and violence.

Gender equality will be considered under the broad lens of social inclusion. This is because there is ample evidence which indicates that intersectionality between gender and other drivers of marginalization create the greatest disparities in education outcomes. To unlock the transformational change envisioned under the Strategic Partnership Agreement, establishing mechanisms to ensure adequate deployment, training and support to ensure sufficient numbers of teachers that are motivated and skilled to provide pedagogically-sound, need-based and gender and social-inclusive education as the overarching area is identified.

The priority reforms, identified in Nepal’s Partnership SPA (Compact) is reflected in the joint Disbursement Linked Indicator (DLI) framework and supported by the variable tranche of the STG, which link them with the other priorities jointly identified by the Government and the JFPs for the SESP. At the same time, a joint technical assistance framework will be set up, with the support of the system capacity grant, to guide and align other major technical assistance in support of the SESP. The major aim of this technical assistance framework will be to provide a harmonized approach towards strengthening the enabling factors for local governments to undertake their mandated education related functions.

All activities supported through the SCG will be planned and implemented in a gender responsive manner. In addition, there are significant SCG allocations dedicated to gender transformative planning and system strengthening, such as the roll out and institutionalization of the Gender and Inclusive Education Network (GIEN) and the earmarked professional development for female officers and head teachers.

The SCG budget has been attached as Annex 2.

## 2.3 Safeguards against sexual exploitation, abuse and harassment (SEAH)

GPE seeks to ensure that there are safeguards against sexual exploitation, abuse and harassment in the programs funded by its grants. Please complete the table below to confirm that due consideration has been given to protection against SEAH.

SEAH risk assessment		
Does the program design/activities include consideration of risk associated with SEAH that	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	The proposed interventions and activities are expected to have a significant positive impact on the reduction of risks associated with SEAH in terms of the focus of strengthening child/gender sensitive and safe enabling learning environments.

<p>may be induced or exacerbated by the GPE grant?</p>	<p>In addition to this, both grant agents have a zero tolerance on SEAH and UNICEF's Country program Action Plan (CPAP) for 2023-27 includes a strong child protection component that is aimed at supporting the Government to build an inclusive, protective environment that prevents and responds to violence, exploitation and abuse against children and women. It is aimed at ensuring that children, especially adolescent girls, those with disabilities, from disadvantaged caste and ethnic minorities, and migrant families receive improved protective services including birth registration, prevention and response to gender-based and other forms of violence, particularly child marriage, child labour and trafficking, and sexual exploitation.</p> <p>The environmental and social risks of the Program are rated Moderate. The relevant Environmental and Social Standards (ESSs) are ESS1, 2, 3, 4, 7 and 10. The priority activities and eligible results areas for the program present moderate and largely reversible environmental and social risks. The social risks comprises of inadequate and/or ineffective screening of vulnerable communities and Indigenous People, mismatch of learning materials vis-à-vis contents/language, poor access to distance learning facilities/media, lack of child-friendly environment and facilities; socioeconomic conditions, norms and values that exacerbate discrimination, risks of SEA/SH and violence against children resulting to exclusion among children of Indigenous People/vulnerable communities' group, mainly girls and children with disabilities, and Dalits. The Program's SEA/SH risk is assessed as 'moderate'. The Program will rehabilitate and construct GRID classrooms which will require a moderate flow of workers within school areas. This could lead to interactions between workers, students, and faculty members, triggering potential risks associated with SEA/SH.</p> <p>According to the nature of proposed capacity building, activities will be screened and, where relevant, and E&amp;S risk assessment and management will be integrated into the TORs of various activities. TORs, work plans or other documents defining the scope and outputs of proposed activities will be prepared to be consistent with the ESF. Stakeholder Engagement Plan (SEP) is being prepared and will be disclosed before appraisal to allow meaningful stakeholder consultation during the preparation and implementation of the project. Appropriate and enabling</p>
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		space to facilitate awareness, reporting and response measures related to SEA/SH grievances and Violence against Children (VAC) will be considered by the project. The sector has existing mechanisms and policies such as the teachers and students code of conduct on GBV and referral protocols, and a dedicated gender unit within the CEHRD that will be strengthened.
If SEAH risks were identified, are there any proposed mitigation measures.	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	Enhancing the existing Complaint Response Mechanism as part of the extension and institutionalization of the Gender and Inclusive Education Network will further strengthen the grievance redressal mechanism at the municipal- and school level. The mechanism includes management of SEA/SH and VAC related grievances and develop referral mechanism with service providers.
If SEAH risk is not relevant for the grant, please provide reasons for this conclusion.		The GPE Strategic Partnership analysis of the priority areas confirmed that where strong policy and safeguarding frameworks have been put in place at the central level, these are yet to be translated into strong implementation and mechanisms at the local level and in schools

## 2.4 Budget

→ **Attachment:** The complete application should include the budget for the activities for which GPE funding is requested, prepared in the SCG [Excel template](#) by the country team based on the guidelines and instructions provided in the template.

Please provide any comments on the document to be attached, if needed.

The budget has been attached as Annex 2 and also include (a part of) the confirmed funding by other JFPs, which will be mobilized to strengthen the enabling factors and priority areas identified in the Nepal GPE Strategic Partnership Agreement (which has been attached as Annex 3).

### 3. Submission

#### 3.1 Any additional information

If the local education group wishes to submit additional documents than those required (see below 3.2), please list them here and attach them to the application.

Various key documents have been annexed to the Nepal SCG Concept note (Annex 1)

Please provide any additional comments, if needed.

The presentation made on the Nepal SCG application at the 2023 BRM has been attached as Annex 5

#### 3.2 Endorsement of application

→ **Attachment:** The complete application should include the minutes of the local education group meeting during which the SCG application was endorsed.

Before the application is sent to the Secretariat, it should be approved by the local education group to ensure consensus around the activities to be supported and that all members of the group are properly informed. Please provide any comments, if needed.

The Nepal SCG application was presented to the LEG during the May 2023 Budget Review Meeting (BRM), following which, the LEG endorsed the application (see Aide Memoire paragraph 38). The endorsement has been recorded in the 2023 BRM Aide Memoire, which has been concurred with by the Ministry of Finance.

The 2023 BRM Aide Memoire and SCG presentation have been attached as Annex 4b and the concurrence from the Ministry of Finance has been attached as 4c.

#### 3.3 Signature and submission

Once all deliverables for the SCG application have been prepared and once the present form has been completed by the grant agent, the government signs the application and submits it with the listed attachments to the Secretariat via email, [gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org), copying the coordinating agency, the grant agent and the Secretariat country team lead.

## Signature of partner ministry representative

The below signatory endorses the application. (Type or use an electronic signature below. It is not necessary to hand-sign and scan this document.)

Name of signatory:	<a href="#">Click here to enter text.</a>
Job title and agency:	<a href="#">Click here to enter text.</a>
Email:	<a href="#">Click here to enter text.</a>
Phone:	<a href="#">Click here to enter text.</a>
Date:	
Signature:	

## Signature of coordinating agency representative

The below signatory confirms that the partners are aware of and agree to the content of the application and are informed. (Type or use an electronic signature below. It is not necessary to hand-sign and scan this document.)

Name of signatory:	<a href="#">Click here to enter text.</a>
Job title and agency:	<a href="#">Click here to enter text.</a>
Email:	<a href="#">Click here to enter text.</a>
Phone:	<a href="#">Click here to enter text.</a>
Date:	
Signature:	

## Signature of grant agent representative

The below signatory confirms that the partners are aware of and agree to the content of the application and are informed. (Type or use an electronic signature below. It is not necessary to hand-sign and scan this document.)

Name of signatory:	<a href="#">Click here to enter text.</a>
Job title/ agency:	<a href="#">Click here to enter text.</a>
Email:	<a href="#">Click here to enter text.</a>
Phone:	<a href="#">Click here to enter text.</a>
Date:	
Signature:	