System Capacity Grant Annual Progress Report Template

Status: Accepted

Country	Grant ID	Grant Agent	Grant Effectiveness/Start Date
Nepal	GPE0000952	SCG	08/03/2023

Grant Amount	Timeframe Examined in this Report		Date of Report Submission
3,399,604 (USD)	From Date	To Date	11/03/2025
	08/02/2024	08/01/2025	

Area(s) and activity group(s) covered by grant

Window 1: Strengthen gender-responsive planning and policy development for system-wide impact

- System diagnostics, compact development and education sector analyses
- Gender-responsive sector planning, including operational planning and budgeting
- Supporting policies and plans to identify and address multiple forms of exclusion (planning for children with disabilities, system resilience and inclusion of displaced children)
- Strengthening evidence-based diagnosis of critical implementation bottlenecks and identifying potentially scalable, transformative solutions

Window 2: Mobilize coordinated action and financing to enable transformative change

- Strengthening sector coordination, including local education groups, joint sector reviews and monitoring the effectiveness of the country-level partnership
- Establishing and operating pooled funding mechanisms

Window 3: Strengthen capacity, adapt, and learn, to implement and drive results at scale

- Training and support for government staff and central and decentralized levels, including on the uptake and use of data and evidence
- 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

Implementation Progress

Overall Project Progress this Reporting Period

Overall progress this reporting period [1]	Previous Rating
Highly Satisfactory (HS)	Satisfactory (S)

Detailed Description including factors that lead to an upgrade/downgrade in the rating

UNICEF made significant progress in the second year of implementing the Global Partnership for Education (GPE) System Capacity Grant (SCG), advancing activity implementation, and providing high quality strategic support. The progress demonstrated important programmatic shifts toward system strengthening, sustainability, and scale up of interventions. Building on the foundations of the first year, interventions during this reporting period resulted in institutionalization of tools and government reforms and the expanded use of data and evidence in decision-making. Key results also included stronger alignment of the government's School Education Sector Plan (SESP) strategies with the transformative priorities of the GPE Strategic Partnership Agreement (quality teaching, early childhood education, and gender equality), underpinned by enabling factors such as data and evidence, coordinated financing, and gender-responsive planning.

Major achievements

Key achievements during the second year of implementation include the finalization and dissemination of the School Education Sector Plan (SESP) Calibration Toolkit, provision of support to local governments (LGs), resulting in the development and appraisal of 318 (i.e., 40 per cent of all 753 LGs) Local Education Plans (LEPs), and the establishment of an LG Support Desk at the Centre for Education and Human Resource Development (CEHRD).

The continuous work of the Technical Support Unit (TSU)embedded within the Ministry of Education, Science and Technology (MoEST), the CEHRD, and the Education Review Office (ERO) significantly contributed to these achievements. The TSU provided targeted technical assistance to senior government staff, strengthening the MoEST's Development Assistance Coordination Section as the entry point for sector coordination under Nepal's education Sector Wide Approach (SWAp).

UNICEF ensured evidence-based planning and supported government-led policy reform, thus increasing efficiency and effectiveness of the sector's performance. During this period, the Education Bill was prepared and informed by data and evidence provided by TSU's Chief Technical Advisor, who was been deployed with support from the SCG. With the support from this grant, the TSU undertook fiscal analysis for teacher deployment and coordinated thematic working groups and sector reviews —including the 2025 Budget Review Meeting and the 2025 SESP Mid-Term Review (MTR). Rapid studies conducted by the TSU on out-of-school children, small schools, scholarships, and teacher management provided critical evidence for policy dialogue and reform.

The SCG's adaptation of the SESP Calibration Toolkit to the local context and support to the development of LEPs contributed to strengthening local governance. Over 318 LGs (40 per cent of the total 753) finalized and approved LEPs—including 147 directly supported by UNICEF with SCG financing. The SESP toolkit was updated with user feedback and embedded into the Integrated Education Management Information System (IEMIS), embedding benchmarking, simulation, and validation tools directly within government systems. The appraisal process further ensured that LEPs were gender-responsive, climate-resilient, and adequately resourced. Even after the sudden withdrawal of USAID support, the coordinated efforts in the Government-led Local Level Planning Thematic Working Group (TWG) ensured continuity of LEP development across LGs, underscoring the SCG's role in leveraging partnerships and sustaining momentum during shocks impacting the education system.

During this reporting period, 212 functional Girls and Inclusive Education Networks (GIENs) were strengthened, including 135 networks with direct UNICEF support through the SCG. These networks are now embedded in education planning and budgeting and receive financial contributions from federal, provincial, and local governments. Thus, the grant supported the shift from donor-driven structures to institutionalized, government-financed mechanisms for advancing gender equality and social inclusion. Similarly, the integration of the Equity Index into IEMIS LG dashboards has enabled LGs to track disparities and design targeted responses. Supported LGs improved their equity scores by an average of 7.77 percentage points , well above the national average, providing tangible evidence of progress and system transformation.

The SCG's contribution also resulted in IEMIS strengthening, particularly through enabling factors on data and evidence. As a result, IEMIS modules now cover water, sanitation and hygiene (WASH), early childhood education and development (ECED), teacher management, geographic information system (GIS) mapping, payroll, and student-level tracking, with a fully automated helpdesk system institutionalized at the CEHRD. This progress positioned IEMIS as a truly functional backbone for decentralized planning, budgeting, and monitoring. Moreover, validated IEMIS data is now being actively used by LGs to inform the implementation of the Recovery and Accelerated Learning Plan, marking a transition from data collection to evidence-driven decision-making at scale.

These achievements were made in a time when Government, UNICEF and other partners faced significant challenges, particularly with funding cuts that impacted the education system. The abrupt cessation of USAID operations in 2025 resulted in an estimated US$90 million loss to the education sector, affecting early grade reading, treasury support, and LG capacity building. Furthermore, many development partners, including UNICEF, faced reductions in regular resources. And while the interim government is looking into postponing Nepal's transition to Middle-Income Country status by 2027, this is still expected to further reduce Official Development Assistance by 25 to 40 per cent. Despite these shocks, SCG interventions helped maintain momentum through embedded government systems, ensuring continuity of core planning and monitoring functions and increased the resilience and robustness of the public sector institutional setup and capacity to deliver and leverage domestic financing as well as embed reforms

within the government system while prioritizing sustainability.

Overall progress made during the second year of grant implementation is rated as highly satisfactory. More than 95 per cent of the SCG budget for the first two years was utilized as planned, while activities delayed during year one were expedited and were on track during year two. Additionally, institutional capacity across all tiers of government has been measurably strengthened. The SCG has enabled UNICEF and partners to provide strategic, government-led, and evidence-based support in a challenging financing environment, demonstrating resilience and adaptability. The grant has proven catalytic in embedding transformative reforms into government systems, ensuring sustainability, and advancing Nepal's progress toward the SESP goals.

Grant Implementation Progress, by Grant Window

Grant Window	Level of Progress this Reporting Period [2]	Previous Rating
Window 1: Strengthen gender-responsive planning and policy development for system-wide impact	Highly Satisfactory (HS)	Satisfactory (S)

Detailed Description:

The implementation of the SCG in the second year remains highly satisfactory, with strong progress across all areas of capacity. By the end of the second year, more than 96 per cent of planned activities have been completed or are ongoing and on track, with major delays from year one (particularly EMIS-related technical assistance) now addressed through additional technical assistance (TA) mobilization. The establishment of sustainable support mechanisms, expanded EMIS functionalities, strengthened sector coordination, and scaling of gender-responsive planning and equity tools have positioned the SCG as a catalytic investment for systemic reforms. The report for the initial TA mobilized to strengthen the Integrated Education Management Information System (IEMIS) (See Annex 3a) and the Terms of Reference (ToR) for the ongoing follow up TA for strengthening IEMIS (See Annex 3b) have been finalized.

Capacity area window 1 – Strengthen gender-responsive planning and policy development for system-wide impact:
Progress under capacity area window one is rated satisfactory. UNICEF made considerable progress in local education sector planning and in strengthening gender-responsive institutional mechanisms. The SESP Calibration Toolkit was updated and integrated into EMIS, enabling 318 LGs to finalize Gender Equality and Social Inclusion (GESI)-responsive and climate-resilient Local Education Plans. A comprehensive rating tool for Local Education Plan (LEP) appraisals (See Annex 4) was developed based on global good practices and adapted to the local government level context, which was integrated into the SESP Calibration Toolkit to be used during the self-, peer- and external appraisal of LEPs. The GIENs expanded significantly, with 212 functional networks nationwide and strengthened resource commitments from federal, provincial, and local governments—135 of which were supported directly through UNICEF. The Equity Index was embedded into EMIS dashboards (See Annex 5 for Equity Index achievement report), with 150 LGs supported and having improved their scores by an average of 7.77 points, well above the national average, demonstrating measurable reductions in disparities.

The implementation status of the specific activities and interventions for this grant window is detailed below.

Activity group A: Gender-responsive sector planning, including operational planning and budgeting.

Activity A1 - Capacitate LGs to adapt/ contextualize SESP in their local education plans and budgets, including a focus on an equity/GESI.
* A SESP Calibration Toolkit was developed (completed in year 1) and has been updated based on the joint reflection and stocktaking of supporting LGs in the first year (completed year 2). The incorporation of the tools for benchmarking and simulation in the integrated EMIS portal is ongoing.
* 90 SESP Toolkit Calibration master trainers were trained by MoEST/CEHRD, with the support of UNICEF, USAID and the World Food Programme (completed in year 1).
* Dissemination workshops were organized for 150 LGs across four provinces, along with the central level (See Annex 4 for SESP Calibration Toolkit) (completed in year 1), with 318 LGs finalizing their GESI-

responsive and Climate Change-resilient Local Education Plans (LEPs) in year 2.
* Mapping of support from development partners to LGs for the use of the Calibration Toolkit and action tracking of the local education plan and budget status across 753 LGs (completed in year 2).

Activity A2 - Capacity building in specific areas related to gender-responsive budgeting, planning, monitoring and evaluation.
* Training materials were developed and 168 LG responsible officers were trained accordingly on gender-responsive educational planning and budgeting (completed in year 1).
* A two-day training package is being developed to train targeted local officials and elected representatives in 45 LGs (completed in year 2).
* A training package and resource materials were developed focusing on the professional development of female officers and head teachers in collaboration with the Teacher Training Section of CEHRD (completed in year 1).

Activity A3 - Professional Development Scheme for female officers and head teachers.
* Based on the training package developed under activity A2, a roster of 50 trainers has been established (completed in year 2), with the ongoing training of 200 female officers and head teachers on enhancing their leadership skills and strengthening their accountability in their respective areas.

Activity A4 - Support institutionalization of the Gender and Inclusive Education Network.
* 52 LGs across four provinces established/reactivated their GIENs and Complain Response Mechanisms, in alignment with the 2024 standards and strategies (completed in year 1).
* GIEN members were oriented on their roles and responsibilities and developed annual action plans, which included operationalizing complaint response mechanisms and appointing gender focal points at municipal and school levels (completed in year 1).
* Orientation of 15,000 head teachers and gender focal points on parenting awareness campaigns with a focus on GIEN (completed) with approximately 15,000 parents reached with messaging on the GIEN (ongoing).
* Mapping on resources for inclusive pedagogies to develop a training package and create a roster of trainers on disability inclusive pedagogy (Completed in year 2).

Activity group B: Support policies and plans to identify and address multiple forms of exclusion.

Activity B1 - The equity index is embedded and used for need-based planning and budgeting.
* The Equity Index was successfully embedded in the EMIS and recomputed for 2023 (completed in year 1), 2024 and 2025 (completed in year 2).
* The equity-based planning and budgeting module was developed and included in the SESP Calibration Toolkit (completed in year 1). A comprehensive training package for LG officers on how to unpack and use the Equity Index scores for need-based planning is ongoing, along with stocktaking of how LGs have utilized the equity index top up budget over the past years.

Activity B2 - Strengthen capacity to establish, strengthen, monitor and enforce the ECED Minimum Enabling Conditions.
* The animation development for model early childhood development centers fulfilling minimum standards was completed in year 1.
* EMIS strengthening to track prioritized minimum enabling conditions was undertaken by enhancing the indicator fields in EMIS, allowing for the tracking of the five minimum enabling conditions (completed in year 1).
* The local early childhood development material development guideline was finalized by the Curriculum Development Centre and uploaded in their website. (completed in year 1).
* The ECED communication strategy has been drafted and is now being integrated in an overall SESP Communication and Engagement Strategy (ongoing).
* The planning of the ECED first priority communication campaign for year 3 is ongoing and will be initiated.

Activity group C: Strengthen evidence-based diagnosis of critical implementation bottlenecks and identify potentially scalable and transformative solutions.

Activity C1: Stocktaking 2023 learning loss recovery activities and progress.
* Analysis of 2023-2024 learning recovery was undertaken and shared at the 2023 JRM (completed in year 1).
* Technical assistance was provided to CEHRD and ERO for staff training on the Item Response Theory, the use of R software and support for the finalization of the NASA Grade 5 2022 report (completed in year 2).
* Under the Government-led Recovery and Accelerated Learning plan that has been developed and rolled out, intensive support has been provided to 10 local governments on implementing learning recovery campaigns, reaching approximately 25,000 students (60 per cent girls) (completed in year 2).
* Revision of learning loss recovery guidance and tools based on the review of the diagnostic tools by the ERO (completed in year 2).

Activity C2: Undertake budget review meetings, joint review meetings, the MTR and Thematic Studies.
* Technical support was provided to the Government and Local Education Development Partner Group to undertake the December 2023/2024 JRMs and the April/May 2024 and 2025 Budget Review Meetings (completed).
* An independent team of international and national experts was mobilized to undertake the 2025 SESP MTR and the report was finalized and submitted to the Government and SESP Joint Financing Partners (completed in year 2).

Activity C3: Strengthen ownership and engagement among the broader Local Education Group members and stakeholder representatives in the SESP Sector dialogue and joint monitoring of progress.
* In year 2, MoEST continues to be supported in exploring further collaboration with the Municipality Association Nepal and the National Association for Rural Municipalities in Nepal under the Memorandum of Understanding to undertake joint orientation to elected officials and monitoring of SESP. The Municipality Association Nepal and National Association for Rural Municipalities in Nepal have been engaged in the adaptation of the SESP into Local Education Plans (ongoing).
* UNICEF continues to strengthen the strategic engagement of CSOs in SWAp through the deployment of the SESP SWAp liaison officer to map the CSOs and their engagement in the sector. The officer will also ensure coordination of engagement in support to LEPs through the joint TWG for Local Level Planning (ongoing).
* The Child Friendly School Framework is being updated to support LGs and school representatives in monitoring the compliance with minimum enabling conditions for learning (ongoing).
* Technical assistance is being mobilized and initial mapping of off-budget support to SESP has been undertaken through the SESP TSU to establish a Joint Aid Information Management System (ongoing)
* The initial mapping of actors to inform a private sector actors landscaping and engagement exercise has been done to inform the broader SESP Communication and Engagement strategy (ongoing).

Grant Window	Level of Progress this Reporting Period [2]	Previous Rating
Window 3: Strengthen capacity, adapt, and learn, to implement and drive results at scale	Highly Satisfactory (HS)	Satisfactory (S)

Detailed Description:

Capacity area window 3 – Strengthen capacity, adapt, and learn, to implement and drive results at scale:

Progress under capacity area window three is rated as satisfactory. Particularly, considerable progress was made towards EMIS strengthening. Key milestones include rollout of enhanced WASH and ECED modules, student-level tracking, GIS/GPS school mapping, teacher transfer and payroll modules, and the establishment of a national helpdesk and ticketing system at CEHRD. Furthermore, a training portal was created for responsible officers to practice using the IEMIS data for planning and budgeting, with 168 LG officers across 150 LGs trained. Moreover, tutorials and digital learning materials are under development. The EMIS institutional capacity assessment was completed, and work is underway to launch a public EMIS portal and strengthen provincial-level EMIS units. Together, these actions have reinforced data-driven planning, improved service quality, and institutionalized monitoring and accountability practices.

The implementation status of the specific activities and interventions for this grant window is detailed below.

Activity group G: Strengthen data systems, including on improving the availability and the use of sex-disaggregated data, and data on children with disabilities.

Activity G1: Strengthening of reporting, access, quality, timeliness of EMIS data.

Reporting, access, quality and timeliness of the EMIS data has been strengthened through the mobilization of technical assistance (completed in year 2).

* Strengthening of EMIS modules on ECED and WASH was completed to ensure the system could monitor the SESP indicators on the quality of WASH in school services and the ECED minimum enabling conditions (completed in year 1).
* Follow up training to LGs that do not/under report has been done in 150 LGs through the SESP Calibration Toolkit. EMIS TA was mobilized to provide follow-up on this (completed in year 2).
* Experts were deployed to support implementation of the joint EMIS action plan and support training on the EMIS component of the SESP Calibration Toolkit. Furthermoe, the EMIS TA has been mobilized to ensure follow up on this (completed in year 2) with additional technical assistance being mobilized to establish a public EMIS portal (ongoing).
* Undertaking of EMIS institutional capacity assessment has been agreed upon and the ToR for an EMIS TA has been approved to support the assessment. (completed in year 2).
* Strengthening the EMIS unit at the provincial level has been discussed with selected provincial governments, and technical support for implementation is currently being mobilized (ongoing).
* Technical assistance for the development of mobile application for EMIS reporting is currently being mobilized (ongoing).

Activity G2: Strengthen the coordinated Education response.

* TA support for systematic reporting and coordination for the Nepal Education Cluster was provided and the Education in Emergency function was accordingly developed and embedded in the EMIS (completed in year 1). Furthermore, the Education in Emergency function is being upgraded with the additional technical assistance being mobilized to establish the public EMIS portal (ongoing).

Activity group H: Provide training and support for government staff and central and decentralized levels, including on the uptake and use of data and evidence.

Activity H1: Strengthen capacity for the uptake and the use of data and evidence, including the EMIS and learning assessment systems.

* Development of training materials was completed under the initial technical assistance (completed in year 2). Currently, the development of tutorial videos and courses for technical officers is being planned under the additional technical assistance that is being mobilized (ongoing).
* Workshops and trainings to 168 responsible officers (including 17 female officers) across 150 LGs were completed, with SESP taskforces being established in 141 LGs. Follow up technical assistance has been provided based on need (completed in year 2).

Activity group I: Support the implementation capacity, including sector plan implementation monitoring, gender responsiveness of the sector and evaluation of sector plans and policies/programs in priority areas; assess the monitoring, evaluation and learning capacity, including the use of evidence in the policy process.

Activity I1: Provide continuous teacher support at the local level.
* This activity falls under the World Bank-managed SCG component.

Activity I2: Implement the learning recovery plan.
* This activity falls under the World Bank-managed SCG component.

Activity I3: Design and implement the impact evaluation on the Early Childhood Education (ECE) TEACH tool.
* This activity falls under the World Bank-managed SCG component.

Activity I4: Provide the ECE facilitator training.
* This activity falls under the World Bank-managed SCG component.

Activity I5: Provide need-based support to the LGs for key education functions.
* Deployment of LG-based technical assistance was completed with the establishment of four local partnerships to support 150 LGs to contextualize their local education plans and budgets (completed in year 1).
* The outreach team on budgeting and reporting has been deployed (completed in year 2).
* The helpdesk and the hotline at the CEHRD has been established (completed in year 2).

Grant Window	**Level of Progress this Reporting Period** [2]	**Previous Rating**
Window 2: Mobilize coordinated action and financing to enable transformative change	Satisfactory (S)	Satisfactory (S)

Detailed Description:
Capacity area window 2 – Mobilize coordinated action and financing to enable transformative change:
Progress under capacity area window two is rated satisfactory. The TSU completed 18 months of embedded support, providing technical leadership to MoEST, CEHRD, and ERO and completing the recruitment and deployment of a Chief Technical Advisor to the MoEST (ToR of Advisor attached in Annex 6). The TSU supported the Government of Nepal in undertaking sector-wide processes, including the 2024 joint review meeting (JRM), the 2025 budget review meeting (See Annex 7a for 2024 JRM and Annex 7b for 2025 budget review meeting aide memoires), and the SESP MTR that was undertaken in May-September 2025 (See Annex 8 for report). Both meetings were held in a hybrid format and featured simultaneous translation including sign language. A TWG on WASH, health, nutrition, and protection, developed the Home-Grown School Feeding Framework and revised SESP indicators resulting in enhancing cross-sectoral engagement. Furthermore, the ToR for the SESP Communication and Engagement Strategy was drafted and scheduled to be finalized by December 2025. However, considering the latest political changes in Nepal, in the context of the interim government period (September 2025 – March 2026), it was agreed to develop a short-term Communication and Engagement Action Plan rather than the initially envisioned long-term strategy, which has been drafted and is being reviewed by the Local Education Group.

The implementation status of the specific activities and interventions for this grant window is detailed below.

Activity group D: Strengthen sector coordination, including local education groups, joint sector reviews and monitoring the effectiveness of the country-level partnership.

Activity D1: Establishment of the MoEST TSU.
* The TSU was established and completed 18 months of implementation (completed), with the TSU Chief technical Advisor mobilized to strengthen strategic engagement (completed in year 2). Additionally, the SESP Joint Financing Partners is exploring top up funding to extend the TSU across the full SESP five-year implementation timeline (ongoing).

Activity D2: Provide technical assistance for SESP-Thematic Committees.
* Strengthening the capacity of MoEST's Development Assistance Coordination Section to coordinate technical assistance is ongoing. This included providing induction and technical support to newly assigned officers who have taken on leadership roles in their respective TWGs (ongoing).

Activity D3: Support cross-sectoral dialogue with WASH, Health & Nutrition and Protection.
* The cross-sectoral TWG has been convened and is supporting the development of the Home-Grown School Feeding Framework, the revision of the SESP indicators and the revisiting of the School Health Strategy (ongoing).
* The TWG is also exploring the strengthening of the linkage between the National WASH and the Multi-Sectoral Nutrition Programme (ongoing).

Activity D4: Strengthen the communication for the SESP implementation and visibility.
* A ToR for the SESP Communication and Engagement Strategy has been drafted jointly with the MoEST. Moreover, technical support is being mobilized to complete the development of this strategy by December 2025, as agreed in the 2025 Budget Review Meeting (ongoing).

Activity group E: Strengthen the budget processes and the Ministry of Finance's engagement to improve the equity and efficiency of education expenditure, including the processes toward gender equality.

Activity E1: Provide technical Assistance to the Government of Nepal in the development of the Fiduciary Management Action Plan.
* This activity falls under the World Bank-managed SCG component.

Activity E2: Develop capacities to manage, implement, and monitor the fiduciary oversight.
* This activity falls under the World Bank-managed SCG component.

Activity E3: Conduct a study on Public Expenditure Tracking Study.
* This activity falls under the World Bank-managed SCG component.

Lessons, innovative/promising practices

Strengthening Data Systems and Tools for Equity: Considerable progress was made in modernizing the IEMIS. Innovations included embedding an automated Equity Index aligned with Nepal's federal education context, enabling annual computation of disparities in access, participation, and learning outcomes. This system now supports evidence-based planning and targeted interventions by local governments. Enhancements such as school report cards with GESI-responsive features, integration of WASH and ECED indicators, and new modules for teacher transfer management, payroll budgeting, GIS mapping of schools, and dynamic notifications were introduced. These digital tools strengthen transparency, improve monitoring, and ensure equitable allocation of resources.

Innovations for Local-Level Planning and Capacity: At the decentralized level, the development of projection, simulation, and costing tools within EMIS marked a significant breakthrough, enabling municipalities to prepare budgeted Local Education Sector Plans. By allowing scenario-based planning, these tools support governments in aligning resources with learning priorities and responding to disparities. The rollout of user-friendly manuals, along with access to and guidance on using the IEMIS training platform, further equipped local governments, schools, and administrators to navigate the enhanced EMIS effectively. These innovations ensure that new system functionalities are usable at scale, promoting long-term sustainability and replication through government systems.

Policy Engagement and Cross-Sectoral Innovations: Beyond digital tools, the TSU and partners supported evidence-informed reforms by producing rapid assessments on out-of-school children, teacher deployment, scholarships, and small schools. These studies shaped policies such as the draft Education Bill and strategies for repositioning teachers to address imbalances. Cross-sectoral innovations were also advanced, including the integration of climate action into school safety mechanisms, the piloting of educational technology for accelerated learning and non-formal education pathways, the incorporation of mental health and psychosocial support, and gender-responsive approaches into Community Learning Centers. Collectively, these innovations reinforced UNICEF's strategic shift from fragmented pilots toward government-led, scalable solutions that strengthen equity and learning outcomes nationwide.

Evidence-based and Results-oriented Decision Making: Building on the significant progress in strengthening EMIS and local planning tools, the SCG also supported the deepening of evidence-based and results-oriented decision making at the local level, in close alignment with the Data Must Speak (DMS) SCALE initiative. By embedding tools such as the Equity Index, digital data dashboards, and simulation models directly into IEMIS, LGs are increasingly able to translate data into actionable policies and resource allocations that respond to equity gaps and learning needs. The DMS SCALE framework continues to ensure long-term co-creation, knowledge mobilization, and adaptive learning approaches to strengthen local capacities for data use under the DMS partnership between UNICEF and the Government of Nepal.

In addition, the DMS positive deviance research generated new insights by identifying schools that achieve stronger learning outcomes despite operating using the same resources in a similar context, by documenting their effective leadership, teaching, community engagement, and inclusive management practices (https://www.unicef.org/innocenti/media/10141/file/UNICEF-Innocenti-DMS-Nepal-Stage-3-Report-2024.pdf). These findings have informed the SESP Calibration Toolkit on strengthening evidence-based planning and budgeting and are being systematically used to inform and enrich national policy and practice, including their integration into the updated Child Friendly System Framework, the School Improvement Plan guidelines, the school self-assessment guideline, and the SESP Program Implementation Procedures.

As such, the SCG-financed technical support and LG capacity building are fully aligned with DMS priorities of fostering improved awareness, accessibility, and trust in education data, while also elevating and scaling evidence from positive deviants into government-led reforms. This alignment ensures that SCG resources strengthen both IEMIS and Nepal's education system through the uptake of evidence generation, resulting in strengthening the feedback loop between data, policy, and practice at the subnational level. These system enhancements will allow to further increase the accuracy and use of data in monitoring of key education outcomes, with increased focus beyond the access to education on the quality of the education services, as well as allow to strengthen need-based and evidence-based targeting of limited public funds and development assistance, using data to understand where investments in improving quality of education is most impactful in terms of unlocking and accelerating learning outcomes.

Impact stories

The blog post on the aligned technical support to strengthen local capacity for adaptation of the education sector plan in local plans and budgets, which was planned for year two is in the process of being updated by UNICEF, European Union (EU), and government. This is to reflect the USAID support withdrawal and recent changes to the political context in Nepal. The blog is co-authored by the Government of Nepal and expected to be published on the GPE website before the end of 2025.

An article Data Must Speak initiative in Nepal was shared on UNICEF's website (https://www.unicef.org/innocenti/stories/data-must-speak-when-evidence-listens-learns-and-leads) in September 2025. The article refers to areas supported by the GPE SCG and has also been published on the GPE Knowledge and Innovation Exchange website.

Tangible Outputs, Knowledge Products, Results Framework and other Supporting Documentation

#	File Name	Document Type	Description
1	Annex 3a - completion report for the EMIS strengthening TA.zip	Knowledge Product	completion report for the EMIS strengthening TA
2	Annex 3b - TOR For mobilizing support for EMIS.pdf	Knowledge Product	TOR For mobilizing technical assistance to create public EMIS portal
2	Annex 4 - LG ESP appraisal scoring tool.xlsx	Knowledge Product	Local Education Plan Appraisal Toolk
2	Annex 5 - DLI 2.1ci (Equity Index) Achievement Report Final.pdf	Knowledge Product	Equity Index achievement report
2	Annex 6 - ToR for the SESP TSU CTA November 2024.pdf	Knowledge Product	ToR of the SESP Chief Technical Advisor
2	Annex 7a 2024 SESP Joint Review Meeting Aide Memoire.pdf	Knowledge Product	SESP 2024 JOint Review Meeting Aide Memoire
2	Annex 7b 2025 SESP Budget Review Meeting Aide Memoire.pdf	Knowledge Product	SESP 2025 Budget Review Meeting Aide Memoire
2	Annex 8 - 2025 SESP MTR Final Report.docx	Evaluation Report	SESP 2025 Mid Term Review Report

The documents listed were submitted with the progress report. If you'd like access to them, please contact the grant operations officer for your country.

Financial Reporting & Grant Management

Financial Reporting on GPE Grant

Cumulative Financial Absorption Rate

Approved Budget to Date	Cumulative Expenditure	Cumulative Financial Absorption Rate	Level of Financial Absorption
1,220,352	1,183,642	96.99	On Track

Budget Variance Analysis for the Current Reporting Period

Total Approved Budget for the Current Reporting Period
173,957

Total Expenditure for the Current Reporting Period
219,912

Explanation for underspending or overspending in excess of 10%
On track, with budget planned for year 2 fully utilized and EMIS TA that was planned in year one completed, thereby correcting the slight underspent in year one of the grant implementation

Management Performance

Level of management performance
Highly Satisfactory (HS)

Detailed Description
The GPE SCG continues to be strategically utilized in close collaboration with the Government of Nepal. Building on the establishment of a technical assistance facility and the embedding expertise within the MoEST and its central agencies, the SCG has ensured strong government ownership while supporting a localized, system-strengthening approach at the provincial and municipal levels. This has been particularly crucial following the withdrawal of major USAID-supported partners, enabling the SCG to fill a critical gap and sustain momentum toward sector reforms.

The SCG has gone beyond providing short-term technical inputs and enabled scalable and sustainable solutions that strengthen national and subnational systems. It supports the creation of mechanisms for LGs to assess institutional capacity across key enabling factors, and to receive need-based, predictable technical assistance. This forward-looking intervention ensures that the grant not only meets immediate needs but also lays the foundation for lasting capacity and long-term sector resilience. Furthermore, by aligning SCG-supported interventions with joint financing arrangements, UNICEF and partners have leveraged the grant to co-finance strategic initiatives with the EU and Finland, maximizing impact and ensuring sustainability beyond the life of the grant.

Close coordination with the wider Local Education Group has been a defining feature of SCG implementation. Through regular updates, joint sector reviews, and engagement with TSUs and TWGs, the SCG has amplified the role of the Local Education Group as a platform for inclusive dialogue and joint decision-making. UNICEF's facilitation ensured civil society organizations (CSOs) and other stakeholders are capacitated and strategically engaged in the Nepal SWAp, resulting in ownership of reforms and strengthening the accountability of the education system. The broad engagement and joint sector dialogue is crucial in the case of constraints and challenges encountered during the implementation, such as the ones noted below.

One area where constraints were noted was in the ability to engage in a more holistic system strengthening in terms of being able to apply a cross-sectoral approach. A good example of this constraint is the work on integrating the SESP targets into local education plans, which has seen significant progress over the past year in terms of supporting nearly half of all LGs in the country, but with the calibration between LEPs and the periodic plans and medium-term expenditure frameworks from LGs to be done. The absence of an overarching body guiding the provincial- and local level system strengthening poses a risk of LGs continuing to be approached sectoral rather than supporting them in a more comprehensive manner. To address this, other line ministries, including the Ministry of Health and Population (MoHP), the Ministry of Finance (MoF) and the Ministry of Federal Affairs and General Administration (MoFAGA) are invited to the biannual joint sector reviews to understand how LGs can be better supported, and a cross-sectoral joint thematic working group has been established to facilitate a continues dialogue between government and partners at the technical level on this as well, which are both coordination mechanisms that are supported through the SCG through the SESP TSU.

A second area of constraint has been to further define the role and areas of engagement of the provincial governments in the delivery of inclusive quality education by LGs. For this, the SCG supports sector dialogue on how to increase strategic engagement with provincial governments, including exploring the establishments of data and innovation resource hubs at the provincial level to provide technical backstopping to LGs in their planning, implementation, and monitoring of LEPs.

Another challenge is that LGs having been supported to develop their LEP based on identified needs and available capacity and resources will continue to see the vast majority of these LEPs being funded through federal level conditional grants, which will be released on an annual base with detailed guidance on how these fund need to be utilized in support of activities in the SESP annual strategic implementation plans and annual work plans and budgets. This constrains LGs in identifying and costing LEPs based on their data, context, ambition, capacity and identified priorities, which affects the level of ownership over the LEPs, and thereby the level of perceived accountability by LGs in terms of being responsible for the results. For this, the SCG supports the dialogue SWAp to understand what is possible in terms of gradually relaxing conditionalities for federal funding and based on proven capacity and performance to enable in time for LGs to have the ability to utilize funds as per their needs and priorities, while complying with national and global commitments to education.

The SCG has catalyzed the integration of the SESP into local education plans and budgets. The establishment of the SESP Technical Assistance Steering Committee—chaired by the Joint Secretary of the MoEST Planning and Monitoring Division—continues to provide joint oversight and ensure that reforms remain fully aligned with the national framework. Quarterly reviews against SCG targets and the implementation of the joint SESP Program Action Plan—including fiduciary management and environmental and social safeguards—have institutionalized robust accountability mechanisms. These arrangements have safeguarded programmatic coherence and sector alignment, even in the absence of previous large-scale technical assistance previously provided by other partners.

Furthermore, by bridging the funding gaps following partner withdrawals, the SCG has strengthened local ownership and institutional capacity, facilitating the integration of the SESP into decentralized planning and budgeting processes. The grant's catalytic role lies in its ability to not only to maintain continuity but to leverage resources, scale, impact, and ensure sustainability at local level, ultimately supporting the sector to achieve the transformative vision outlined in the SESP.

The youth-led "Gen-Z" protests that swept across Nepal on the 8th and 9th of September 2025 triggered a major political shift, culminating in the resignation of the government and the formation of an interim administration. The interim prime minister, elected through an online social media platform (Discord), was sworn in by the president on 12 September 2025. National elections have been announced for March 2026. The protests, driven by demands for greater accountability, have introduced uncertainty regarding governance, reforms, and sectoral priorities, including education.

Rapid assessments conducted by the Nepal Education Cluster in the aftermath of the protests indicated that although 98 per cent of schools across the country remained open, around 759 schools were temporarily closed. Moreover, a total of 124 LG offices sustained damages including 89 offices that were fully destroyed. The assessment also underscored critical psychosocial needs, with 192 LGs reporting an immediate requirement for structured psychosocial support for teachers, learners, and administrators. In this context, while core education services continue, the evolving political and social situation adds uncertainty to sector planning and resource prioritization in the near term. As a result, there might be a need to revisit the enabling factors that were confirmed to be supported by the GPE SCG in the remaining two years to ensure continued relevance and alignment with the changing context.

The immediate impact of the recent political context in Nepal might require a review and revision of the planned activities in the third and final year of the SCG implementation period. If any requirements for support under the SCG emerge from the current context that go beyond the immediate technical assistance provided under the SESP Technical Support Unit and by SESP Joint Financing Partners to ensure institutional capacity to continue functions under the SESP SWAp

Revisions to the grant

This period, have there been any revisions to the grant other than those submitted to the Secretariat for their approval?
No

How likely is that the grant agent will submit a request for revision to the Secretariat in the next 12 months for their approval?
Moderately Unlikely

Annexes

Annex 1: List of Acronyms

Acronym	Description
AIMS	Aid Information Management System
BRM	Budget Review Meeting
CDC	Curriculum Development Centre
CEHRD	Centre for Education and Human Resource Development
CRM	Complain Response Mechanism
CSES	Climate Smart Education System
CSO	Civil Society Organization
ECED	Early Childhood Education and Development
EMIS	Education Management Information System
ERO	Education Review Office
EU	European Union
GEDSI	Gender Equality and Disability Social Inclusion
GESI	Gender Equality and Social Inclusion
GIEN	Girls and Inclusive Education Network
GPE	Global Partnership for Education
IIEP	International Institute for Education Planning
JRM	Joint Review Meeting
LEDPG	Local Education Development Partner Group
MECs	Minimum Enabling Conditions
MoEST	Ministry of Education, Science and Technology
MToT	Master Training of Trainers

MTR	Mid-Term Review
MUAN	Municipality Association Nepal
NARMIN	National Association for Rural Municipalities in Nepal
ReAL	Recovery and Accelerated Learning
SESP	School Education Sector Plan
SOP	Standard Operating Procedure
STL	Safe To Learn
SWAp	Sector Wide Approach
TSU	Technical Support Unit
TWG	Thematic Working Group
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
WASH	Water and Sanitation and Hygiene

1 Highly Unsatisfactory- The grant has major shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is unlikely. Unsatisfactory - The grant has significant shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is uncertain. Moderately Unsatisfactory - The grant has moderate shortcomings or delays that limit or jeopardize the achievement of one or more outputs but a resolution is likely. Moderately Satisfactory - The grant is expected to achieve most of its major outputs efficiently with moderate shortcomings or delays. Satisfactory – The grant is expected to achieve almost all of its major outputs efficiently with only minor shortcomings or delays. Highly Satisfactory - The grant is expected to achieve or exceed all of the major outputs efficiently without significant shortcomings or delays.

2 Highly Unsatisfactory – The window has major shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is unlikely. Unsatisfactory – The window has significant shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is uncertain. Moderately Unsatisfactory – The window has moderate shortcomings or delays that limit or jeopardize the achievement of one or more outputs but a resolution is likely. Moderately Satisfactory – The window is expected to achieve most of its major outputs efficiently with moderate shortcomings. Satisfactory – The window is expected to achieve almost all of its major outputs efficiently with only minor shortcomings or delays. Highly Satisfactory – The window is expected to achieve or exceed all of the major outputs efficiently without significant shortcomings or delays.

3 tooltip