



UNIVERSITY GRANTS COMMISSION

NURTURING EXCELLENCE IN HIGHER EDUCATION PROGRAM (NEHEP)

2021/22 – 2025/26

STANDARDS, OPERATIONAL POLICIES AND GUIDELINES For PERFORMANCE BASED FUNDING

APRIL, 2022

Acronyms

AWPB	Annual Work Plan and Budget
DLI	Disbursement Linked Indicators
DLR	Disbursement Linked Results
DOI	Digital Object Identifier
E&S	Environment and Social
EMIS	Education Management Information System
FBF	Formula Based Funding
FY	Fiscal Year
GDP	Gross Domestic Product
GON	Government of Nepal
GRM	Grievance Redress Mechanism
HE	Higher Education
HEI	Higher Education Institution
LMDP	Labor Market Driven Program
LOI	Letter of Intent
M&E	Monitoring and Evaluation
MOEST	Ministry of Education, Science and Technology
MOU	Memorandum of Understanding
NEHEP	Nurturing Excellence in Higher Education Program
NHEP	National Higher Education Program
OM	Operations Manual
PBF	Performance Based Funding
QAA	Quality Assurance and Accreditation
QE	Quality Enhancement
RDI	Research Development and Innovation
RMC	Research Management Cell
S&T	Science and Technology
SEA/ SH	Sexual Exploitation and Abuse/ Sexual Harassment
SOPG	Standard, Operational Policies and Guidelines
STEM	Science, Technology, Engineering and Mathematics
TU	Tribhuvan University
UGC	University Grants Commission
WB	World Bank
OHS	Organizational Health and Safety

Table of Contents

I – Background	1
1.1 Country Context	1
1.2 Principles	5
1.3 Scope	5
1.4 Objectives	6
II – Standards, Operational Policies and Indicators of Performance Based Funding	7
2.1 Standards	7
2.2 Operational policies and indicators	9
2.2.1. <i>Regular Performance Based Funding</i>	9
2.2.2. <i>Extended Performance Based Funding</i>	10
<i>Areas of Extended Performance Based Funding</i>	11
III - Implementation Framework.....	15
3.1 Regular Performance Based Funding	15
3.2 Extended Performance Based Funding.....	17
3.2.1 <i>Eligibility and Selection Criteria in Extended PBF</i>	17
3.3 Funding Arrangement of Extended Performance Based Funding.....	18
3.4 Monitoring and Evaluations	21
Annex-1: Fund Allocation for Extended Performance Based Funding	24

I – Background

1.1 Country Context

1. The higher education sector has seen 29.29 percent expansion in number of students and 2.13 percent in number of campuses from 2015/16 to 2019/20¹. There are 12 federal level universities supported by the federal government through MOEST/ UGC which have 152 (11% of total) constituent and 536 (37% of total) affiliated community campuses, and 737 (52%) affiliated private campuses. Private campuses are not funded directly through MOEST/ UGC system. The respective enrollments are 36%, 27% and 37%. There are 6 health science academies supported by the federal government through the Ministry of Health and Population (MOHP). In addition, the UGC is supporting infrastructure development of 3 new universities and 4 medical colleges. Provincial level universities are also being established which are not yet in the MOEST/ UGC financing framework.

2. The government's budget allocation for education sector is NPR 180.04 billion for the fiscal year 2021/22 (10.93% of the total budget). The allocation for higher education is 18.34 billion (10.18 percent of the total education budget). This allocation is 1.5 percent less compared to the previous year which was 11.68 percent. Expenditure on higher education as percentage of total government expenditure was at 1.83 percent in 2015/16¹ whereas this share is 1.10 percent in 2021/22. Public finance for HE in Nepal fluctuated between 0.29 percent in 2003 to 0.41 percent (in 2015 of the respective year's GDP). These figures are far below compared to some countries in the region and beyond². Although the government funding has increased over the years in absolute term, it is yet far below 20 percent of national budget and 6 percent of the GDP in spite of the commitment made by the government in international forums (Incheon Declaration 2015). On one hand the allocation is insufficient and on the other its utilization is ineffective.

3. An increasingly larger proportion of the higher education recurrent expenditure are for salary payment. Currently, around 80 percent of the expenditure goes for salaries of teachers and staff leaving only 20 percent for non-salary recurrent expenditure for instructional purposes such as teacher/ staff capacity building, laboratory strengthening, inclusive quality education and so on. In addition to this, there are issues about the efficient use of the financing and resources in regard to physical and educational facilities, quality class delivery, timely completion of courses, use of

¹ UGC EMIS Report 2019/2020 shows that student enrollment 361,077 in year 2015/016 increased to 371,184 in year 2016/017, to 423,996 in year 2017/018, to 441,819 in year 2018/019 and 466,828 in year 2019/2020. The same reports show the increasing trends of female student enrollment, number of teacher during 2015/016 to 2019/2020.

² India: 1.10% (2013), Korea R.: 1.05% (2015), UK: 1.30% (2015), Estonia: 1.44% (2015); Finland: (2.00% (2015), Denmark: 2.30% (2015)

available technologies, sharing of resources and guest lecture and so on. As a result, quality and relevance in terms of student learnings and linkages with job market are also lagging behind the national expectations.

4. Due to weak linkage of HE with job-market, the unemployment and underemployment rate of the higher education graduates is also high. The HEIs teaching-learning are largely still teacher centric that focus on lecturing and listening, memorizing and so on. Student centered teaching learning methods such as problem analyzing and solving are yet to be mainstreamed. Student capacity are to be enhanced to understand the content and analysis of cases with higher order thinking including communication and socio-emotional skills to make them more adaptive to job-market with fast changing nature of work. Some of the challenges towards improved learning, among others are, lack of qualified subject teachers, poor teaching learning practices, insufficient physical facilities, limited autonomy, weak governance and insufficient approaches on the part of HEIs to generate additional resources in a cost sharing basis. Addressing quality, relevance, equity, access, sustainability, and accountability are the key factors that the individual universities and HEIs are to be engaged with both in the policy and implementation fronts. To address the issues with governance and to achieve the set results, input based funding is to be replaced by the result or performance based funding. The funding system based on performances is expected to facilitate efficient use of available resources in HE including generation of additional resources to meet the shortfall. The PBF is one of the tried-and-true techniques used by governments around the world.

5. The National Education Policy, 2019 aims to produce competent human resource thereby making the education system more competitive, technology-friendly, employment oriented and productive. The NEP relevant strategies including others are encouraging to increasing higher education relevance with capability of catering the national priorities and needs; developing and managing the human resource for achieving best results; aligning the teachers' experience, professional and performance capabilities with their career growth; and promoting science & technology (S&T). Likewise, the policy has also outlined working policies among others, such as, producing competent and technical human resource thereby promoting the expansion of the S&T academic programs; increasing the public financing for the Research Development and Innovations (RDI) in the areas of national priority; developing capacity of the institutions and the human resource.

6. The 15th periodic plan (2019/20 – 2023/24) has set its goal for the education sector to develop creative, skilled, competitive, productive, and innovative human resources through quality education'. Similarly, the objective of the higher education is to develop a knowledge-based society

and economy by making the sector more scientific, innovative, research-based, technology-friendly, and employment-oriented with improved quality and access. Some of the strategies of the plan are: promoting higher education institutions more competitive and result oriented; developing and implementing result based public financing system; producing human resources capable of supporting a knowledge based economy and promoting employment; making all levels of educational institutions/entities science and technology responsive to achieve the defined targets, and establishing a structural and legal basis for maintaining good governance, transparency, and accountability. Additionally, there are working policies that include, expansion of the technical education in the areas of national priority; practical and employment-oriented higher education; encouragement for research and innovation; strengthening of quality assurance and enhancement; and improving equity and access.

7. To meet the NHEP aspirations³ along with the national needs and priorities the UGC has initiated PBF system as one of the key areas of interventions to encourage Universities and HEIs for their improved performances in terms of quality, productivity/ employability and governance⁴. The method uses formulas to allocate and release government funds to public HEIs depending on their performances on various pre-set indicators and criteria. While the UGC is continuing the earlier initiated performance criteria as regular PBF for one group of HEIs and extended PBF for other HEIs who have already achieved some level of progress through PBF and would like to excel further. This approach will also help the UGC to address the equity issue. Continuation of successful practices of earlier reform initiatives with funding based on performance is being adopted under NEHEP also towards nurturing excellence in HE. The specific areas for nurturing among others include, collaborative research and entrepreneurship, faculty members training and leadership sensitization, quality assurance and accreditation and quality enhancement, strengthening autonomy including supporting potential HEIs towards reconstituting to deemed universities, equity grants for inclusion of HEIs in lagging behind provinces and remote/disaster affected regions, and digitalization towards transformation of higher education by complementing physical education.

8. Performance Based Financing in Nepal was introduced in the Second Higher Education Project (SHEP, 2007-2014). The key indicators UGC had first introduced were related with quality, financing in terms of cost sharing of HEIs, efficiency/pass rates, program and enrollment

³ Improved labor market relevance, entrepreneurship and collaborative research; strengthened governance and financing for HE quality enhancement; widened access to quality HE for disadvantaged students; and Digitalized HE.

⁴ Responsibility, responsiveness, transparency, accountability, rule of law, effectiveness, efficiency, participation and partnership of stakeholders.

expansion, academic up-liftment in terms of research publications, equity in terms of gender parity and support to underprivileged students, and phasing out grade 11-12 equivalent program from universities. Introduction of quality assurance and accreditation, formula-based funding (FBF) to universities and autonomous campuses, and preparation and updating of strategic plans by the HEIs were also the key indicators of PBF in the SHEP. The University Grants Commission (UGC)/ Nepal had also begun funding the community campuses on PBF starting SHEP (2007) against various performance indicators. Building on the experience of SHEP and the study jointly conducted by the UGC and the World Bank including on FBF⁵ in 2014, the Higher Education Reforms Project (2015-2020) focused consolidating the SHEP PBF indicators and also extended additional PBF indicators to further enhance the higher education quality service delivery. The additional indicators among others were ‘establishment of functional autonomous quality assurance and accreditation agency within UGC, extending academic autonomy of HEIs, widening the coverage of QAA, Tribhuvan University examination reforms towards adhering to the academic calendar, supporting academic programs of HEIs in areas of national priorities, extending poverty targeted scholarship support and its sustainability, and supporting academic excellence through excellence based faculty recruitment/ promotion, research publication in refereed journals.

9. While the PBF indicators in SHEP and HERP were transformative to bring paradigm shift among the HEIs policy makers and institutions leaders towards adopting performance based funding, the extended PBF have been adopted in NEHEP to further encourage them towards quality enhancement. The extended PBF indicators are therefore more output and outcome nature. The NEHEP will also continue supporting regular PBF under the National Higher Education Program (NHEP).

10. During the implementation of the Higher Education Reforms Project (HERP, 2015-2020), the UGC extended the PBF model to community campuses as part of its regular funding. The method aided value in generating enthusiasm among key stakeholders for the promotion of systematic public funding.

11. The PBF indicators in SHEP and HERP were transformative to bring paradigm shift among the HEIs policy makers and institutions leaders towards adopting performance-based funding. The extended PBF have been adopted in NEHEP to further encourage them towards quality enhancement. The extended PBF indicators are therefore more output and outcome nature. The

⁵ A report on autonomy, formula based funding, governance and ICT for Nepal, John Fielden, Director, CHEMS Consulting, UK, 2014

extended PBF with alignment to NHEP aims to further encourage the HEIs to make public financing more effective to significantly enhance the quality, relevance, efficiency of investments in higher education. Additionally, the extended PBF will also focus on equity.

1.2 Principles

12. The UGC has identified some key principles of PBF which are as follows:
- i. Reward excellence (quality assurance and accreditation, quality enhancement, excellence);
 - ii. Link public funding with HEIs performances on national priority areas; and
 - iii. Promoting productivity/ employability and governance⁶ in HE.

1.3 Scope

13. The scope of PBF covers towards implementation and strengthening of quality assurance and accreditation; quality enhancement; climate change mitigation and adaptation; faculty members training and academic leaders sensitization; labor market development programs; research development and innovations; STEM; digitalization; campus merger/ acquisition; system of monitoring and evaluation and others. These indicators encompass quality, relevance/employability, efficiency, equity including gender equity, management of safeguard risks/impacts and governance toward improved service delivery in higher education.

14. The scope includes two broad categories of PBF viz. regular PBF and extended PBF. The first one covers implementation of S&T and other national priority area programs, quality assurance, increased student pass rates in examinations along with especial criteria such as: additional funding to community campuses in lagging/ remote/ hill / mountain districts and in the districts where there are no constituent campuses.

15. The extended PBF covers the initiatives such as: accreditation of Universities and HEIs; quality enhancement in HE teaching learning and service delivery; adaptation of green, resilience and inclusive development (GRID) approach in climate change mitigations and adaptation; development of faculty members' competencies on curriculum design, pedagogy, assessment and examinations to respond market needs; aligning higher education with labor market needs for enhancing employability of graduates ultimately leading to economic growth in the country; promoting research, development and innovation through research funding to HEIs, faculties and

⁶ Responsibility, responsiveness, transparency, accountability, rule of law, efficiency/effectiveness, participation and partnership of stakeholders.

students as per the objectives of national higher education program framework; focus of student share in Science, Technology, Engineering and Mathematics (STEM) as per the national Higher Education Policy 2019; improving governance with improved transparency and accountability through M&E, public disclosure and feedback system and innovative practices including merger of fringe campuses to gain the economy of scale; inclusion of disadvantaged students in quality higher education for their contribution in national development; and management of environmental as well as social risks/ impacts for sustainable development.

16. While the universities and HEIs will be responsible for preparation of their institutions level policies/strategies/guidelines for the implementation of the PBF, the UGC will also provide an overarching guiding framework to universities and HEIs in preparation and implementation of relevant performance based policies/strategies/guidelines as per the universities/HEIs needs and requests. The UGC support will also facilitate collaboration between and among the universities and HEIs wherever possible for shared responsibilities and resources including lab facilities, educational resources, libraries and others. This is the SOPG for the regular and extended PBF supported by the UGC to the participating universities/HEIs. Funding of UGC to the universities/HEIs against other performance indicators not covered in the SOPG will follow respective SOPGs and Guidelines including for regular PBF approved by the UGC which are also uploaded in the UGC website (<https://www.ugcnepal.edu.np>).

1.4 Objectives

17. This SOPG has been designed to promote implementation of PBF under the GON higher education policy and the 15th periodic plan and within the framework of the NHEP also supported by the NEHEP. The PBF includes both regular and extended performance indicators. The regular indicator would be applicable for first group of HEIs to participate in the scheme that may not require extensive efforts to begin with but will significantly help to inculcate the culture of PBF in the HEIs. The extended performance indicators are largely targeted to the high performing constituent as well as community campuses (second group of campuses). However, the first group campuses can also qualify for the extended PBF once they meet the eligibility and selection criteria. Major objective of the PBF is to encourage HEIs to strategically position themselves to improve the efficiency of public expenditure by linking the funding to the results of HEIs. The specific objectives of the PBF are as follows:

Regular PBF

- i. To increase number of programs including in S&T and other priority areas the UGC has defined within the NHEP framework;
- ii. To increase the student enrollment and pass rates;
- iii. To support HEIs in lagging/ remote districts / ecological belt;
- iv. To promote quality assurance and accreditation of the HEIs; and
- v. To support community campuses in the districts with no constituent campuses.

Extended PBF

- i. To expand labor market relevant / STEM programs for increased employability;
- ii. To develop capacity of faculty members in curriculum design, pedagogy including digital pedagogy for competent teaching learning system;
- iii. To promote collaborative (industry/private sector – academies) research and dissemination of knowledge through publications/ conferences;
- iv. To enhance infrastructure such as establishment and expansion of laboratories;
- v. To enhance collaboration for sharing of resources among HEIs;
- vi. To motivate merger of fringe campuses to gain the economy of scale;
- vii. To improve quality and efficiency by increasing pass rate of students; and
- viii. To enhance educational governance also promoting transparency and accountability including stakeholders' engagement and feedback.

II – Standards, Operational Policies and Indicators of Performance Based Funding

2.1 Standards

18. The UGC has defined key Standards for Performance Based Funding to universities and higher education institutions to achieve the national aspirations and goals of higher education as defined in the NHEP, 15th five-year plan and other documents. While these standards are overarching to cover wide range of indicators that would be achieved in a short-term, medium-term and long-term period, specific performance indicators to be covered within the NEHEP period are also elaborated in this document.

19. **i. Transformation of higher education with shared responsibilities of stakeholders:** PBF will encourage higher education institutions to strategically position themselves towards better service delivery. Performance agreements and performance contracts are expected to contribute to establishing a diversified higher education system as practiced by many academic

institutions world-wide. Early involvement of key stakeholders to change institutional behavior is inevitable.

20. **ii. Improving dialogue:** The rationale of performance agreements is to develop a context where government/ UGC and universities/ HEIs meet to discuss how the institutions can contribute better to the national agenda for higher education. Experiences indicate that performance agreements, particularly the softer versions such as letters of intent, are a promising stepping-stone to improve interaction and to create common ground for aligning agendas and seeking consensus as a first step. For ‘real impact’ more focused tools (and linking the agreements to funding) would be required⁷.

21. **iii. Improving the core activities (quality, productivity and efficiency):** This often refers to a higher quality of teaching, research, outreach, higher levels productivity, or securing minimum standards including by means of weeding out underperformers. This also refers to increasing the efficiency of the universities/HEI with specific targets against pre-agreed indicators such as reducing students drop out rates, completion rates, graduation rates, timelines of graduation, job placement and so on.

22. **iv. Quantitative and qualitative measures:** One of the potential advantages of performance-based financing over the other instruments such as formula-based funding, is that one can decide to take both quantitative and qualitative measures into account. The appeal of having the opportunity of taking qualitative measures on board is that some issues that are deemed crucial for the development of a higher education system at a certain moment in time can be included. The downside of using (also) qualitative targets is that they are usually less clear and transparent, that the transaction costs are (relatively) high, and that disputes may arise when the realization of qualitative targets needs to be assessed.

23. **v. Uniformity and specificity:** Performance Based Funding will be suitable for ‘tailor-made’ contracts, differing in some degree from one institution to the other. For the aim of establishing a diversified higher education system or for optimally supporting the strengths of existing institutions this appears to be a promising feature. Different performance indicators and funding formula is used to consider the diversity of universities/HEIs, locations and remoteness, specifically the size of universities and HEIs including merging of fringe HEIs to achieve the economy of scale for smaller universities/HEIs and also downsizing larger universities such as TU

⁷ Center for Higher Education Policy Studies

creating a space for TU province chapters as non-affiliating TU and so on. The performance indicators of short, medium and long term in nature⁸, and different degree of difficulties will be used to provide space for different HEIs for participation. Inclusive quality higher education being a foremost agenda of the government, the performance agreement will also create separate support window including *equity grant* for HEIs from remote areas and lagging regions including underprivileged students with preference for females. Additional windows of performance indicators are also inbuilt under each of the Results Areas of the NHEP supported by the NEHEP. Use of specific indicators to foster *green, resilient and inclusive development*, specifically climate change mitigation and adaptation, gender focus and citizen engagement will also be an integral part of the PBF.

24. **vi. Improving the ecosystem of public funding and accountability:** The Performance agreement will inform the policy makers and the public at large on the system and individual institutions' performance, in return for public subsidies. The performance agreements will contribute to more transparency and better accountability. As a global practice the participating institutions must report on their performances in annual reports. Frequent evaluation and making adjustment where needed will also be an integral part of the PBF.

2.2 Operational policies and indicators

25. The UGC aims to bring positive and tangible changes in higher education with the implementation of the PBF system as one of the key enablers to excel for reforms. Two sets of PBF indicators - Regular PBF and Extended PBF -- as noted above, have been designed to meet the standards pertaining to the PBF system considering the specificity of HEIs.

26. The constituent campuses/ schools/ central departments and the community campuses that meet eligibility criteria may participate in the PBF support system. While each category will have different provisions, in both of the categories, the funding is linked with the recent results achievements.

2.2.1. Regular Performance Based Funding

27. The UGC has been providing funds to community campuses. The funding mechanism was initially designed on the input model to assess the aspects like the increased number of student enrollment, increased number of academic program, location of HEIs, and other factors. With the

⁸ The short-term indicators will be input and process level, and the medium-term indicators could be of output level, while the long-term indicators could be at outcome and impact levels

start of the Higher Education Reform Project (2014-2020), the regular PBF system was restructured and made more performance oriented. A unique set of performance indicators was designed for this purpose, and they have been in use ever since. The 'Program Directives' of UGC guide the provisions and processes for the regular PBF. The Regular PBF indicators and their brief description is explained in the following table.

Table-1: Indicators of the Regular PBF⁹

Indicators	Description
Number of disciplines and program levels implemented	The grants amount is defined on the basis of the increased number of disciplines and programs at bachelor and masters' levels in different disciplines
Student pass percentage	This category of grants is applicable on the condition that the campus has improved the pass percentage higher than 29% in the progress year
Number of programs implemented under S&T and/or other priority areas	Additional grants are provided to the campuses that run S&T programs and/ or programs in the priority areas as defined by the UGC
Number of students enrolled	Grants amount is based on the increased number of enrolled students. However, a campus should have at least 200 students to be eligible to this category of grant
HEIs in lagging/ remote districts / ecological belt	The grant is additional top-up for the campuses located in the districts as mentioned.
Quality assurance and accreditation of the campus	This is an incentive grant to the accredited community campuses to retain the quality as defined by the QAA indicators
Support to community campuses in the districts with no constituent campuses	This grant is provisioned to the campuses in the districts where there are no constituent campuses

2.2.2. Extended Performance Based Funding

28. The extended PBF will support for the promotion, expansion and strengthening of efficiency, effectiveness, employability, enrolment in market driven and technical programs, equity, quality enhancement, RDI and governance. The mechanism will also support to establish and expand laboratory infrastructure, and to capacitate faculty members. Activities related with the climate change adaptation and mitigation will also be supported. The extended PBF has been designed on the foundation of the ten thematic areas and respective indicators under each thematic area that are identified crucial to bring anticipated reforms under those thematic areas, while there could be other indicators under those areas. Each of the thematic areas are explained below.

⁹ For further details, please refer the Program Directives of UGC.

Areas of Extended Performance Based Funding

29. *i. Efficiency:* This thematic area of the PBF will leverage efficiency and effectiveness of the higher education system. The HEIs that receive the public funding should be made more accountable and result oriented. The volume of the government financing has to be tied up with the better performance of the HEIs. The government should incentivize the HEIs that can produce better results by increasing their efficiency and thus, contribute to the effectiveness of the higher education sector. Among others resource sharing practices between and among HEIs, increased pass percentage, increased enrollment, reduced dropouts, timely and quality results, follow of academic calendar, peer learning practices, and increased percentage of students achieving high grades are the indications of efficient and effective HE system.

30. *ii. Employability:* The rate of graduate employability is relatively low in Nepal. The relevance of the higher education shall be measured against the rate of graduates' employability. The PBF shall encourage the higher education system to implement academic programs that collaborate with the key actors and stakeholder to produce the graduates equipped with the knowledge and skills as required by the job market. Number of employed graduates in local/national market linked will be identified by the HEIs through a systematic graduate tacking system in the beneficiary HEI.

31. *iii. Promotion of LMDP/ Technical Programs:* The student proportion of the science and technology is less than one fourth of the total students in Nepal. It is low compared to some of the countries of developed economies.¹⁰ It is crucial to develop and expand the field of S&T for the national prosperity and growth. It is one of the national priorities reflected in the key policies and programs of the government. Further, the graduates' skills gap including communication and socio-emotional skills to make the graduates adaptive to the job market with changing nature of work is also insufficient. The PBF should promote the enrolment expansion in the S&T and also in the labor market driven academic programs. This area encourages the universities/ HEIs to involve representatives from industry board/industry association in curriculum development/ subject committees, student internship provisions at local market, visiting classes form industry CEOs, career centers at HEIs and so on.

32. *iv. Gender Equity:* The national policies and programs of the government including international commitments have prioritized the promotion of female participation as students,

¹⁰ All the developed economies have high share of STEM graduates; Finland 51.5%, Israel 49.5%, Sweden 48.6%, Democratic Republic of Korea 45.3%, US 35%, Rwanda 35.9%, India 34.7%, Vietnam 35.9%, Malaysia 42.7%, and Nepal 16.1% in 2016.

teachers and academic leaders/ decision makers in higher education. The female participation in Nepal's higher education is gradually progressing with good results in gender parity in overall student enrollment. However, there are gaps in the areas of S&T. Similarly, female share as faculty members and academic leaders as well as in the job-market is also lagging behind. The PBF should encourage the HEIs to increase female share in the technical as well as the labor market driven programs. The HEIs will also be encouraged for training of female faculty members for their capacity development as faculties as well as academic leaders. Preferential treatment for female students from bottom economic quintiles is also in-built in the support program.

33. **v. *Infrastructure*:** Appropriate and effective infrastructure plays important role in creating conducive learning atmosphere for students. Well-planned and maintained physical facilities at the HEIs have significant impact on students' academic achievements. Equipped laboratories with adequate infrastructural setup are therefore essential, and the RDIs without these facilities cannot be imagined. Therefore, the PBF should support the establishment of new and or refurbishment of existing laboratories to expedite the RDI and students' learning. Among others, establishment, development and expansion/refurbishment of General labs, Technical labs, and Special labs are the areas of support.

34. **vi. *Research, Development and Innovation (RDI)*:** One of the anticipated responsibilities of the higher education sector is to assist the national development through the RDI. The higher education system should build capacity to deliver research outputs and innovations to contribute to the national progress. The HEIs engagement in the RDI activities with specific focus on collaborations with the public and private sectors is important. The specific attributes of collaboration would be, among others, inter and intra university collaboration, industry-academia collaboration to bring results such as, joint research publications; entrepreneurship development; development of patent; and ultimately linking of these RDI activities with the classroom teaching and learning activities, and thus fostering the research and action research based teaching-learning ecosystem in the higher education institutions and system as defined in the national education, science, technology and innovation policies and periodic plans. The PBF system will promote the RDI efforts of the HEIs.

35. **vii. *Quality Enhancement*:** Even though the HEIs are more aware of the benefits of the quality assurance and accreditation and its sustenance, establishing a system of further improvement in the educational service delivery in HEIs beyond and above the quality frame defined by the QAA indicators is equally important for improved performance in the HEIs journey towards academic excellence. This area will promote the HEIs to establish an environment for

extra efforts towards additional improvement. While the HEIs may identify suitable performance indicators to ensure such additional improvement and also suggest the UGC consideration going forward, to begin with the criteria and indicators of QAA and QE developed by the UGC will be applicable. Individual HEIs self-motivation for establishing a culture of QE will be highly encouraged.

36. **viii. Capacity Development:** The teacher's ability to successfully deliver knowledge and skills to students has a significant impact on the students' learning outcomes. For this, the teaching faculties need to be equipped with adequate knowledge and skills. For the effective teaching there are various aspects to be considered viz. attracting the best into teaching, motivating teachers to perform, supporting them to improve teaching and knowledge dissemination, preparing them for best teaching, monitoring teaching and learning, matching teachers' knowledge and skills with students' need, and enhancing teachers' knowledge, and linking of teachers' performance evaluation with the students' achievements. The specific area of faculty training would include, among others, market driven curriculum development lining with rapid market appraisal on a periodic basis, pedagogical skills including digital pedagogy, and evaluation in terms of assessment and examinations. This thematic area shall also support sensitization of academic leaders for their capacity building towards shaping the higher education with the contemporary trend and national needs on quality, relevance, equity, financing and governance.

37. **ix. Improved Governance:** The governance is the key aspect that shall expedite the HE reform initiatives of NHEP including NEHEP. The governance shall nurture excellence in terms of quality, relevance, sustainability, equitable access, accountability and efficiency in HE system. It shall also take into considerations the major factors that can contribute to the reform such as teaching and learning, employability, sustained and applicable RDI, merit based enrolment/ recruitment system, internal quality assurance, efforts to mitigate climate change, resource mobilization and restructuring through mergers/ acquisition of fringe campuses.

38. **x. Response to Climate Change:** The higher education sector as the knowledge centric fraternity, should have the leading role to mitigate and adapt to the hazards related to the climate change. The sector should be responsible for the preparedness regarding the climate change and also, reducing its impact. The PBF support shall also be aligned to the much needed aspects of the climate change and its mitigation including the adaptation measures. Green Resilient and Inclusive Development (GRID) approach in curriculum and their implementations are the areas to be funded. The activities will include climate-resilient and energy-efficient campus facilities (for example, increase in the use of solar panels, recycle system, and so on); share of courses that teach climate mitigation and adaptation contents (impacts and causes of climate change, energy conservation

techniques, disaster preparedness, and so on); and the number of research projects on climate mitigation and adaptation methods and environmental technologies.

Table-2: Thematic Areas-wise Extended Performance Indicators

Areas	Performance Indicator	Description
Efficiency	Growth in the Pass Rate	This indicator will assess and support the growth in student pass rate of the HEIs.
Employability	Graduate Tracer Study and Employability: a) Tracing of graduates b) Number of employed graduates	The tracer study should be conducted annually by the HEIs. The study will include the students who have graduated in a given year. The study should be conducted as per the framework defined by UGC. The study should also trace the employed graduates.
Promotion of LMDP/Technical programs	Enrolment expansion in market driven/ technical programs	This indicator will assess and support the enrolment expansion of the HEIs in the market driven and/or technical programs. Definition: a) Market driven programs: The programs that have been developed as per the norms of the market relevance. The norms will be set by UGC and/ or by the concerned universities in alignment with the relevant SOPG related with DLI 1. b) Technical programs: All the programs that are categorized under i) Agriculture and Animal/ Fishery Sciences ii) Forestry Sciences iii) Science and Technology iv) Engineering v) Health and Allied Sciences vi) ICT
Gender equity	Gender Ratio in Market Driven/ Technical Programs	This indicator will assess and support the growth in the gender ratio of female in the enrolment of the market driven/ technical programs of two successive years.
Infrastructure	Lab Support	There will be support provisions to establish and upgrade/ extend laboratories. There will be three categories of support for the lab establishment as well as upgrading/ extension. Categories: a) Non-technical Basic Lab – This category of labs will include among others, computer lab, labs related to conduct co-curricular activities in the general programs such as mountaineering/ trekking labs, media/ radio lab, sociology/ arts lab/ hotel management lab etc. b) Technical Basic Lab – This category of the labs will include among others, basic science labs, engineering labs, medical labs, etc. and c) Specialized Lab - The labs will include highly specialized labs both from the general and technical programs' curricular needs. The labs that are built to cater needs of multiple disciplines (interdisciplinary) will also be included in this category. UGC will engage related experts to categorize labs and accordingly, the grants will be disbursed.
RDI	a) Workshop/ Seminars conducted b) Research collaboration with industry/ academies/ research institutions c) Publication of Interdisciplinary research	The provision will support the RDI activities conducted in a given period of time in the campus. All the RDI activities should be conducted through RMC. a) At least 3 workshops/ seminars conducted (1 of which should be related to climate change mitigation and adaptation); b) At least 2 research collaborations with the job market/ academies/ research institutions etc.

Areas	Performance Indicator	Description
	journals with online presence	c) Interdisciplinary research journal published in the given year with online presence.
Quality Enhancement	Non-credit course conducted to enhance program relevance	The non-credit courses should be conducted as per the basic norms set by UGC. The curriculum of the courses should be designed and approved by the management committee/ or authorized committee of the concerned HEIs. The courses should be relevant to the corresponding programs.
Capacity Development	Number of full time teaching staff holding M. Phil/PhD degree	The indicator supports the additional number of the MPhil and/ or PhD holders in the full time faculties.
Improved Governance	Campus mergers/ acquisition	This category of PBF will support the HEIs that opt to go into the mergers/ acquisition as per the criteria defined by the concerned authorities (government agencies/ UGC and/ or concerned universities).
Response to climate change	a) Community outreach programs conducted in package annually b) Establishment of environmental friendly, and disaster risk reducing infrastructure/ equipment/ materials including the wastes management	a) HEIs should be engaged in the community outreach programs. HEIs would design package of such programs and conduct them as per the timelines of the academic calendar. The package should include programs related to at least, i) environment/ climate, ii) social aspect including OHS, SEA/ SH empowerment, grievance redress mechanism and iv) and iii) research outreach/ dissemination of academic knowledge on aspects useful to the community. The community outreach and awareness programs could be hybrid with reasonable share of face to face and online activities as per the UGC guiding framework. b) This indicator will support environmental safeguard aspects such as installation of solar panels as alternative source of energy; plantation and efforts for landslide protection; earthquake resistant infrastructure; securing integrated national data center or private cloud-based services to establish online learning platforms to ensure the continuity of online/blended education services during climate-induced or other disasters; scientific management of hazardous chemicals and other wastes; fixation of fire extinguishers; water source management; installation of segregated waste bins; installation of rainwater harvesting and recharge pits; installation of black water management like septic tank; installation of emergency exit infrastructure etc.

III - Implementation Framework

3.1 Regular Performance Based Funding

39. The UGC has regular funding provision to newly established and earlier established community campuses based on formula against their performances. The eligibility criteria, procedures of participation and selection of the eligible campuses for the grants will be as per the norms specified in the UGC program directives which has been uploaded on the commission's website. The UGC funding framework of regular PBF has been summarized in Table-3 below as an integral part of NHEP supported by NEHEP under DLI-4.

Table-3: Regular PBF Framework

SN	Funding Provision	Amount NPR.	Remarks
1	Campus(es) receiving grants for the first time	Minimum 700,000.00	No top-ups will be applicable for the campus receiving the regular PBF for the first time.
2	Campus(es) continue implementing a single bachelor level program	Minimum 700,000.00	This is the yearly funding threshold for campus(es) that run a single bachelor level program.
3	Campus(es) continue implementing a single Master's level program	Minimum 800,000.00	This is the yearly funding threshold for campus(es) that run a single Master's level program.
	Top-ups¹¹		
1	Funding for student pass percentage >29	Per student 100.00	Maximum 1,000,000.00
2	Campus(es) implementing one additional bachelor level programs in different discipline	Additional 40% to the minimum grants	
3	Campus(es) implementing =>3 bachelor level programs in different disciplines	Additional 60% to the minimum grants	
4	Campus(es) implementing one additional master's level program in different discipline	Additional 40% to the minimum grants	
5	Campus(es) implementing multiple master's level programs in different disciplines	Additional 60% to the minimum grants	
6	Campus(es) implementing S&T program/s including program/s in the national priority areas ⁷	Additional 80% to the minimum grants	
7	Campus(es) in the districts with no constituent campuses ¹²	Additional 30% to the minimum grants	The provision is not applicable to the district where a constituent campus is running academic programs that are related to Buddhism, agriculture and of a technical discipline ¹³
8	Campus(es) located in lagging behind and remote districts	Additional 50% to minimum grants	As per the districts category defined by UGC program directives (annex 1.2)
11	Campus(es) in Mountain and Hilly districts	Additional 30% to minimum grants	
13	Per student additional grants to the Campus(es)	Additional per student 500.00 Maximum 400,000.00	Minimum number of students must be at least 200.
14	Campus(es) with QAA certification	Additional 200,000.00	
Conditions: To be eligible to receive the regular PBF, a campus must have at least 50, 60, 75 and 100 students in the mountain, hilly, terrain and Kathmandu valley respectively. To be eligible to receive the additional top-up grants, there must be at least 20 students per master's level program and 30 students per bachelor level program.			

¹¹ Top-ups: the grants based on additional conditions

¹³ For more clarification please refer UGC's Program Directives 2078.

3.2 Extended Performance Based Funding

40. The UGC shall implement extended PBF in TU constituent campuses through TU as subsidiary implementing agency and through other universities in their respective constituent campuses. In cases of community campuses, the UGC shall directly implement the system. The overall responsibility of PBG implementation will remain on UGC. For the participation in the PBG the HEIs will follow the eligibility and selection criteria explained below.

3.2.1 Eligibility and Selection Criteria in Extended PBF

41. The constituent campuses/ central departments/ schools of the Universities and the community campuses that meet the eligibility criteria may participate in the Extended PBF system. If the proposal from HEIs are admissible and primarily eligible, the selection process starts to evaluate the proposal and score it against the assessment and funding criteria. The eligibility criteria for the participation are as shown in the following table.

Table-4: Eligibility Criteria for Participation

Eligibility Criteria	Description
LOI accepted by QAAD/ UGC	The Letter of Intent (LOI) submitted by the interested HEI should be duly accepted by the QAAD.
Strategic plan with provision of PBF in place	The HEI must have prepared strategic plan of at least 5 years. The strategic plan should meet the basic standards and approved by the management committee/ management board or similar entity of the HEI. The strategic plan shall also include provisions in other SOPGs.
Received the regular PBF from UGC in the last FY	This criterion applies only to the community campuses. The campus should have received the regular grants from UGC in the last fiscal year. This criterion would ascertain that the HEI exists as the community campus as per the criteria set by UGC for that category.

42. Eligible HEIs will undergo the selection process based on some competitive selection criteria as specified in the table below.

Table-5: Competitive Selection Criteria

Selection Criteria	Description
EMIS unit established with a focal person appointed	The HEI should formally decide and establish an Educational Management Information System (EMIS) unit/ section. Additionally, a focal person should be duly appointed/ designated at the unit/ section. The primary function of the unit should be to undertake activities related to the overall management of information system and also to support digitalization of the HEI.
Annual report of the last year published	The HEI should have published annual report of the last academic year. The report should be uploaded on the HEI website.
Grievance Redress Mechanism (GRM) established	The HEI should have established GR mechanism. The mechanism should have duly approved operational guidelines. The mechanism should focus primarily on environmental and social safeguards.
Pass rate average of the last three years is > 29%	The average pass rate of the HEI of the last academic years should be above 29%.

Selection Criteria	Description
Functioning CMC/ Board/ Similar Entity	The HEI should have currently fully functional campus management committee/ management board/ or similar decision-making entity.

43. The HEIs must meet the standards set by the eligibility criteria for the participation in the extended PBF system. Additionally, the HEIs need to fulfill at least four selection criteria. The HEIs that meet the standards as defined in the eligibility criteria and selection criteria will be selected to participate in the extended PBF system. The participation will commence following MOUs between the concerned HEIs and UGC (in case of community campuses and constituent campuses of other universities than TU as a subsidiary implementing agency). Likewise, there shall be MOUs between the TU and its constituent campuses/ schools/ departments under the overall guidance of UGC. The TU as subsidiary implementing agency will prepare an Operation Manual for its implementation under the framework of the Operations Manual approved by the UGC.

3.3 Funding Arrangement of Extended Performance Based Funding

44. The eligible HEIs will be funded through the Extended PBF system annually or more regularly as the case may be based on the results delivers. The participating HEIs will be funded on the basis of the performance indicator-wise per unit allocations and upon the fulfillment of all the requirements specific to the indicators. The funding criteria include the indicator-wise allocations for per unit grants, funding formula and the major conditions as shown in the table below.

Table-6: Funding Arrangement

SN	Performance Indicator	Per Unit Grants	Funding Formula	Major Conditions ¹⁴
1	Growth in the Pass Rate	4,000 (up to 80%) 6,000 (over 80%)	(Pass % of the progress year = pass % of the base year) x number of graduates in the progress year x increased pass %	- Pass rate should be above 29%; - Maximum ceiling = NPR 20,00,000
2	Tracing of graduates	4,000	Traced and reported graduate x 4,000	- Study should be conducted as per the norms set by UGC (questionnaire and reporting format of UGC ¹⁵); - Traced graduates should be verified by transcripts/ similar certificate - If the quality of the report is not up to the standard as identified by the UGC –

¹⁴ These are the main requirements for receiving the grants specified for each indicator. If more conditions are deemed necessary, UGC may request them.

¹⁵ Please refer Annex-2.

SN	Performance Indicator	Per Unit Grants	Funding Formula	Major Conditions ¹⁴
				50% and upon submission of the final report – 50%
3	Number of employed graduates	10,000	Traced and reported employed graduate x 10,000	- Employed graduates should be report through the tracer study; - Employed graduates are those who are engaged in full time job either hired or engaged in self-employment ¹⁶ .
4	Enrolment Expansion in Market Driven/ Technical Programs	10,000	(Number of students in the progress year = Student number of the base year) x 10,000	- Number of students appeared in final examination will be taken for the student number; - Only the student number of the LMDP/ technical programs will be considered
5	Gender Ratio in Market Driven/ Technical Programs	2,000	(Female % in the progress year = female % in the base year) x Graduate number of graduates in the progress year x 2,000	- Final examination appeared student number will be taken for the student number; - Only the student number of the LMDP/ technical programs will be considered
6	Establishment of new non-technical basic lab	1,500,000	First installment = 50%	<p>For the New Establishment:</p> <p>- First installment: The initial infrastructure established and report submitted by feasibility study team assigned by UGC.</p> <p>- Final installment: Lab establishment completed and report submitted by monitoring team assigned by UGC.</p> <p>For Upgrading:</p> <p>- First installment: The basic lab equipment and set up upgrade and feasibility study team assigned by UGC submit the report.</p> <p>- Final installment: Lab upgrade completed and report submitted by monitoring team assigned by UGC</p> <p>- Allocations are maximum ceiling for funding in each indicator; the actual grant amount will be decided based on the evaluation by UGC of the lab support proposal submitted by HEI.</p>
7	Establishment of new technical basic lab	3,000,000	Final installment = 50%	
8	Establishment of new specialized lab	6,000,000		
9	Upgrading of existing non-technical basic lab	700,000		
10	Upgrading of existing technical basic lab	1,500,000		
11	Upgrading of existing specialized lab	3,000,000		
12	Workshop/ Seminars conduction	300,000	Workshops/ seminars conducted and report submitted = 300,000 Per 3 workshops/ seminars	- At least 1 of the workshops/ seminars should be related to climate change mitigation and adaptation in participation of students, faculty members, and other stakeholders including employers. The report will be duly reviewed/approved by the UGC formed technical team

¹⁶ The scope of the self-employment that can be funded will be decided by the designated committee/ expert of UGC.

SN	Performance Indicator	Per Unit Grants	Funding Formula	Major Conditions ¹⁴
13	Research collaboration with industry/ academies/ research institutions	100,000	Collaborative research = 100,000 Per 2 collaborations	<ul style="list-style-type: none"> - At least 1 of the collaboration should be with the sectors related to the job market. - The same collaborations will not be eligible for the grants in subsequent years.
14	Publication of Interdisciplinary research journals and uploading on the website	1,000,000	Interdisciplinary research journal = 1,000,000	<ul style="list-style-type: none"> - The interdisciplinary journal should be published as per the guidelines of UGC and listed on scimago or Thomson Reuters or similar journal ranking system
15	Non-credit course conducted to enhance program relevance	300,000	Non-credit course conducted and report submitted = 300,000	<ul style="list-style-type: none"> - The non-credit courses should be conducted as per the norms set by UGC. - The curriculum of the courses should be designed and approved by the management committee/ or authorized committee of the concerned HEIs. - The courses should be relevant to the corresponding programs. The courses duration must of at least 15 contact hours (equivalent to 1 credit unit). Evaluation of classes by students, peer group of faculties, and stakeholders.
16	Number of full time teaching staff holding M. Phil degree	125,000	Additional full time faculty completed MPhil = 125,000 Per person	<ul style="list-style-type: none"> - The FY 2077/078 is the base-year for this indicator. The additional number of the degree holding full time faculty will be counted starting the FY 2078/079 for funding. - New full-time recruitment of the MPhil/ PhD degree holders will also be counted. - Retention of such faculties should be expressed through MoU.
17	Number of full time teaching staff holding PhD degree	300,000	Additional full-time faculty completed PhD = 300,000	
18	Campus merger/ acquisitions	2,500,000	Per merger/ acquisition of HEIs	<ul style="list-style-type: none"> - MOU/ agreements/ decisions of the relevant HEIs.
19	Campus merger/ acquisition of additional faculty/ discipline	1,500,000	Per additional faculty/ discipline/stream that undergo merger/ acquisition	<ul style="list-style-type: none"> - Relevant decisions by the concerned authorities - Full functioning of the merger/ acquisition.
20	Community outreach programs	300,000	Program completed and report submitted = 300,000	<ul style="list-style-type: none"> - Program should be duly designed and approved by CMC/ HEI management board; - Such program should be offered to communities collectively by students and teachers by way of undertaking projects, arranging field trips, organizing workshops, talks and presentations outside the college premises including in the areas of: i) environment/ climate, ii) social aspects including OHS, SEA/ SH empowerment, GRM and v) research, and outreach/ dissemination of academic

SN	Performance Indicator	Per Unit Grants	Funding Formula	Major Conditions ¹⁴
				knowledge on aspects useful to the community.
21	Establishment of environmental friendly, and disaster risk reducing infrastructure/ equipment/ materials	1,000,000	- Condition 1 = 300,000 - Condition 2 = 300,000 - Condition 3 = as per the proposal evaluation by the E&S safeguard committee up to 400,000	- Each condition of funding should meet the criteria defined by UGC (as per the E&S safeguard, disaster preparedness requirements); - HEIs should have prepared and approved E&S safeguard manual - HEIs should have provision for securing their data in the national data center or private cloud-based services to ensure the continuity of online/blended education services during climate-induced or other disasters

3.4 Monitoring and Evaluations

45. The UGC will carry out regular supervision, monitoring and evaluation of the performance activities of the HEIs as per the UGC M&E framework. Competitively selected HEIs that deliver results as per the performance agreement will be supported with the allocated PBF against the achieved indicators. The models for the monitoring will comprise viz. a) desk study, b) field observation and c) online/virtual meeting. The main implementing agency and subsidiary implementing agency will use the framework to monitor the performance claims made by the participating HEIs in the extended PBF. The framework includes institutional responsibility, basic description of data and documents, their sources and the means to verify. It will help the performance assessment processes. Different forms for data collection, outlines for tracer study reports, sample questionnaire, and criteria for laboratory selection to be used under PBF will be uploaded in the UGC website.

Table-7: Guiding Framework for monitoring towards strengthening Policies and Practices of Extended Performance Based Funding
(Applicable for UGC, Universities and HEIs as per their specific needs)

SN	Indicator	Data Description	Data Source	Means of Verification
1	Growth in the Pass Rate	- Number of students appeared in final examination - Number of students passed in final examination	Examination Controller Office/ examination authority	- Final examination records of the concerned examination controller office and/ or the records of the similar examination controlling authorities
2	Tracing of graduates	- Number of tracer studies conduction - Documental evidence	HEI	- Tracer study report submitted by the HEI with filled questionnaires and

SN	Indicator	Data Description	Data Source	Means of Verification
				graduates' transcripts/ similar testimonials - Expert evaluation
3	Number of employed graduates	- Number of Traced and employed graduates - Documental evidence	HEI	- Tracer study report submitted by the HEI with filled questionnaires and graduates' transcripts/ similar testimonials - Service agreement/ appointment letter/ experience letter
4	Enrolment Expansion in Market Driven/ Technical Programs	Number of Regular students appeared in final examination of market driven/ technical programs	Examination Controller Office/ examination authority	- Final examination records of the concerned examination controller office and/ or the records of the similar examination controlling authorities
5	Gender Ratio in Market Driven/ Technical Programs	- Number of female students appeared in final examination of market driven/ technical programs - Number of male students appeared in final examination of market driven/ technical programs	Examination Controller Office/ examination authority	- Final examination records of the concerned examination controller office and/ or the records of the similar examination controlling authorities
6	Establishment/ upgrade/ extension of labs	- Number of Labs setup - Procurement of Lab equipment - Documental evidence	HEI	- <i>First installment:</i> proposal with cost estimates and plan; selection report – Refer Annex ... for the details regarding the selection criteria for the lab support. - <i>Final installment:</i> progress report with journal vouchers/ bills; field report submitted by monitoring team
7	Workshop/ Seminars conducted	- Number of Workshop/ Seminars conducted - Documental evidence	HEI	- Approved Annual Work Plan and Budget (AWPB) - Completion certificate of participants - Completion report
8	Research collaboration with industry/ academies/ research institutions	- Number of Research collaboration - Documental evidence	HEI	- Approved collaboration guidelines - Agreement / MOU with respective institution - Progress report with adequate documental evidence
9	Publication of Interdisciplinary research journals with online presence	Journal	HEI	- Approved guidelines for journal publication - Peer reviewed interdisciplinary journal - Evidence related to the online presence and enlistment in journal ranking
10	Non-credit course conducted to	- Number of Non-credit courses - Documental evidence	HEI	- Approved curriculum/ syllabus/ course outlines - Attendance of the participants

SN	Indicator	Data Description	Data Source	Means of Verification
	enhance program relevance			<ul style="list-style-type: none"> - List of the participants - Documents related to the expenses (remuneration of the resource persons/ teachers; others) - Certificates of the participants - Completion report
11	Number of full time teaching staff holding M. Phil/PhD degree	<ul style="list-style-type: none"> - Additional number of the MPhil/ PhD degree holding full time faculty - Documental evidence 	HEI	<ul style="list-style-type: none"> - Degree certificate - MoU between the HEI and the faculty
12	Campus mergers/ acquisitions	<ul style="list-style-type: none"> - Number of HEIs/ faculties/ disciplines that opt for the mergers/ acquisitions - Documental evidence 	HEI	<ul style="list-style-type: none"> - Decisions of the concerned university/ authorities - MoU/ agreements/ decisions of the HEIs - Documental evidences of the mergers/ acquisitions - Sustenance plan
13	Community outreach programs conducted in package annually	Documental evidence	HEI	<ul style="list-style-type: none"> - Approved Annual Work Plan and Budget (AWPB) related to the outreach program - Completion report with details of the local community; participants (faculties, students, stakeholders and the local community members)
14	Establishment of environmental friendly, and disaster risk reducing infrastructure/ equipment/ materials including the wastes management	<ul style="list-style-type: none"> - Construction of Infrastructure - Procurement of Equipment - Documental evidence 	HEI	<ul style="list-style-type: none"> - Approved E&S safeguard manual of the HEI - Approved Annual Work Plan and Budget (AWPB) - The conditions of funding should comply with the criteria defined by UGC (as per the E&S safeguard requirements) - Completion report with adequate documental evidences - Field report by the monitoring team (if necessary)

46. UGC will also carry out final evaluations including the impact study as per the requirements, which are also elaborated in the Operation Manual.
47. The cost allocations in this SOPG are just estimated figures which can be changed based on the demand and participation rate of the HEIs. The UGC will have final authority of amendments, re-allocations and explanation of this SOPG in consent of the World Bank.

Annex-1: Fund Allocation for Extended Performance Based Funding

Performance Indicators	Target	Unit	Per Unit Grants	Total, NPR
Growth in the Pass Rate (%)	5	Percent Point	4,000.00 – 6,000.00	156,000,000.00
Tracing of graduates (Number)	30000	Graduate/ HEI	4,000.00	120,000,000.00
Number of employed graduates (Number)	3000	Graduate/ HEI	10,000.00	30,000,000.00
Enrolment Expansion in Market Driven/ Technical Programs (Number)	15000	Student number / HEI	10,000.00	150,000,000.00
Gender Ratio in Market Driven/ Technical Programs (%)	45	Percent Point/ HEI	2,000.00	42,000,000.00
Support for establishment of non-technical basic lab (Number)	50	Lab/ HEI	1,500,000.00	75,000,000.00
Support for establishment of technical basic lab (Number)	30	Lab/ HEI	3,000,000.00	90,000,000.00
Support for establishment of specialized lab (Number)	5	Lab/ HEI	6,000,000.00	30,000,000.00
Support for upgrade/ extension of non- technical basic lab (Number)	25	Lab/ HEI	700,000.00	17,500,000.00
Support for upgrade/ extension of technical basic lab (Number)	15	Lab/ HEI	1,500,000.00	22,500,000.00
Support for upgrading/ extension of specialized lab (Number)	5	Lab/ HEI	3,000,000.00	15,000,000.00
Workshop/ Seminars conducted (Number)	300	Program/ HEI	300,000.00	90,000,000.00
Research collaboration with industry/ academies/ research institutions (Number)	200	Collaboration/ HEI	100,000.00	20,000,000.00
Publication of Interdisciplinary research journals with online presence (Number)	50	Journal/ HEI	1,000,000.00	50,000,000.00
Non-credit course conducted to enhance program relevance (Number)	200	Course/ HEI	300,000.00	60,000,000.00
Number of full-time teaching staff holding M. Phil (Number)	30	Degree/ HEI	125,000.00	3,750,000.00
Number of full-time teaching staff holding PhD (Number)	20	Degree/ HEI	300,000.00	6,000,000.00
Campus merger/acquisition (Number)	15	HEI	2,500,000.00	37,500,000.00
Campus merger/ acquisition – per additional faculty/ discipline (Number)	15	Faculty/ discipline	1,500,000.00	22,500,000.00
Community outreach programs conducted in package annually (Number)	200	Program/ HEI	300,000.00	60,000,000.00
Establishment of environmental friendly, and disaster risk reducing infrastructure/ equipment/ materials including the wastes management and approval of provision for securing university/HEI data in the national data center or private cloud-based services to ensure the continuity of online/blended education services during climate-induced or other disasters (Package)	100	Package/ HEI	1,000,000.00	100,000,000.00
Total				1,197,750,000.00