

Higher Education Reforms Project (HERP)

Report on

Achievement of Disbursement Linked Indicators

Sixth Report for Disbursement Claim

(Year 4 –1st Claim, 2018/19)



University Grants Commission(UGC),

Sanothimi, Bhaktapur, Nepal

2019

Table of Contents

Acronyms

Executive Summary

DLI targets, Achievements, and Pricing3

Eligible Expenditure Programs (EEPs) and Overall DLI Claim Status:.....5

Conclusion5

Annexes

Annex A: List of accredited institutions

Annex B1: List of community campuses that received Performance Based Grants under DLI 2

Annex B2: List of TU constituent campuses that received Performance Based Grants under DLI 2

Annex C: List of programs supported under DLI 5

Annex D: Students' scholarship status (DLI 6)

Annex E: List of faculties recruited as per the criteria of DLI 7b.

Annex F: Eligible Expenditure Program (EEP)

(i) Attachment 6 - Statement relating to roll-over of Eligible Expenditure Programs and DLI amounts for Category1

(ii) Salary expenditures of TU institutions

Acronyms

DLI	Disbursement Linked Indicators
EEP	Eligible Expenditure Programs
FA	Financing Agreement
FY	Fiscal Year
GoN	Government of Nepal
HERP	Higher Education Reforms Project
PMT	Proxy Means Testing
PU	Purbanchal University
SDR	Special Drawing Rights
SFAFDB	Student Finance Assistance Fund Development Board
TU	Tribhuvan University
TU-PIO	Tribhuvan University Project Implementation Office
UGC	University Grants Commission

Executive Summary

This is the sixth Disbursement Linked Indicators (DLIs) based progress report and disbursement claim of the Higher Education Reforms Project (HERP) covering the period June 2018 – January 2019 of the project implementation. The report covers HERP implementation progress and target achievements made by all the implementing agencies including the University Grants Commission (UGC), Tribhuvan University Project Implementation Office (TUPIO) and Student Financial Assistance Fund Development Board (SFAFDB). The following is a brief description of the activities, achievements and DLI claim by January, 2019 (by 2075 Magh 17).

I. DLI 1

The number of institutions accredited has increased to 30 fulfilling 100% of year 2 target. The DLI based claim by this reporting time is **SDR 1035, 000.00**, which is the DLI allocation for year 2 (see annex A).

UGC has completed the setup for functional autonomy to the QAA System at UGC in accordance with the regulation endorsed by the government of Nepal on May 8, 2017. Achieving full functional autonomy of QAA system including authorization of financial management to QAA Division is at the last stage. UGC board meeting has already made decision and the letter sent to MOEST for endorsement of the revision in the QAA regulation, accordingly.

II. DLI 2

There are two parts under DLI 2. The first part, DLI 2a target for year 3 was to select 3rd cohort of 45 institutions (campuses) cumulating to 135 and the performance grants released to them. During the 5th claim period of the third year the third cohort selection was accomplished cumulating to a total of 151 (124 Community Campuses + 20 TU Constituent Campuses + 7 TU Autonomous Campuses). However, performance grants could be provided to additional 17 (37.78%) of the year 3 target of 45 campuses. In this reporting period performance grants are provided to 136 of the campuses from all the cohorts achieving 100% of the year 3 target. Accordingly the DLI claim is **SDR 643,839.11** for the remaining 62.22% achievement against the year 3 target (see annex B1 and B2).

Additionally, 15 schools (Kathmandu University 7 + Pokhara University 4 + Purbanchal University 4) and 15 Central Departments of TU were also selected for participation in the performance grants scheme, cumulatively 181 are now participating in HERP for performance grants.

Regarding the second part - DLI 2b, formula based block grants have been provided to additional 3 autonomous campuses against the target of 4 for year 3. Similarly, performance based funding were provided to 471 community campuses in year 3 against the target of minimum 30. This progress has been already accounted for in the DLI claim report 5.

III. DLI 3

Regarding the 1st part of this DLI, earlier in year one and 2 TU granted institutional autonomy to 3 constituent campuses and formula based block grants provided to all three autonomous campuses achieving 100% of year one target and 50% of the year 2, the progresses were made in year 1 and year 2. There is no claim for this DLI 3 part 1 in this reporting period.

Regarding the 2nd part of this DLI, Lumbini Banijya Campus and Janapriya Multiple Campus fully attained academic autonomy achieved 100% target for year 1. There is no claim for this DLI in this 6th report period.

IV. DLI 4

All the targets relating to DLI 4 part one have been achieved in year 1 of the project implementation and accordingly the DLI claims were made in earlier reporting time and disbursements received fully. There is no further progress regarding the second part of this DLI for this reporting period.

V. DLI 5

By this reporting 83 programs have been newly introduced or revised achieving over 100% of year 2 target which was introduction or revision of 80 programs (addition of 60 to the year 1 target of 20). Out of 83 total programs, 56 were achieved by the fifth claim period with addition of 36 (60% of the year 2 target of additional 60), and the fifth claim of SDR 621000 released already.

Accordingly the DLI 5 claim of **SDR 414,000.00** for the remaining 40% of the total year 2 target is made for this period (see annex C).

VI. DLI 6

By this reporting period a total of 12014 (1971 Secondary level + 10043 Bachelor level) students have been selected and funds are released to 8805 leading to fully achieving the selection and funds release to year 1, year 2 and year 3 targets as well as covering 97.2% of the year 4 targets of selecting and releasing funds to 9500 students (2000 secondary level+ 7500 Bachelor level).

Accordingly the total DLI 6 claim is **SDR 499,387.5** ($0.388 \times 517500.00 = 19665.00$ for year 3; and $0.927 \times 517500.00 = 479722.5$ for year 4) (see annex D). Additionally the selection of the last cohort of the secondary level students are on the process.

VII. DLI 7

Under the UGC sub-component 7 (a) the first batch (year 1 batch) of 295 research projects were selected in year 1 and funds released to all of them, in year 2, the second batch 350 projects are already selected and funds released to 327, cumulatively the number of total projects (which is 622) selected and funds released and has surpassed the cumulative total project period target of 500. Accordingly, the DLI 7(a) claims for year 2, 3, and 4, already disbursed in the fifth claim period.

Regarding DLI 7(b) the 11 faculty members have been recruited on the basis of academic excellence thus achieving the year one target 10 faculty members recruited on the basis of

academic excellence. Accordingly **SDR 258,611.11** is claimed in this reporting period (see annex E).

sDLI targets, Achievements, and Pricing

The Table below lists the targets and achievement progress for the 6th claim period, by January 2019.

Table 2.1: Disbursement Linked Indicators and Achievements of targets in FY 2018/19

DLI Description	Target	Achievement	Percentage of Target Achieved	Sub-DLI Pricing, SDR as per FA	Remarks
DLI 1: National Accreditation System Established and Functioning	Year two target: 10 additional HEIs accredited; cumulative 30 HEIs accredited	10 additional HEIs accredited	100% of the year 2 target achieved	1,035,000.00	20 including 12 at the baseline (100% of the year one target) was achieved in the 5th claim period.
DLI 2: Performance Based Financing Extended to Higher Education Institutions	Year three target: (2a) Third group of 45 HEIs selected as per PIM, MOU signed and Performance Based Grants released to the first, second and third groups (total 135 HEIs)	(2a) Total of 166 HEIs selected against the target of 135 HEIs, MOU signed and 136 HEIs received Performance Based Grants	(2a) Over 100% of the year 3 target achieved	0.622 x 1035111.11 = 643839.11	In the 5th reporting period 37.8% of the year 3 target was achieved and accordingly DLI claim released.
DLI 5: Academic Reforms Introduced: Revision of Existing and Introduction of New Programs at Undergraduate and Graduate Levels	Year two target: A total of 60 programs revised or introduced (cumulative 80)	A total of 27 additional programs revised or newly introduced (23 new and 4 revised); Total of 83 revised or new programs supported	100% of the year 2 target achieved	0.4 x 1035000.00 = 414000.00	56 addition/revision on i.e., 60% of the year 2 target achieved in year 3 and accordingly DLI claim released in the 5th claim period; 24 addition/revision or remaining 40% of the target achieved and claimed in this

					reporting period, 3 programs will be counted in the next claim.
DLI 6: Poverty - targeted Financial Support for Underprivileged Students	Year three target: (i) third cohort at least 3000 students selected through PMT (cumulative 9000) (ii) funds released to at least 6000 students from first, second and third cohorts received scholarship as per schedule; Year four target: cumulative 9500 (7500 Bachelors + 2000 HSS students including the 4th cohort of 500 HS students selected and funds released to all 9500	(i) A total of 12014 (10043 Bachelors + 1971 HSS) students selected (ii) A total of 8805 students received scholarships in year one, two and three	100% of the year 3 target achieved; 92.7% of year 4 target achieved	Total of 499387.5 claimed: $0.388 \times 517500.00 = 19665.00$ for year 3; and $0.927 \times 517500.00 = 479722.5$ for year 4	61.2% of the year 3 target achieved and DLI claim disbursed in the 5th reporting period; remaining 38.8% claimed in this reporting period; additionally 92.7% of year four target achieved and claimed for this reporting period.
DLI 7(b) Faculty recruited and/or promoted based on excellence	Year 1 target: First batch of faculty (at least ten) recruited and/or promoted based on excellence	A total of 11 faculty recruited and/or promoted based on excellence	100% of year 1 target achieved	258,611.11	The remaining 1 will be accounted in the next claim period.
			Total SDR	2,850,837.72	

Total DLI Claim and EEP

The total pricing of DLI achieved for this 6th DLI claim reporting period is **SDR 2,850,837.72** which is the sum of eligible claims of SDR 1035000 for DLI 1 (part 1); SDR 643839.11 for DLI 2 (part 1); SDR 414000.00 for DLI 5; SDR 499387.5 for DLI6; and SDR 258611.11 for DLI 7(b).

Copies of supporting documents relating to achievement under each of the DLIs are included in annexes. These documents are also uploaded in UGC website (www.ugcnepal.edu.np). TUPIO and SFAFDB have also uploaded the documents of respective baseline DLIs in their respective websites (www.tuherp.edu.np; www.sfafdb.edu.np). -

Eligible Expenditure Programs (EEPs) and Overall DLI Claim Status:

By this reporting period of year four first claim (overall 6th claim report), the total salary expenditure of TU which is verified and reported for the period (until 2075 Kartik) i.e., the Eligible Expenditure Programs by the year was **NPR 2,350,771,058.26**. The EEP claim amount (20% of EEP) is **NPR 470,154,211.65** which is approximately **SDR 2,982,455.03** (1 SDR= NPR 157.64). Moreover the EEP claim brought forward from the last claim period (Year 4, 1st claim) is **SDR 4,041,343.50**. Therefore the total EEP claim for this claim period (overall 6th report) is **SDR 2,850,837.72**. See Attachment 6 for the details.

Therefore UGC request the World Bank to disburse **SDR 2,850,837.72** to GoN treasury against the DLI earned amount as per the financing agreement. The remainder of the EEP claim of **SDR 4,172,960.81** will be carried over to the next reporting period.

Conclusion

This report covers the reporting period that follows the third year second claim period (overall 6th report).i.e., March 2018 through January 2019. During this reporting period 10 more HEIs received accredited status with a cumulative of 30 accredited HEIs in Nepal. Regarding first part of the DLI- 2 181 HEIs are currently participating in the provisions of DLI 2 surpassing the target of 135 HEIs. By the end of this reporting period a total of 136 participating HEIs have been able to receive performance based funding which is over 100% of the year 3 target achieved. Regarding attainment of the target in DLI 5 a total of 23 programs have been introduced and 4 programs have been revised during this period having a cumulative of 83 new/ revised programs supported under DLI 5 provisions which is slightly over 100% of the year 2 target of 80. In DLI 6 a total of 12014 students have been selected out of which 8805 have received scholarships. The status reveals that 100% of the year 3 target and 92.7% of the year 4 target have been achieved. In this reporting period a total of 11 faculties have been recruited and / or promoted based on excellence following the provisions of DLI 7 (b). This report claims **SDR 2,850,837.72** which is the sum of SDR values for each of the attained targets.

HERP implementation is taking place bringing important reforms in higher education in Nepal. However challenges persisted in meeting the targets on time because of many unforeseen issues. Most of the challenges and the issues relate to shifting the higher education approaches from the existing contexts, values and practices to the new directions set by the project following the higher education policy and the national program outline. The issues and challenges mainly relates to the institutional transformations and capacity development required to meet HERP reform expectations including QAA norms and standards. Many of these issues and challenges were discussed in the project implementation review missions, particularly since the mid-term review. Accordingly some restructuring needs were identified and are being processed. There is a great concern that meeting the targets on time posed a great challenge. Overall, there is realization that HERP has helped to initiate reform at the core of HE system in the country and the initiatives must be continued as longer term efforts because of the challenging country contexts.

Annexes:

See attached files