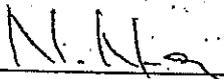


RECORD OF DISCUSSIONS
BETWEEN
JAPAN INTERNATIONAL COOPERATION AGENCY
AND
AUTHORITIES CONCERNED OF THE GOVERNMENT OF NEPAL
ON
JAPANESE TECHNICAL COOPERATION
FOR
THE SUPPORT FOR IMPROVEMENT OF
PRIMARY SCHOOL MANAGEMENT.

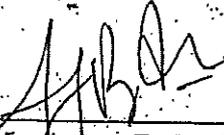
With regard to the Minutes of Meeting between the Japanese Preparatory Study Team and the Ministry of Education and Sports dated August 3, 2007, Japan International Cooperation Agency (hereinafter referred to as "JICA") had a series of discussions, through the Resident Representative of JICA in Nepal, with the Nepalese authorities concerned on the framework of the Technical Cooperation (Project) for "The Support for Improvement of Primary School Management".

As a result of the discussions, and in accordance with the provisions of the Agreement on Technical Cooperation between the Government of Japan and the Government of Nepal, signed in Kathmandu on September 3, 2003 (hereinafter referred to as "the Agreement"), JICA and Nepalese authorities concerned agreed on the matters referred to in the document attached hereto.

Kathmandu, October 17, 2007



Mr. Noriaki Niwa
Resident Representative
Japan International Cooperation Agency
Nepal Office
Japan



Mr. Arjun Bahadur Bhandari
Joint Secretary
Planning Division
Ministry of Education and Sports
Government of Nepal

THE ATTACHED DOCUMENT

I. COOPERATION BETWEEN JICA AND THE GOVERNMENT OF NEPAL

1. The Government of Nepal will implement the Technical Cooperation (Project) for "the Support for Improvement of Primary School Management" (hereinafter referred to as "the Project") in cooperation with JICA.
2. The Project will be implemented in accordance with the Master Plan which is given in Annex I.

II. MEASURES TO BE TAKEN BY JICA

In accordance with the laws and regulations in force in Japan and the provisions of Article III of the Agreement, JICA, as the executing agency for technical cooperation by the Government of JAPAN, will take, at its own expense, the following measures according to the normal procedures of its technical cooperation scheme.

1. DISPATCH OF JAPANESE EXPERTS

JICA will provide the services of the Japanese experts as listed in Annex II. The provision of Article III (b) of the Agreement will be applied to the above-mentioned experts.

2. PROVISION OF MACHINERY AND EQUIPMENT

JICA will provide such machinery, equipment and other materials (hereinafter referred to as "the Equipment") necessary for the implementation of the Project as listed in Annex III. The provision of Article III (e) of the Agreement will be applied to the Equipment.

3. TRAINING OF NEPALESE PERSONNEL IN JAPAN OR A THIRD COUNTRY

JICA will receive the Nepalese personnel connected with the Project for technical training in Japan or a third country.

No

III. MEASURES TO BE TAKEN BY THE GOVERNMENT OF NEPAL

1. The Government of Nepal will take necessary measures to ensure that the self-reliant operation of the Project will be sustained during and after the period of Japanese technical cooperation, through full and active involvement in the Project by all related authorities, beneficiary groups and institutions.
2. The Government of Nepal will ensure that the technologies and knowledge acquired by the Nepalese nationals as a result of the Japanese technical cooperation will contribute to the economic and social development of Nepal.
3. In accordance with the provisions of Article VI of the Agreement, the Government of Nepal will grant in Nepal privileges, exemptions and benefits to the Japanese experts referred to in II-1 above and their families.
4. In accordance with the provisions of Article VIII of the Agreement, the Government of Nepal will take the measures necessary to receive and use the Equipment provided by JICA under II-2 above and equipment, machinery and materials carried by the Japanese experts referred to in II-1 above.
5. The Government of Nepal will take necessary measures to ensure that the knowledge and experience acquired by the Nepalese personnel from technical training in Japan or a third country will be utilized effectively in the implementation of the Project.
6. In accordance with the provision of Article V (b) of the Agreement, The Government of Nepal will provide the services of Nepalese counterpart personnel and administrative personnel as listed in Annex IV.
7. In accordance with the provision of Article V (a) of the Agreement, the Government of Nepal will provide necessary office space and facilities

for the Project as listed in Annex V.

8. In accordance with the laws and regulations in force in Nepal, the Government of Nepal will take necessary measures to supply or replace at its own expense machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of the Project other than the Equipment provided by JICA under II-2 above.
9. In accordance with the laws and regulations in force in Nepal, the Government of Nepal will take necessary measures to meet the running expenses necessary for the implementation of the Project.

IV. ADMINISTRATION OF THE PROJECT

1. The Director General of the Department of Education (hereinafter referred to as "DOE"); as the Project Director, will bear overall responsibility for the administration and implementation of the Project.
2. The Deputy Director of DOE (Program and Budget Section), as the Project Manager, will be responsible for the managerial and technical matters of the Project at the central level.
3. The Dhading District and Raswa District Education Officer (hereafter referred as "DEO") will be responsible for the management and technical matters of the project at the district level.
4. The Japanese Team Leader will provide necessary recommendations and advice to the Project Director and the Project Manager on any matters pertaining to the implementation of the Project.
5. The Japanese experts will give necessary technical guidance and advice to Nepalese counterpart personnel on technical matters pertaining to the implementation of the Project.

6. For the effective and successful implementation of technical cooperation for the Project, DOE will hold Annual Review Meeting whose functions are described in ANNEX VI.

V. JOINT EVALUATION

Evaluation of the Project will be conducted jointly by JICA and the Nepalese authorities concerned, at the middle and during the last six months of the cooperation term in order to examine the level of achievement.

VI. CLAIMS AGAINST JAPANESE EXPERTS

In accordance with the provision of Article VII of the Agreement, the Government of Nepal undertakes to bear claims, if any arises, against the Japanese experts engaged in technical cooperation for the Project resulting from, occurring in the course of, or otherwise connected with the discharge of their official functions in Nepal except for those arising from the willful misconduct or gross negligence of the Japanese experts.

VII. MUTUAL CONSULTATION

There will be mutual consultation between JICA and the Government of Nepal on any major issues arising from, or in connection with this Attached Document.

VIII. MEASURES TO PROMOTE UNDERSTANDING OF AND SUPPORT FOR THE PROJECT

For the purpose of promoting support for the Project among the people of Nepal, the Government of Nepal will take appropriate measures to make the Project widely known to the people of Nepal.

IX. TERM OF COOPERATION

The duration of the technical cooperation for the Project under this Attached Document will be three (3) years.

- ANNEX I MASTER PLAN
- ANNEX II LIST OF JAPANESE EXPERTS
- ANNEX III LIST OF MACHINERY AND EQUIPMENT
- ANNEX IV LIST OF NEPALESE COUNTERPART AND ADMINISTRATIVE PERSONNEL
- ANNEX V LIST OF OFFICE SPACE AND FACILITIES
- ANNEX VI ANNUAL REVIEW MEETING
- ANNEX VII PROJECT DESIGN MATRIX
- ANNEX VIII PLAN OF OPERATION

AP

He

MASTER PLAN

1. Project Title

The Support for Improvement of Primary School Management

2. Overall Goal

The enrolment rate and dropout rate of primary school in the target areas are improved.

3. Project Purpose

School management is improved with community participation and with government support in the target area.

4. Outputs

- (1) The capacity of SMC to manage school by community participation is improved.
- (2) The capacity of DEO, DDC and VDC to technically and financially support school-based management is improved.
- (3) Policy options to suggest measures to be taken by MOES/DOE to achieve minimum quality in education nationwide are developed.

5. Activities

- (I-1) To raise awareness on school management among community
- (1-2) To facilitate SMC to further represent the whole community
- (1-3) To improve the current training targeting school/SMC for community mobilization, planning, monitoring, evaluation, and reporting
- (1-4) To facilitate the participatory process of SIP development and implementation
- (1-5) To facilitate school/SMC to take measures to enroll out-of-school children and to

He



reduce dropouts

- (2-1) To support DEO to clarify district problems and priorities by analyzing SIP
 - (2-2) To facilitate DEO to take actions to support technically and financially disadvantaged schools
 - (2-3) To support VDC to incorporate village-wide education issues in village plans
 - (2-4) To strengthen the network of stakeholders in education (DEO, DDC, DEC, VDC and other stakeholders) to mobilize available resources
-
- (3-1) To analyze the disparities among schools both in technical and financial capacity in target area
 - (3-2) To examine possible measures to rectify the gaps among schools
 - (3-3) To examine possible measures to rectify the gaps among districts
 - (3-4) To provide MOES/DOE with the policy suggestions to achieve the minimum quality of education and share them with other concerned organizations
 - (3-5) To share the lessons drawn from the target districts with other districts

AP

LIST OF JAPANESE EXPERTS

1. Team Leader / Educational Administration
2. School Management / Project Management
3. Local Education Administration
4. Other Experts will be assigned when necessary for smooth and effective implementation of the Project.



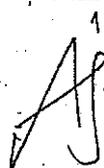
ANNEX III

LIST OF MACHINERY AND EQUIPMENT

1. The necessary equipment for the transfer of technology by the Japanese experts will be provided.
2. Other materials and equipment mutually agreed upon as necessary will be provided.

Note:

Contents, specifications and quantity of the above-mentioned equipment will be decided through mutual consultations within the allocated budget of the Japanese fiscal year.



Ne

**LIST OF NEPALESE COUNTERPART AND
ADMINISTRATIVE PERSONNEL**

1. Director General, Department of Education—Project Director
2. Deputy Director, Program and Budget Section, Department of Education—Project Manager
3. Deputy Directors, School Management Sections, Department of Education
4. District Education Officers, Dhading and Raswa Districts.

AS

ANNEX V

LIST OF OFFICE SPACE AND FACILITIES

The following will be prepared by the Government of Nepal for the implementation of the Project.

1. Necessary office space for the Project at Department of Education and target district education offices.
2. Running expenses (water and electricity) for the Project offices, and other running expenses necessary for the Project operation.

Handwritten mark

Handwritten mark

ANNUAL REVIEW MEETING

1. The Annual Review Meeting will be held at least once a year and whenever necessity arises, in order to share the progress and outputs of the Project.
2. The Annual Review Meeting will be held with key stakeholders such as below:

Nepalese side

- Joint Secretary of Planning Division, MOES
- Under Secretary, Foreign Aid Coordination Section, MOES
- Director General, DOE
- Director, Planning and Monitoring Division, DOE
- Deputy Director, Program and Budget Section, DOE
- Deputy Directors, School Management Sections, DOE
- Deputy Director, Research and Educational Information Management Section, DOE
- Director of Non-Formal Education Center
- Representative of National Planning Commission
- Representative of Foreign Coordination Division, Ministry of Finance
- Representative of Ministry of Local Development
- District Education Officers of Dhading and Raswa Districts.
- Other personnel concerned to be proposed by DOE as necessary

Japanese side

- Resident Representatives of JICA Nepal Office
- Long-term/short-term experts of the Project
- Representative of the Embassy of Japan in Nepal
- Other personnel concerned to be proposed by JICA as necessary

A

7

ANNEX VII PROJECT DESIGN MATRIX

Name of the Project: The Support for Improvement of Primary School Management
Version: 2 (Date: October 17, 2007)

Target area: Dhading District and Raswa District

Narrative Summary	Objectively verifiable Indicators	Means of Verification	Important Assumptions
Overall Goal The enrolment rate and dropout rate of primary school in the target area are improved.	1. Increase in the net enrolment rate in primary education in the target area 2. Improvement of the dropout rate in primary education in the target area	Education statistics by MOES and DEO	MOES continues to promote the education policy for "Education for All".
Project Purpose School management is improved with community participation and with government support in the target area.	1. The number of schools in the target area that have achieved target of the annual SIP planned during the Project period.	1. Annual SIP, School activity report, NGO monitoring report, Interview to DEO (RP/SS) & SMC.	MOES continues to promote the policy of school-based management. MOES continues to promote the policy of community involvement in schools.
	2. The level of satisfaction of parents and community members with school management	2. Questionnaire to students, parents & community members	
	3. The amount of contribution (money/labour/in kind) to school activities from parents and community members	3. Audit report, School activity and financial report, NGO monitoring report.	
	4. Transparency of the school management	4. School activity report, NGO monitoring report, Questionnaire to parents & community members	
	5. The number of actions taken by central/local government to technically & financially support school management	5. Education policy documents. Interview to MOES, DDC, VDC & DEO.	
Outputs 1. The capacity of SMC to manage school by community participation is improved.	1-1. The number of SMCs which selected members reflecting disadvantaged groups	1-1. School report, Interview to SMC, parents & community members.	MOES continues to promote the policy and strategy of SMC & SIP.
	1-2. The number of SMCs which understand the real situation of the primary education in the community	1-2. NGO monitoring report, Questionnaire to SMC, parents & community members.	
	1-3. The number of SMCs which can prepare SIP that adequately reflects the needs of the community	1-3. SIP (5years & Annual), Appraisal report by RP, NGO monitoring report, Questionnaire to SMC, parents & community members.	The budget allocation to SIP does not decrease.
	1-4. The level of participation of parents & community members in SIP formulation workshop.	1-4. NGO monitoring report. School activity report	The budget of the DDC/VDC does not decrease

Narrative Summary	Objectively verifiable Indicators	Means of Verification	Important Assumptions
	1-5. The number of SMCs which can adequately implement, monitor & evaluate activities of school	1-5. NGO monitoring report, R ² /SS Report, Annual SIP, School activity report	<p>The changes of economic & political situation do not affect the activities in the target area.</p> <p>Frequent transfer of counterpart personnel does not occur.</p>
	1-6. The number of parents (and community members) who participated in the mass gathering	1-6. School activity report, NGO monitoring report	
	1-7. The level of participation of the disadvantaged groups in the mass gathering	1-7. School activity report, NGO monitoring report, Interview to SMC, parents & community members.	
	1-8. The number of parents & community members who have willingness to contribute to school activities	1-8. Questionnaire to SMC, parents & community members, NGO monitoring report	
	1-9. The number of SMCs which planned and implemented activities for out-of-school & dropout children	1-9. Annual SIP, School activity report, NGO monitoring report	
2. The capacity of DEO, DDC and VDC to technically and financially support school-based management is improved.	2-1. The number of occasions (public meeting / visit to school) for DEO's (SS/RP) to understand situation of education	2-1. DEO activity report, School activity report, NGO monitoring report	
	2-2. The number of DEO's (SS/RP) visit and advice to disadvantage schools	2-2. Questionnaire to DEO, School Record, RP activity record/reports	
	2-3. The proportion of budget allocation to primary education of VDC	2-3. VDC financial plan & record	
	2-4. The number of DEC meeting	2-4. DEC record/report	
	2-5. The proportion of the budget allocation to primary education by DDC	2-5. DDC financial plan & record	
	2-6. The number of the regular networking meetings of stakeholders (DDC, DEC, VDC, DEO and other donors) in education	2-6. Interview to stakeholders, Meeting reports.	
3. Policy options to suggest measures to be taken by MOES/DOE to achieve minimum quality in education nationwide are developed.	3-1. The number, feasibility & quality of measures suggested	3-1. Policy suggestion documents, project documents, meeting reports with concerned organizations (DEO/DOE), Annual Review Meetings minutes	

Activities	Inputs				
1-1 To raise awareness on school management among community	<p><Nepal Side></p> <p>1. Counterparts personnel</p> <p>2. Office space and facilities in DOE & DEOs</p> <p>3. Running costs</p> <p>- Project implementation: e.g. SIP training & supervise & monitor SMC</p> <p>- office utility</p>		<p><Japan Side></p> <p>1. Experts: Long term</p> <p>-Leader/Educational Administration</p> <p>-School Management/Administration</p> <p>-Local Educational Administration</p> <p>Short term</p> <p>- Depending on necessity</p> <p>2. Counterpart training</p> <p>3. Equipment & materials necessary for the Project</p> <p>4. Operational costs including NGO cost (as local SMC facilitator)</p>		
1-2 To facilitate SMC to further represent the whole community				Security conditions in the target area are not worsened.	
1-3 To improve the current training targeting school/SMC for community mobilization, planning, monitoring, evaluation, and reporting				Current government policy related to SIP & school based management is not dramatically changed.	
1-4 To facilitate the participatory process of SIP development and implementation				Political changes at the DDC/VDC level do not affect the Project's legitimacy.	
1-5 To facilitate school/SMC to take measures to enroll out-of-school children and to reduce dropouts				Community people in the target area understand and actively collaborate with the Project activities.	
2-1 To support DEO to clarify district problems and priorities by analyzing SIP				Pre-conditions	
2-2 To facilitate DEO to take actions to support technically and financially disadvantaged schools					Security conditions in the target area are not worsened.
2-3 To support VDC to incorporate village-wide education issues in village plans					MOES, DDC, VDC, DEO, community people in the target areas and other donors do not oppose to the activities.
2-4 To strengthen the network of stakeholders in education (DEO, DDC, DEC, VDC and other stakeholders) to mobilize available resources					
3-1 To analyze the disparities among schools both in technical and financial capacity in target area					
3-2 To examine possible measures to rectify the gaps among schools					
3-3 To examine possible measures to rectify the gaps among districts					
3-4 To provide MOES/DOE with the policy suggestions to achieve the minimum quality of education and share them with other concerned organizations					
3-5 To share the lessons drawn from the target districts with other districts					

*Target figures are to be defined after the baseline survey

