

**BHUTAN: Summary of EFA FTI Endorsement Documents
FTI Secretariat and the Local Education Group, November 2009**

Introduction and purpose. In its supportive role to FTI Partners, the Secretariat provides routinely a summary of all Education Sector Plans endorsed by in-country local partners. This summary document is then added to the endorsement package for dissemination to the broader Partnership. In the case of Bhutan, the Local Education had already provided such a summary found immediately below. Furthermore, an update of the FTI Donors' Appraisal Report has also been prepared and attached as annex to this document.

Country Facts

Population, total (thousand) 873.7
 Population growth (annual %) 2.6
 GNI (current US\$) (millions) 553.8
 GDP (current US\$) (millions) 696.5

Key Achievements:

- Increase in enrolment to 125,000 by 2002
- Expansion of enrolment in vocational schools
- Introduction of adult literacy beginning 1993
- Revision of the secondary school texts, and curriculum materials
- Introduction of a basic skills component since 1999 to improve vocational skills
- Introduction of a national program of non- formal education in place since 1999
- Establishment of a National Technical Training Authority (NTTA) to coordinate the development of TVET

Key Policy Focus:

- Improve quality and relevance
- Expand basic education to the entire sector
- Develop highly motivated and competent teaching cadre
- Increase access to education
- Improve tertiary education by establishing a national university
- Focus is on Early childhood development, Primary education, secondary education, Tertiary education, adult literacy and continuing education, technical and vocational education

i. Early childhood:

- Priority given to home and family based approaches
- Private sector initiative in setting up nursery schools

ii. Primary Education:

- Curriculum review and upgrade
- Staffing with qualified teachers to achieve a 1: 32 PTR
- Expand capacity of primary schools to deal with special education- additional 120 more community schools
- Introduction of new technologies and internet connectivity
- Expand pre-service teacher training
- Improved monitoring and support for teachers

iii. Secondary Education

- Introduce new learning possibilities through use of information technology
- Improved teacher qualifications through training
- Expand facilities to accommodate increased demand for secondary school places
- Allow for the establishment of private secondary schools
- Introduce special scholarship targeting pupils from poor economic backgrounds

iv. Tertiary Education

- Expand university capacity to accommodate increased number of students
- Expand capacity at the NIE to accept more students in the teacher training program
- Development of IT in colleges must conform to National ICT policy

v. Adult Literacy and Continuing Education

- Conduct literacy survey
- Establish Basic Literacy and Post Literacy centers
- Upgrade libraries to make them useful for NFE learners
- Piloting of a continuing education program catering to the different levels of learners wishing to complete high school

vi. Vocational Education and Training

- Expand and improve TVET
- Expand training capacity of TVET to increase coverage of TVET to 60 % of students continuing with general education by 2012
- Review and improve the curricula of TVETs
- Creation of additional 13 new Training Institutes

vii. Special Education

- Create a unit within Education Dept. to manage special education
- Needs assessment to determine extent of disabilities requiring special education
- Equip schools with appropriate equipment favoring disabled pupils
- Introduce aspects of special education in teacher training

viii. Decentralization and System Management Process

- De-linking of the department of education from Ministry of Health and upgraded to a full ministry of Education
- Articulation of clear job responsibilities, and accountability for each section and management unit in MoE
- An internal auditing system and Ethics committee will be introduced to ensure clean and effective management system
- Full staffing of department with qualified professional
- Upgrading of existing EMIS and personal information system
- Enhanced research capacity
- Quality assurance through regular review of effectiveness
- Expanding the role of School Management Boards to include planning and management for schools

TARGETS: (mostly qualitative)

- Minimum teacher pupil ratio of 1:32
- Provide at least 20% of teaching force with housing
- Increase the percentage of students taking general education from 37% in 2002 to over 60% by 2012
- Increase intake capacity at TVET from 1,100 school leavers per year to above 4,800 at end of 9th five year plan

Observations:

- Government provides free tuition, textbooks, meals, and boarding facilities with some contribution from parents
- Encourages development of private sector participation in education
- Appreciates the pressure placed on secondary education
- Very IT focused strategy at all levels
- Plan does not show expenditure figures
- Very explicit plan for all levels of education

**ANNEX: SUMMARY REPORT—Education Fast Track Initiative
Consultant Contract No7151395**

Marion Young, 19th June 2009

Introduction

The consultant undertook a 5 day assignment in Bhutan from 15th – 19th June 2009 to update the FTI Appraisal Report, to include information from the finalized 10th Five Year Plan, including related financial projections and recent updated information on the education sector plan.

The consultant worked closely with the MoE PPD staff and the UNICEF Education Office, Thimphu. An outline of the workplan, meetings and people met is attached (Annex 1).

Progress against Terms of Reference

Terms of Reference	Progress against TOR
Strengthen the overall context by including the use of more recent data and documentation (eg the use of PAR 2007 and BLSS 2007 versions).	Updated information referenced on literacy rates and poverty indicators.
Align costing to 10 th and 11 th five year plan periods, and incorporate up-to-date actual expenditure information.	All costings have been revised and updated to 10FYP approved figures including donor commitments. Extrapolations were made where necessary in consultation with MoE PPD based on RGoB guidelines eg inflation rate of 4.5% pa used consistently for projections.
Revise access proposals to include strategies other than only expanding infrastructure.	Inclusion of access strategies of stipends and costs of boarding for children from remote communities in line with the MoE Education Strategy and 10FYP.
Discuss importance of school mapping as an integral part of expanding infrastructure and include any available school mapping information.	School mapping included in original draft Appraisal Report Table 4C Priority Area 1. No additional information was included in the report but the consultant noted the reference to Mapping in the JESR Aide Memoire. This will be a key tool for the final stage of achieving EFA and should be included as a core activity in the FTI CF proposal.
Review the target of 90 percent NPER which has been deemed too modest given the initial starting point and the need to address difficult access and equity issues involving the remaining out of school population.	The targets in Table 3B have been raised to reflect a higher NPER. The difficulty of achieving the final few percentage points in NPER will need to be emphasized the FTI CF proposal with more accurate information drawing from the mapping exercise.
Align financing scenarios with outcomes and include low cost or no cost changes in systems (eg school timetable) which could make an important impact.	Reference has been made to low cost and no cost ideas as a means towards achievement of EFA, para 102-103.

Conclusions

The revised FTI Appraisal Report is in the format prescribed in the FTI guidelines and is comprehensive of all issues needing to be addressed. Drafts of the Appraisal Report have been reviewed by all key stakeholders in the process of development. The information contained in the report is current, based on the latest available data. The MoE and development partners have been consulted to confirm any information presented in the report.

Funding Gap

In the final draft version of the FTI Appraisal Report (June 2009) the funding gap figure is significantly revised. In the draft version August 2008 the funding gap was calculated as **USD 225.98 M** for the period 2008-2013 and **USD 307.66 M** for the period to 2015 which was realized to be excessive at the time. These figures were retained as the finalization of the 10FYP was pending and would require a re-calculation. Also an increase in civil servant salaries was anticipated but the scale of the award was not known. Furthermore it was understood that several development partners were reviewing their commitment to funding in the education sector and this too would impact on the end result. The Canada programme has now closed and some adjustment may yet be made to funding commitments in view of the downturn in the global economy.

The consultant, in close collaboration with PPD MoE, has made the re-calculation of the funding gap based on the finalized 10FYP figures. The revised funding gap is calculated to be **USD 105.48 M** for the period 2008-2013 and **USD 154.6 M** for the period to 2015. The annual breakdown ranges between USD 20.15 M in 2009/10 to USD 25.11 M in 2014/15. This funding gap is based on all available information for the Basic Education sector.

The funding gap estimate remains considerably higher than the figure of USD 5-8 M advised in the JESR Aide Memoire (Feb 2009). However the consultant would prefer to report this figure as agreed in discussion with PPD MoE as this is a result of detailed analysis of current budget and committed budget. The consultant would raise the following points for consideration in relation to the reported funding gap:

First, it is likely that further donor funding will become available to the education sector during the 10FYP, as indicated by GNHC, most significantly from Denmark and World Bank direct budget support. Both Denmark and World Bank commitments reported in Table 4B are conservative and additional budget allocation to the education sector could contribute to reducing the funding gap. These additional funds would almost certainly be targeted to the priority areas focused on achievement of EFA and MDG2.

Second, the reporting of this funding gap is based on an assumption that FTI CF would be targeted to specific priority areas such as are highlighted in the report, not targeted to all planned activities which make up the funding gap. For example the FTI CF proposal for Bhutan would prioritize activities which address the needs of unreached children, with a positive emphasis on inclusion – access, enrolment, participation and completion of primary education. If Bhutan is invited to apply for FTI CF the task of the proposal team would be to review the Education Sector Programmes and identify the priorities for action, considering the financial and human resource capacity of the education system in Bhutan. The request for FTI CF would realistically then come within the range of USD 5-8 M.

This approach to the FTI CF proposal and a realistic estimation of actual funding gap requirement to meet EFA and MDG2 targets has not been discussed formally with MoE or Development Partners in Bhutan. The FTI Appraisal Report is based on analysis of the current education sector plan for Bhutan. It provides a basis from which to submit an application for FTI accession. The next step in the process, if approval is given, would be to prepare a detailed, costed FTI CF proposal.

Detail of Costing Revisions

Below is a tabulation of the main changes made in the revised FTI Appraisal Report to explain the difference in funding gap between the draft (Aug 08) and the final draft (June 09).

Table Ref / Budget line Nu M	Draft Calculation Aug 08	Revised Calculation June 09	Notes
Table E / MoE TOTAL recurrent budget 2008/09	1,782.630	2,007.776	Increase in recurrent budget due to 35% salary award increases the total budget but recurrent costs are met by RGoB, therefore contributing proportionately to a reduction in the funding gap.
Table G / Education Sector Budget 10FYP – proposed outlay	22,761.34	25,573.65	Increase in recurrent budget from 12,146.63 to 14,953.70 due to salary award in Jan 09 explains the increase in the overall 10FYP total outlay. Capital and HRD budgets are virtually unchanged from Aug 08 draft to final draft June 2009.
Table H / Teacher salary estimate 2008/09	776.27	1,047.96	35% increase in civil servant salaries is reflected in all recurrent budget lines but does not contribute to the funding gap.
Table I / Education Sector Budget Breakdown 10FYP Grand Total	21,514.40	24,199.64	Increase reflected in recurrent budget for salaries (Dzongkhag and Secretariat). Decreased annual budgets for Admin and Finance Services Nu 86.42 M reduced to 35.77 M and Human Resource Services Nu 104.21 M reduced to Nu 24.21 M.
Table J / Indicative Financing Gap for Basic Education 10FYP TOTAL committed Donors MoE	5,043.75 6,966.07	4,711.50 14,958.67	Donor funding commitment is reduced in the final draft but this is committed funding and the figure should increase over the 10FYP period. MoE funding commitment has increased significantly as this figure now includes the salary increase Jan 2009 other recurrent costs and a proportion of capital and HRD costs estimated by MoE, not including 5,032.11 which is recurrent costs for stipends and boarding costs as yet uncommitted subject to RGoB approval or donor funding commitment.
Table J / estimate of total available funding gap	12,009.82 9,504.59	19,347.67 4,851.97	Proportionately more funding committed including higher proportion of recurrent costs which will be met from the RGoB budget and therefore proportionately lower funding gap against a slightly higher total budget.

At the end of the assignment, before leaving Bhutan, a copy of the Draft Final FTI Appraisal Report (one version with track changes, a second version cleaned and a third version PDF'd have been handed over to MoE (Ugyen Namgyel) and UNICEF (BB Mishra) and a copy attached to this report sent to Mark laPrairie, World Bank.

The MoE requires a letter stating that the draft Final FTI Appraisal Report has been handed over. This letter has not been provided by the consultant.

Appendix 1: Consultants Workplan and Meetings

Date	Activity	Notes
13-06-09	Travel Bangkok to Thimphu	
14-06-09	Preparation – review of draft against TOR	Identification of key information needed
15-06-09	Briefing with UNICEF Briefing with MoE PPD Information gathering	Outline Plan for the week with Ruby Noble, UNICEF inc who to meet Met Thinley Rinzin and Singye in MoE PPD. Ugyen Namgyel appointed from PPD to assist with meetings
16-06-09	Meeting with GHNC Meeting with MoF and NBA Information gathering	Budget and 10FYP clarifications inc Dzongkhag budgets (teachers salaries and Donor Commitments)
17-06-09	Meeting with LoD First draft revised tables and funding gap completed	Briefing with Tek B Chettri and copy of Aide Memoire obtained
18-06-09	Meeting with Singye and Thinley Meeting with RUB Meeting with HR MoE Consolidation of all new data into the final revised version	Check on revised figures and emerging funding gap Updated data confirmed for Paro and Samtse CeO Updated information on teacher salaries and pay increases
19-06-09	Finalization of Revised FTI Appraisal Report Summary Report of the Consultant	Reports submitted to Mark LaPrairie (WB) and Ruby Noble (UNICEF)
20-06-09	Free	
21-06-09	Depart for Bangkok	

People Met

1. Mr Singye Namgyal Dorji, Offtg, Chief Planning Officer, PPD, MoE
2. Mr Thinley Rinzin, Planning Officer, PPD, MoE
3. Mr Pema Chewang, Chief Planning Officer, PMCD, GNHC
4. Mrs Tenzin Wangmo, Chief Planning Officer, DCD, GNHC
5. Yeshe Pelzang, Asst Planning Officer, DCD, GNHC
6. Mr T N Sharma, Chief Budget Officer, PPD, MoF
7. Mr Pema Wangyel, Planning Officer, PPD, MoF
8. Mr Tek Bahadur Chettri, Program Officer, Liaison Office of Denmark
9. Mrs Dorji Lhamo, Asst Planning Officer, RUB
10. Mrs Tshering Pelden, Asst Budget Officer, RUB
11. Mrs Choden, Asst HRO, HRMD, MoE
12. Mr Lengkong, Record Officer, HRMD, MoE
13. Ruby Noble, Education Project Officer, UNICEF
14. Mr B B Mishra, Education Project Assistant, UNICEF
15. Mr Mark LaPrairie, Bhutan Education Project Manager, World Bank