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
	From Date	To Date	
3,399,604 (USD)	08/03/2024	08/02/2025	11/17/2025

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

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
Satisfactory (S)	Moderately Satisfactory (MS)

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

There has been substantial progress during this reporting period. Details of progress by activities are provided below, including ratings by sub-activity to reflect the activity-wise progress.

Grant Implementation Progress, by Grant Window

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	Satisfactory (S)	Moderately Satisfactory (MS)

Detailed Description:

Activity I1: Continuous teacher support at the local level (Teacher Mentoring Program); Highly Satisfactory

i) The World Bank (WB) continued to provide TA support for the effective implementation of the government's teacher mentoring program during its second year. WB, in collaboration with the Center for Education and Human Resource Development (CEHRD)'s teacher training division, provided mentoring orientation to 150 local governments (LGs) (Completed in Year 2). 50 LGs implemented the teacher mentoring program in FY 203/24 (See Annex for achievement report and verification report by independent verification agency on teacher mentoring program. SCG TA supported government achieve US$10 million in Disbursement Linked Result (DLR), a joint DLI result for GPE System Transformation Grant (STG), WB, and Asian Development Bank (ADB)). During the reporting period (FY 2024/25), 1,420 permanent teachers (with less than one year of teaching experience) across the selected additional 100 LGs benefited from mentorship provided by 305 senior, experienced, and qualified mentors for their professional development. In its third year of implementation, the program has been expanded to an additional 100 LGs, and TA support is ongoing.

ii) Program implementation process review and Standard Operating Procedures (SOP) revision support: A program implementation process review exercise was carried out in collaboration with the CEHRD. The mentoring program has been highly appreciated among the beneficiaries after the first two years of implementation. However, there are implementation challenges that require policy-level decisions to ensure the program's sustainability. Building on these findings and first two years of implementation experience, the SOP is being revised. The WB team will continue to provide necessary support and discuss with the government's key decision-makers to enhance its sustainability.

iii) Successful development and handover of teacher mentoring mobile app: The teacher mentoring mobile app for monitoring mentoring activities and assessing progress at the school level has been developed and successfully handed over to CEHRD. The app, uploaded to the CEHRD's website (https://mentoring.cehrd.gov.np/np/admin), is being rolled out this year across the program LGs. App training, integrated in the mentors training, is completed in four provinces with remaining three provinces scheduled to finish by January 2026.

Activity I2: Implementation of learning recovery plan; Moderately Satisfactory

i) Evaluation of the effectiveness of the Recovery and Accelerated Learning (ReAL) plan implementation: A firm has been hired to evaluate the first three years of implementation of the ReAL plan. This study mainly aims at i) evaluating effectiveness, relevance, implementation, synergy and sustainability of the Plan in addressing learning loss recovery and improving foundational learning outcomes; and ii) providing practical actionable recommendations for enhancing its impact and integration for the implementation in subsequent years. The evaluation is expected to be complete by February 2026.

ii) Teaching at the Right Level (TaRL): Workshops on TaRL, led by Pratham team, were organized. These workshops were meant to disseminate the effectiveness of TaRL approach in strengthening foundational skills for children who have become behind their respected grade levels. However, despite its proven effectiveness in and outside Nepal, there has been no uptake from the government to institutionalize the TaRL approach more widely. Resources allocated for this activity will need to be repurposed towards new activities. The WB team would prefer to keep the focus on foundational learning, even if it not through implementation of TaRL. WB team will work closely with the government and the local education development partners group (LEDPG) to propose new activities to strengthen foundation learning.

Activity I3: Design and implement impact evaluation on ECE TEACH: Satisfactory

iA key factor in improving Early childhood Education (ECE) outcomes is the quality of teachers. Well-trained and motivated teachers can create a stimulating and supportive learning environment, which is crucial for the holistic development of young children. TA was provided to support CEHRD to contextualize the Bank's TEACH ECE Classroom Observation tool for Nepal, observe teaching practices of ECE teachers in classrooms, and identify areas to strengthen the ECE TPD training package. Classroom observations were carried out and classroom observation report prepared with key findings and recommendations for effective ECE teacher training.

Activity I4: ECE facilitator training: (Initiated)
i) TA support for the development of teacher training materials as per the updated Teacher Professional Development (TPD) Framework: CEHRD is updating the one-month certification training package for

ECE teachers, aligned with the updated TPD Framework. Necessary TA support, including provision of experts, is being provided to the CEHRD's early childhood education and development (ECED) division and the Teacher Training division to integrate the key findings and recommendations from the classroom observations of ECE teachers in the updated teacher training package. The updated teacher training package is a prerequisite for achieving the ECE teachers' training targets set under the DLRs, financed by the WB managed portion of the GPE Multiplier Grant.

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

Detailed Description:

Activity E1: Technical Assistance to the development of Fiduciary Management Action Plan: Moderately Satisfactory

The WB team was about to engage TA for fiduciary, but due to a potential overlap with the TA provided by ADB, the TA activity was put on hold. Furthermore, WB's Financial Management (FM) Specialist has provided TA using the WB's internal resources. As provisioned in the SESP Program Action Plan (PAP), ADB is currently supporting the annual fiduciary review (AFR) of SESP expected to be completed by December 2025. Further PFM related TA support activities will be identified based on the findings and recommendations from the AFR.

Activity E2: Develop capacities to manage, implement, and monitor fiduciary oversight: Satisfactory

At the request of the MOEST and as agreed in the 2024 Joint Review Meeting, WB supported the rapid assessment of the implementation of the School Accounting Software (SAS). The assessment provided information on the current status and limitations of SAS, assessed its viability for continued use, and identified potential areas for improvement and sustainability. A draft roadmap for institutionalization, enhancement, and rollout has been prepared. However, the transfer of the Joint Secretary of the FM Division of the Ministry in August stalled the discussion and progress. Digital reforms and solutions are necessary to strengthen and improve the financial management of the school sector. The WB team will continue to engage, including working with the relevant DPs, to move the agenda forward.

Activity E3: Public expenditure tracking study: (Not initiated)
WB is proposing to drop this activity given the limited value addition of this study since related and similar studies have either been recently carried out or are ongoing. Other studies include the ADB's annual fiduciary review (ongoing, expected to be completed by December 2025), Norway's U4 study on vulnerability, integrity, transparency, and accountability of the education sector (completed), and the WB's Public Expenditure Review of Human Development Sector (completed).

Lessons, innovative/promising practices

The mentoring program has been highly appreciated and acknowledged by the federal and local governments, mentors, head teachers and the mentee teachers (beneficiaries). There has been a consensus among key stakeholders to improve the implementation modalities for further expansion and sustainability of the program. Our continued technical support has been essential in designing and implementing the program.

Classroom observation of ECED teachers carried out to support the GPE multiplier grant DLI, has generated interest in exploring the possibility of providing continuous classroom observations for ECED teachers.

Impact stories

Beneficiary teachers who have received the mentorship during the first and second year of the program have highly appreciated the program provided by experienced senior teachers/mentors. In addition, there has been a positive spillover effect of the program as some non-program local governments have initiated mentoring activities, utilizing their own budget. Furthermore, some LGs have indicated their interest in collaborating for a more sustainable modality of the mentoring program. The government has recognized the importance of this induction program as one of the key modality of teacher professional development for teachers with limited teaching experience and plans to mandate new teachers to receive mentoring during the first year of service, with improvements in implementation modalities.

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

#	File Name	Document Type	Description
1	TOR ReAL Evaluation_Final.pdf	Evaluation Report	Terms of Reference
2	Final SAS Assesment Report Final version.pdf	Knowledge Product	SAS assessment 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
1,187,523	574,819	48.4	Off Track

Since the financial absorption is not rated as 'on track', please provide an explanation that identifies the main activities that have been delayed and their corresponding unspent amounts, as well as reasons for the delay and steps taken to ensure that expenditure absorption gets on track in the next reporting period.

Low financial absorption is mainly due to activities related to the implementation of the Teaching at the Right Level (TaRL) under Activity I2 not being implemented. Approximately US$ 500,000 is allocated for implementation of TaRL. TaRL implementation was to take place in the first two years. This allocation will need to be revised and reallocated based on TA needs to be identified during the MTR workshop (November 20 and 21) and the 2025 Joint Review Meeting (November 24-28.2025).

Budget Variance Analysis for the Current Reporting Period

Total Approved Budget for the Current Reporting Period
540,753

Total Expenditure for the Current Reporting Period
367,671

Explanation for underspending or overspending in excess of 10%

Management Performance

Level of management performance

Satisfactory (S)

Detailed Description

The Bank team has carefully responded to the client's demand to redirect the planned activities, has carefully reviewed the continued relevance of some of the proposed activities, aligned with other DP's earmarked TAs to avoid duplication, and mobilized other resources, as and when available and appropriate. This is a proactive action, but as a result, it has delayed the SCG fund utilization. However, this also allows Nepal to make necessary revisions to the grant, which is timely given that mid-term review (MTR) for SESP has just concluded and new TA needs are emerging. TA needs will be identified during the MTR workshop (November 20 and 21) and the 2025 Joint Review Meeting (JRM, November 24-28, 2025).

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?

Highly Likely

Detailed Description

The Bank team will carefully review and revise the grant activities, in close consultation with the government and the local education development partner group, taking into account the recommendations from the MTR report and the outcomes of the MTR workshop, the 2025 JRM, and the availability of TA resources of other DPs.

Annexes

Annex 1: List of Acronyms

Acronym	Description
BRM	Budget Review Meeting
CEHRD	Centre for Education and Human Resource Development
ECED	Early Childhood Education and Development
GPE	Global Partnership for Education
JRM	Joint Review Meeting
LEDPG	Local Education Development Partner Group
MoEST	Ministry of Education, Science and Technology
MTR	Mid-Term Review

ReAL	Recovery and Accelerated Learning
SESP	School Education Sector Plan
SOP	Standard Operating Procedure
TWG	Thematic Working Group
LG	Local Government
DLR	Disbursement-linked Result
STG	System Transformation Grant
WB	World Bank
ADB	Asian Development Bank
FM	Financial Management
TaRL	Teaching at the Right Level
AFR	Annual Fiduciary Review
SAS	School Accounting Software
ECE	Early Childhood Education

[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