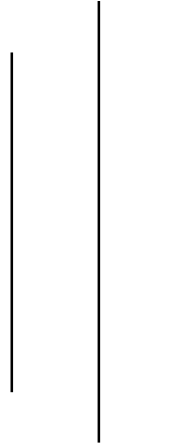




# UNIVERSITY GRANTS COMMISSION

NURTURING EXCELLENCE IN HIGHER EDUCATION PROGRAM (NEHEP)

2021/22 – 2025/26



## OPERATIONS MANUAL

**APRIL 2022**

**Revised 2024**

*Following MTR and NEHEP Restructuring*



## Acronyms

APFS	Audited Project Financial Statement
APP	Annual Procurement Plan
AWPB	Annual Work Plan and Budget
CBN	Cost of Basic Needs
CEHRD	Centre for Education and Human Resource Development
CMC	Campus Management Committee
CoE	Centers of Excellence
Co-I	Co-Investigator
CPD	Continuous Professional Development
CTEVT	Council for Technical Education and Vocational Training
DFIL	Disbursement and Financial Information Letter
DLI	Disbursement Linked Indicators
DLR	Disbursement Linked Results
DNF	Digital Nepal Framework
DTCO	District Treasury Comptroller Office
DU	Deemed University <sup>1</sup>
e-GP	Electronic Government Procurement
EMIS	Education Management Information System
EQAAC	Educational Quality Assurance and Accreditation Council
EQAAR	Educational Quality Assurance and Accreditation Regulations
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESS	Environment and Social Safeguard
ESSA	Environmental and Social Management System Assessment
FA	Financing Agreement
FCGO	Financial Comptroller General Office
FMIS	Financial Management Information System
FPFAA	Financial Procedure and Fiscal Accountability Act
FY	Fiscal Year
GDP	Gross Domestic Products
GER	Gross Enrollment Rate
GFR	Government Funded Research
GON	Government of Nepal
GPI	Gender Parity Index
GRID	Green, Resilient, and Inclusive Development
GRM	Grievance Redress Mechanism
HE	Higher Education
HEI	Higher Education Institution
HEMIS	Higher Education Management Information System
HERP	Higher Education Reforms Project
IA	Implementing Agency

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<sup>1</sup> 'Deemed university' and 'non-affiliating degree-awarding university' are synonymous wherever applicable in this Operations Manual.



IAC	Industry Academia Collaboration
ICT	Information and Communication Technology
IDA	International Development Association
IPF	Investment Project Financing
IQAC	Internal Quality Assurance Committee
IRI	Intermediate Result Indicators
IT	Information Technology
IUFR	Interim Unaudited Financial Report
IVA	Independent Verification Agency
KPI	Key Performance Indicator
LMBIS	Line Ministry Budget Information System
LMDP	Labor Market Driven Programs
LMS	Learning Management System
LoI	Letter of Intent
LSMS	Living Standard Measurement Study
M&E	Monitoring and Evaluation
MOEST	Ministry of Education, Science and Technology
MOF	Ministry of Finance
MOHP	Ministry of Health and Population
MOOC	Massive Open Online Course
MoU	Memorandum of Understanding
MOV	Means of Verification
MPP	Master Procurement Plan
MTR	Mid Term Review
NEB	National Examination Board
NEHEP	Nurturing Excellence in Higher Education Program
NEPSAS	Nepal Public Sector Accounting Standards
NHEP	National Higher Education Program
NLSS	Nepal Living Standard Survey
NPC	National Planning Commission
NPR	Nepalese Rupees
NREN	National Research and Education Network
OAG	Office of the Auditor General
OER	Open Educational Resources
OHS	Occupational Health and Safety
OM	Operations Manual
PAD	Project Appraisal Documents
PBF	Performance Based Funding
PBG	Performance Based Grants
PCC	Program Coordination Committee
PDOs	Project Development Objectives
PforR	Program for Results
PI	Principal Investigator
PMT	Proxy Means Testing
PPA	Public Procurement Act



PPMO	Public Procurement Monitoring Office
PPR	Public Procurement Regulations
PPSD	Project Procurement Strategy for Development
PRT	Peer Review Team
PSS	Program Support Secretariat
PSU	Program Support Unit
PTSG	Poverty Targeted Scholarship Guidelines
QAA	Quality Assurance and Accreditation
QAAD	Quality Assurance and Accreditation Division
QE	Quality Enhancement
RA	Results Areas
RBF	Result Based Financing
RDI	Research, Development and Innovations
REMC	Research and Entrepreneurship Management Cell
RMC	Research Management Cell
SEA/ SH	Sexual Exploitation and Abuse/ Sexual Harassment
SHEP	Second Higher Education Project
SOE	Statement of Expenditures
SOPG	Standard, Operational Policies and Guidelines
SSR	Self-Study Report
STEM	Science, Technology, Engineering and Mathematics
STEP	Systematic Tracking of Exchanges in Procurement
TC	Technical Committee
TNC	Trans-National Collaboration
TOR	Terms of References
TSA	Treasury Single Account
TU	Tribhuvan University
UGC	University Grants Commission
USD	United States Dollar
VLE	Virtual Learning Environment
WB	World Bank
WBG	World Bank Group



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## Chapter I: Introduction

### 1.1 National Context

1. Nepal's economy has performed reasonably well<sup>2</sup> over the past decade, but vulnerabilities have increased with COVID-19. The fiscal balance remained sustainable with strong revenue growth and modest spending; inflation has been in a single digit in most FYs with a peg of the Nepali rupee with the Indian rupee. The federal government is sharing revenue with a transfer of grants to provincial and local governments as part of recent reforms linked to federalism. The portion of poverty incidence was estimated to fall to 8% in 2019, but it may have increased because the World Bank COVID-19 monitoring survey shows that more than 2 in every economically active five workers reported a job loss or prolonged work absence in 2020. The COVID-19 pandemic is anticipated to derail the remarkable growth established over the past three FYs. However, there are incipient signs of a moderate recovery in consumer sentiment and economic activity in 2021. Hard-hit sectors like tourism and hospitality are still dependent on the possible new waves and government spending on vaccinations linked with people's receiving, so expected to rise only after 2022. If appropriately managed, the young population (45.6% in the 15-45 age groups) offers an opportunity to earn benefits of demographic dividend from employments in Nation or a foreign land with skills and otherwise may turn into a liability, are disrupted due to the pandemic. The national labor force participation<sup>3</sup> rate (38.5%) and employment to population ratio (34.4%) with a higher share of male (53.8%) and female (26.3%) with disparities among provinces-Bagmati are 10% points higher, and Karnali and Province-2 have around 10% points lower the national average. The lowest unemployment was observed in Bagmati province, highest in Madhesh Province, followed by Sudurpaschim; the portion of employment increases with education irrespective of gender.

### 1.2 Sectoral and Institutional Context

2. The education system beyond Grade 12 is considered higher education. Nepal's higher education includes 14 (12 fully operating) public universities, affiliated campuses, and six health academies. The universities are affiliated with the Ministry of Education, Science, and Technology (MOEST), whereas the health academies fall under the Ministry of Health and Population (MOHP). The universities have constituent and affiliated campuses. The affiliated campuses are privately-owned and community-based.

3. Higher education enrollment, including female participation, is increasing but at a slow pace. In the academic year (AY) 2021/22, the higher education enrollment was 579,448 students (Bachelor: 88.63 percent, Master 10.73 percent, and others: 0.064 percent) from 1,455 campuses – constituent: 162, community: 539 and private: 754, with enrollment share of 37.47 percent, 29.95 percent, and 32.58 percent respectively. Tribhuvan University (TU) has the largest share (78.36 percent). The Gross Enrolment Rate (GER) has increased from 9 percent in 2008/09 to around 20.05 percent in 2021/22<sup>4</sup>. This is low compared to other Asian countries: Sri-Lanka (21 percent), India (26.9 percent), Malaysia (41.9 percent), Thailand (49.3 percent), and China (51 percent)<sup>5</sup>, including considerable inequities across provinces

4. The relatively small higher education subsector may not be sufficient to achieve the country's GER target of 25 percent by 2030<sup>6</sup> and 40 percent by 2043<sup>7</sup>. Limited skill levels in the labor force

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<sup>2</sup> GDP at market prices averaged 4.9% over FY 2009-19 later accelerated to 6.1% in FY 2020; share of industry and manufacturing 13.5%, agriculture sector 21.6%, service sector 52%, and remittance 22%; exports continues to struggle but imports are fueled by remittances; food prices increased to 8.1% from 3.1% in 2019.

<sup>3</sup> Report on the Nepal Labor Force Survey 2017/2018

<sup>4</sup> UGC EMIS Report 2021/22

<sup>5</sup> UNESCO Institute for Statistics

<sup>6</sup> Sustainable Development Goal 4: Education 2030, Nepal National Framework, MOEST, November 2019

<sup>7</sup> FY 2020/21 budget and three-year medium expenditure framework, National Planning Commission, February 2020



prevent people from transitioning into jobs that can lift them out of poverty and underpin a robust economy. More than 44,000 students are also migrating abroad annually for higher studies with a greater focus on science, technology, engineering, and mathematics (STEM)<sup>8</sup>. Based on the latest data the figure is more than 100,000.

5. Universities have quickly initiated online learning<sup>9</sup> under COVID-19; however, challenges remain in building the enabling environment. The Higher Education Reforms Project (HERP) helped the higher education institutions (HEIs) gradually switch to online learning soon after the nationwide lockdown in March 2020. At present most of the universities have passed regulations for online teaching, assessment, and establishing learning management systems despite challenges that include: (a) lack of comprehensive regulatory provisions, especially examinations; (b) limited digital connectivity and the digital divide; and (c) capacity constraint, and so on.

6. Policy dialogue facilitates partnership among the government, academia, telecom service providers, and Nepal Research and Education Network (NREN) for improved broadband connectivity. The University Grants Commission (UGC), universities, Nepal Telecom, NREN, business communities, internet service, and online platform<sup>10</sup> providers are in close consultation to facilitate expanding broadband connectivity beyond 30 institutions/ hospitals to provinces and individual institutions, teachers, students, including underprivileged.

7. The affiliation of campuses by universities without proper mapping has resulted in the emergence of many fringe campuses with limited students in non-STEM areas. The universities are providing affiliation of new campuses without proper mapping, and many affiliated campuses are functioning in secondary school premises using their physical facilities in different shifts. This has partly helped reduce operating costs and improve access in lagging regions. However, education quality in these campuses has been challenged due to limited resources.

8. Poor alignment of higher education with labor market needs. Enrollment is largely skewed towards non-STEM (Humanities and Social Sciences 10.54 percent, Management 44.41 percent and Education 21.54 percent) areas with approximately 76.49 percent of total enrollment in humanities and social sciences, management, and education<sup>11</sup>. While the Gender Parity Index (GPI) in some programs is encouraging, women's share in science and technology (S&T) is far below the share of men, as low as 0.73 in S&T and 0.20 in engineering fields. In addition, while Nepal has further focused on enhanced technical education in the recently endorsed education policy, the share of technical education (engineering, agriculture/animal science/fishery, and forestry) is around 6.5 percent (male: 0.7percent and female:3 percent)<sup>12</sup>. These figures have been increased during the past four years, however they remain lower compared to those in other countries in Asia.

9. There is an increased demand for higher education because of its high wage premium in the job market. Nepal Labor Force Survey 2017/18 shows that the wage premium for higher education completers is 1.52 times that for secondary education.<sup>13</sup> The supply of qualified professionals can further lead to increased opportunities. Higher education has a huge potential to use the available youthbulge to contribute to the country's ambition to graduate to a middle-income country (MIC) by 2030 and its mission to attain the goal of 'Prosperous Nepal, Happy Nepali' by 2043. Higher education enrollment is primarily skewed toward the richest quintile<sup>14</sup>.

10. University Grants Commission (UGC), under the supervision of the Ministry of Education, Science and Technology (MOEST), has introduced several reforms in the higher education sector. Over the years, good progress in some key reforms in higher education has been observed: (a) establishment of

<sup>8</sup> <https://wenr.wes.org/2018/04/education-in-nepal/>;

<sup>9</sup> <https://theconversation.com/coronavirus-universities-are-shifting-classes-online-but-its-not-as-easy-as-it-sounds-133030>

<sup>10</sup> Microsoft Office 365 Team, Moodle Platforms are also in use

<sup>11</sup> UGC EMIS Report 2019/20

<sup>12</sup> UGC EMIS Report 2019/20

<sup>13</sup> Report on the Nepal Labor Force Survey 2017/18

<sup>14</sup> Nepal Living Standard Survey III, IV data



quality assurance and accreditation (QAA) system; (b) introduction of performance-based funding (c) initiation of autonomy of institutions and programs; (d) launching of competitive research funding and publications; (e) supporting underprivileged students using proxy means testing (PMT) and its mainstreaming; and (f) excellence-based faculty recruitment/promotion. However, the coverage of the reforms is still limited. Participation of HEIs even in the current QAA process that focuses mainly on compliance with (minimum) standards is slow, with about 103 campuses accredited/ completed peer review by the end of NEHEP Mid Term Review (*the latest figure is 124 HEIs*). The provision of QAA accreditation of the universities is yet to be initiated. Regarding initiation of autonomy of institutions and programs around nine campuses/schools are entertaining governance autonomy, 14 programs exercise academic autonomy.

11. The intended reform of the higher education sector shall be achieved by strengthening governance, regulatory framework, and affiliation and accountability systems. The centralized academic management system inhibits quality teaching, the research capacity of a large portion of the faculty as they are not involved in the design of curricula, teaching materials, examinations, and research. The Government of Nepal's decision (GON) to convert community campuses not related to STEM fields into constituent campuses shall be aligned with the periodic plans of expanding technical education.

12. It has been observed that insufficient research, innovation, and weak link with industry have restrained the sector's competitiveness. Nepal's ranking in terms of global competitiveness is 110 among the 140 countries assessed. Its respective rankings in infrastructure, information and communication technology (ICT) adoption, and skills and innovation capacity are 117, 101, 106, and 110. Nepal is also lagging in patents in force.<sup>15</sup> The global experience shows that universities can contribute more to innovation outcomes and patenting.

13. Public financing levels are low. The Government finances higher education on a cost-sharing basis with varying ratios. In 2017/18, the public subsidy per student in constituent and community campuses amounted to around US\$450 and US\$ 30, respectively.<sup>16</sup> Private campuses do not receive public subsidies. Public financing for higher education was 0.32 percent of the GDP in 2015 and 0.53 percent in 2020, with a large share towards faculty salary.

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<sup>15</sup> [https://www.wipo.int/ipstats/en/statistics/country\\_profile](https://www.wipo.int/ipstats/en/statistics/country_profile)

<sup>16</sup> UGC budget on higher education 2017/18



## Chapter II: Program Description

### 2.1 National Higher Education Program

14. The GON and the UGC have made constant efforts to reform and further develop the higher education sector. Subsequently, many significant achievements have been witnessed. Reform demands continuous efforts to cope with the new needs of the fast-paced markets, so there endlessly remain new areas to be addressed along with previous unfinished efforts. In this context, GON, to develop a knowledge-based society and economy by making higher education scientific, innovative, research-oriented, technology-friendly, employment-oriented and inclusive, has prepared and implemented National Higher Education Program (NHEP 2021/022 – 2025/026) with the following result areas (RAs):

- a) Increasing equitable access to quality higher education:
  - i. Increasing GER and enrollment in S & T
  - ii. Improving scholarship support to disadvantaged groups and HEIs support in lagging provinces
- b) Aligning higher education with labor market needs:
  - i. Improving curricular reform, including pedagogy and assessment
  - ii. Enhancing competencies for faculty members and academic leaders
  - iii. Promoting industry-academia collaboration, collaborative research and entrepreneurship, publications, patenting, and civic engagement
- c) Enhancing governance capacity, regularity provisions, and financing of higher education:
  - i. Strengthening QAA, Quality Education (QE), and autonomy
  - ii. Enforcing the academic calendar
  - iii. Promoting excellence centers
  - iv. Enhancing governance through universities/HEIs restructuring, including a merger for the economy of scale
  - v. Strengthening Performance-Based Grants (PBG) for improved efficiency and accountability
- d) Strengthening digitization of higher education:
  - i. Increased students in online/blended teaching
  - ii. Establishing digital learning platforms and online administration to strengthen Higher Education Management Information System and for improved collaboration and sharing of e-resources.

### 2.2 Nurturing Excellence in Higher Education Program

15. The Nurturing Excellence in Higher Education Program (NEHEP), supported by the World Bank, builds on the lessons learned from earlier projects, including Second Higher Education Project (2007- 2014) and Higher Education Reforms Project (2015-2020). The Program strategically supports a subset of the NHEP to help address the higher education shortcoming and challenges explained in chapter I with a focus on four results areas (RA): RA-1: Improved labor-market relevance, Entrepreneurship, and Collaborative Research; RA-2: Strengthening Governance and Financing of Higher Education for Quality Enhancement; RA-3: Widening Access to Quality Higher Education for Disadvantaged Students; and RA-4: Extending Digitalization of Higher Education. In addition to these, the NEHEP will also support cross-cutting themes such as gender, climate change, and citizen engagement for green, resilient and inclusive development the GON has endorsed.

16. The NEHEP support under Component 1 (US\$ 57 million) will be results-based financing clustered around six Disbursement Linked Indicators (DLIs) and earlier 17 and now 19. Disbursement Linked Results (DLRs) under the four RAs. Under Component 2, the NEHEP will support the capacity building of UGC, Tribhuvan University as a subsidiary implementing agency, other universities, and higher education institutions. This component will aid the implementation of component 1 to achieve the agreed results.



## 2.3 Rationale and Scope of Nurturing Excellence in Higher Education

17. The Government’s 15<sup>th</sup> Five-year plan (2019-2023), National Education and Science, Technology and Innovation Policies 2019, has highlighted that education contributes to human development to promote growth and attain Nepal MIC status by 2030 and to a high-income country in 2043. The NEHEP is aligned with the NHEP and addresses major areas of concern. The Program priorities are a selective expansion of enrollments in critical fields, upgrading/ updating of curricula; pedagogy and assessment; equipping of QAA and QE with new tools; and skilling of the academic staff and leaders with the higher education emerging trends of management, delivery, and development-oriented research culture. Moreover, green, resilient and inclusive development are also the priority areas of the program. In addition to these, the program also focuses on cross-cutting themes like citizen engagement, gender, and climate change. It is a major step towards operationalization of the national higher education policy, programs and the national vision towards national growth and prosperity. The *Table-2.1* below shows the scope and association of NHEP and NEHEP.

**Table 2.1: Scope of Government Program and Program Supported by the PforR**

Title	Government Program – NHEP	Program Supported by the PforR – NEHEP	Remarks
Objective	Development of a knowledge-based society and economy by making higher education scientific, innovative, research-oriented, technology-friendly, and employment-oriented through promoting access and quality	To strengthen labor market relevance and quality of higher education, boost collaborative research and innovation, and enhance equitable access for underprivileged and disaster-affected groups	Government program expenditures include all recurrent, and capital expenditures channeled through the UGC over the program duration. Program expenditures of the PforR exclude university faculty members/staff salaries and allowance
Duration	FY22 – FY27	FY22 – FY27	
Geographic Coverage	Whole country	Whole country	
Results Areas (RAs)	RA1: Teaching and research RA2: Governance and financing RA3: Equitable access and quality RA4: Digitization and connectivity	RA1: Improved labor-market relevance, Entrepreneurship, and Collaborative Research RA2: Strengthening Governance and Financing of Higher Education RA3: Widening Access to Quality Higher Education for Disadvantaged Students RA4: Extending Digitization of Higher Education	
Overall Financing	GON: US\$1.15 billion	GON: US\$543.04 million. (Salary of universities/HEIs faculty members/staff excluded from the NEHEP program boundary) IDA: US\$57.00 million (PforR) IDA: US\$ 3.00 million (IPF)	
The agreed total IDA/ World Bank-supported NEHEP funding for six years (2021/22 - 2026/27), including the base year, is USD 60 million (credit).			

18. Theory of change of the program based on identified key challenges and agreed result areas for intervention shown in *Annex-1 Figure A1.1* will ultimately create a sustainable eco-system for quality higher education in producing graduates for labor market needs to contribute for improved productivity and economic growth.

## 2.4 Program Development Objectives and Results

19. The program development objectives (PDOs) of the NEHEP are to: (i) Strengthen labor market relevance and quality of higher education; (ii) boost collaborative research and innovation; and (iii) Enhance equitable access for underprivileged and disaster affected groups. The achievement of the three



PDOs will be measured by six Key Performance Indicators (KPIs) and associated sixteen Intermediate Results Indicators (IRIs) and 17 DLRs clustered around six DLIs. The achievement will also be associated with the Program Action Plan (PAP). The details of the KPIs, IRIs, DLIs/DLRs, and Verification Protocols and PAP are presented in Annex-1. The NEHEP has also set long term results/outcomes as below:

- i. Increased availability of graduates for the labor-market needs
- ii. Higher quality HEIs for teaching-learning, collaborative research, and entrepreneurship
- iii. Culture of innovation and commercialization developed in HEIs
- iv. The increased socio-economic relevance of HEIs programs
- v. The improved level playing field for state and non-state HEIs to operate
- vi. Improved environment for human capital development to contribute to growth with an improved share of females.
- vii. The improved environment of climate change.

## 2.5 Nurturing Excellence in Higher Education Program Components

### Component-1: Program for Results

20. Among the two components of the NEHEP, Component 1 is a Program for Results (PforR) that supports major reforms under four results areas. A brief description of the reforms under each of the four results areas is presented below.

21. **Results Area 1 - Improved labor-market relevance, Entrepreneurship, and Collaborative Research:** This Results Area aims to improve the overall graduate employability and boost research and innovation by HEIs in Nepal.

22. **Sub-RA 1.1 - Improve employability and labor market relevance of teaching:** The Sub-RA will support in the following areas:

- i. To strengthen academic autonomy: The Sub-RA will help promote and strengthen academic autonomy by supporting competitively selected autonomous/ accredited HEIs to introduce and enhance their own autonomous academic programs that are aligned with local job market needs in the federal context. A total of 100 market-driven autonomous programs will be introduced by the end of the program.
- ii. To support the establishment of continuous professional development (CPD) programs for faculty: The Sub-RA will also help to promote teaching and leadership excellence. A total of 1600 faculties will be trained, and academic leaders will be sensitized.

23. **Sub-RA 1.2 - Promote collaborative research and innovation:** The Sub-RA will provide support in the following areas:

- i. To support collaborative research and innovation: This Sub-RA will have support provisions to enhance collaborative research and innovation, focusing more on collaborations with industry partners. The program will provide additional competitive research funding for select accredited HEIs, Schools, Central Departments, and Centers of Excellence (COE) to finance collaborative research and innovation with priorities on STEM disciplines. As amended in the restructuring the program will promote to reinstate and extend merit-based faculty recruitment and promotion and to provide research grants. The UGC will set up a national knowledge-sharing platform for research, innovation, and patent management.
- ii. The Sub-RA will support revising and developing regulatory provisions in line with global practices to promote innovation and patenting. Universities will also revise regulatory frameworks for collaborative research and patent management; and
- iii. The Sub-RA will also have support provisions to establish a system for curbing plagiarism.

24. **Sub-RA 1.3 - Encourage entrepreneurship and self-employment:** To support entrepreneurship: Under this provision, students, graduates, and faculty will be encouraged to entrepreneurship and self-employment. Competitively selected participants will receive entrepreneur support packages that include entrepreneurship skills training, legal training, financial education, and seed funds. UGC will form a



committee of qualified individuals to evaluate the proposals for their innovative ideas and potential to grow as a start-up. Current students, recent graduates, and faculty members from public and private HEIs will be eligible.

25. **Results Area 2 - Strengthening Governance and Financing of Higher Education:** This Results Area aims to strengthen quality assurance, financing, and governance systems to improve the quality and market relevance of higher education.

26. **Sub-RA 2.1 - Strengthen Autonomy, Quality Assurance, and Accreditation (QAA) and Quality Enhancement (QE):** This Sub-RA will have the following support provisions:

- a. Support for the expansion of QAA and promote QE activities: The provisions under this category will help expand the existing QAA program nationwide with an emphasis on QE activities. The accreditation of universities will also be initiated during the program period.
- b. Support for transition and or establishment of non-affiliating degree-awarding universities: The provision will provide support as dedicated performance grants to around four accredited and autonomous campuses and or newly establishing HEIs as non-affiliating degree-awarding universities and or TU Province Chapters. The support will aid the transitional and or new requirements of the concerned HEIs. There will be a reasonable distribution of such universities across the provinces. The non-affiliating degree-awarding universities will be in areas of provincial development priorities in coordination with respective provinces.
- c. Support for capacity building: The Sub-RA will also support capacity building training for managers/principals of HEIs and policymakers on academic management and leadership.

27. **Sub-RA 2.2 - Extend performance grants for improving quality and governance:** The Sub-RA will support provisions to extend the Performance-Based Funding (PBF). The provisions under this category will support the expansion of the performance grants system for HEIs to promote good practices for excellence. High-performing campuses, schools, and departments will receive additional grants based on a range of performance indicators. Major performance criteria among others would include, among others:

- i. the merit-based selection of HEIs' leadership and excellence-based recruitment of faculty
- ii. student-centric teaching and learning process
- iii. evaluation of classes and campuses by students, teachers for peer learning, and other stakeholders
- iv. student and faculty mobility
- v. academia-employer collaboration
- vi. distance learning practices and digitalization
- vii. graduate tracking and employability; and
- viii. research outputs, including action research

28. **Sub-RA 2.3 - Expansion of non-government sectors for enhancing technical education:** This Sub-RA will support strengthening policy and regulatory systems to create a conducive environment for expanding technical education to address the low share of technical education in higher education. It would also allow accredited affiliated institutions to conduct such programs. The program will support the development of guidelines to facilitate such partnerships with non-government sectors, including monitoring arrangements.

29. **Results Area-3 - Widening Access to Quality Higher Education for Disadvantaged Students:** This aims to enhance equitable access to higher education in Nepal, focusing on underprivileged students, particularly from disadvantaged provinces and disaster-affected regions.

- i. Support to underprivileged students/ disadvantaged women: The support provision will continue to support the proxy means testing (PMT) based scholarship program initiated in the earlier higher education reform projects. The scholarship will flow directly to the beneficiaries' individual bank accounts. The PMT criteria will also be revised to include students affected by disasters, including the COVID-19 pandemic. A particular focus will be on enrollment and continued education for disadvantaged women.



- ii. Support to HEIs in lagging/ disaster-affected provinces: The provisions will support HEIs in lagging and/or disaster-affected provinces that received equity grants and encourage special arrangements to attract quality teachers and improve teaching in these provinces, including strengthening connectivity, conducting online courses, making peer learning arrangements from other HEIs/provinces, and sharing resources for efficient use, and capacity building.

30. **Results Area-4: Extending Digitization of Higher Education.** This Results Area aims to improve the policy and governance system for digitalization and connectivity and strengthen the institutional capacity to digitize teaching and learning and administration of higher education.

31. **Sub-RA 4.1 - Improving the policy and governance of digitalization and connectivity:** The provisions under this category will support the preparation of a new ICT strategy for the higher education sector, including strategies to improve the available broad-band connectivity facilities under the NREN or similar institutions. The NREN facility will support online platforms for blended learning and research, and innovation. The program will set up more collaborative governance arrangements for the NREN or similar institutions with the presence of the MOEST and other regulatory provisions.

32. **Sub-RA 4.2 - Strengthening campus networks and distance learning capabilities:** The Sub- RA will support in the following areas:

- i. Support for strengthening connectivity: This category of support provisions will aid competitively selected HEIs with digitalization grants to promote connectivity in a cost-sharing approach through (a) establishing last-mile connectivity with the NREN; (b) strengthening the bandwidth for better connectivity, and (c) installing in-campus wifi connectivity.
- ii. Support for capacity building in online/ blended teaching and learning: The support will assist HEIs in capacity building for integrating online/digital learning at all stages of academic activities, from student enrollment to class teaching, examination, and graduation. The HEIs will engage in peer learning opportunities by bringing together the experience of COVID-19 responses under the HERP and online programs of the Nepal Open University and TU Open and Distance Education Center (TU ODEC).

33. **Sub-RA 4.3 - Digitization of UGC and university administration:** This sub-results area will support UGC and the universities to enhance their digitization system. The key areas will cover a resource planning system to manage the universities' human resources, finances, procurement tasks, student administration, including the admissions, examination, alumni relations, student scholarship/aid functions, and efficiently manage monitoring & evaluation.

### **Component-2: Capacity Building and Program Management and M&E**

34. This is an Investment Project Financing (IPF) part as support instrument of the World Bank. This component will support the capacity development of MOEST, UGC and subsidiary implementing agency in strengthening their core regulatory and financing functions including QAA/QE systems; autonomy and affiliation, research, innovation and patents; standardization of teaching/learning; accountability and competitive financing, digitalization and connectivity; establishing partnerships; and twinning arrangements with international universities. Implementation of all activities under component-1, including fiduciary and safeguard management, monitoring and evaluation (M&E), strengthening the Higher Education Management Information System (HEMIS), undertaking assessments and evaluation studies, and commissioning Independent Verification Agency (IVA) will also be supported under this component. The details of activities including procurement of goods and services under Component 2 will be followed as agreed in (Project Procurement Strategy for Development) PPSD and in the Systematic Tracking of Exchanges in Procurement (STEP), which is regularly updated by the UGC.

## **2.6 Program Beneficiaries**

35. The following are considered the NEHEP beneficiaries who will be benefited through the program's interventions and financial support:



- i. Students/Graduates,
- ii. Constituent Campuses/ Schools/ Central Departments,
- iii. Affiliated community campuses
- iv. Faculty and Academic Leaders/ Authorities,
- v. Administrative Staff of the concerned HEIs,
- vi. Central entities of the concerned universities (Central office/ dean's office/ office of the examination control etc.), and
- vii. Implementing agencies (MOEST, UGC, and Subsidiary IAs)
- viii. Industries/ Market

## **2.7 Results Framework and Monitoring & Evaluation Arrangements**

36. UGC Planning and M&E division and EMIS section will be responsible for the overall M&E function of the Program. The Research/ QAA divisions will be responsible for feeding into the UGC EMIS and M&E data system. The Central Offices of all the universities will also feed into the UGC data system. The data and reports generated will be used for the annual and trimester progress reporting of the Program. The trimester physical and financial reports collected from Universities/ HEIs will be consolidated and reported to the MOEST, National Planning Commission (NPC), and the World Bank.

37. Considerable enhancement of the M&E system and processes is foreseen to support the PforR implementation effectively. Joint implementation support consultation will be carried out twice a year. A midterm review (MTR) was conducted in 2023. Three beneficiary satisfaction surveys will be carried out and performance audit once in the Program period will be carried out. Chapter eight describes the M&E system in detail.

## **2.8 DLIs and Verification Arrangement**

38. The PforR component with Result Based Financing (RBF) will disburse funds to the Treasury in Nepali rupees following achieved/ verified DLIs. Among the supported DLIs/DLRs, the results related to the institutional and system-level actions for enhancing the quality and market relevance receive higher value and covered under (DLI-1, DLI-3, DLI-4, and DLI-6) to emphasize reform actions to generate highly skilled professionals for the economy including to ensure equitable access. DLI-2 and DLI-5 will support the strengthening of research and innovation and enhancing equitable access, respectively. The RBF will provide critical fiscal space for the UGC to accelerate sectoral reform actions planned under the national program and achieve the PDOs. All DLRs can be achieved and claimed anytime during the program period unless otherwise specified. The DLI verification Protocols for each of the DLRs are presented under each of the DLI/DLR implementation arrangement in Annex-1

39. An IVA commissioned by UGC will verify the DLIs achievement and provide verification reports. The IVA candidates can be private or public entities with capability and track records of reliably conducting verification and acting independently from the influence of the implementing agency. The capability of contributing to the Government's long-term systemic strengthening is one of the criteria for IVA selection. The selected IVA would be engaged in mid-term to long-term contracts, subject to satisfactory performance.

## **2.9 Program Financing**

40. The Government NHEP has an estimated budget of US\$ 1.15 billion for six years, including the base year (2021), and includes a US\$ 60 million IDA Credit. The program expenditures are aligned with the estimated overall government budget allocation for the national-level entities such as the UGC and grant funding and subsidies for HEIs through the UGC, including capital expenditures. It is estimated with respect to the baseline of the fiscal year 2021 budget allocation. Expenditures from revenues generated by HEIs are not included in the program expenditures. The Program expenditure is carved out of the NHEP expenditure and has a total cost of around US\$ 600.04 million, which will be financed by GON financing of US\$ 543.04 million and IDA Credit of US\$ 60 million, of which US\$ 57.00 million



will be disbursed as PforR and US\$ 3.00 million as IPF. As designed and documented in the NEHEP Program Appraisal Document (PAD) the funding envelop for PforR boundary and expenditure framework are presented in table 2.2 and table 2.3 for ready reference. Year-wise further details are included in the Fiduciary System Assessment uploaded on the UGC website<sup>17</sup>.

**Table 2.2: UGC Higher Education Budget and NEHEP**

Budget Head	2020/2021 <sup>18</sup>	2020/2021-2026/27
Regular (Rec + Dev)	102.69	792.33
Recurrent	82.72	638.25
Remuneration (RM)	70.31	542.51
Development (D1)	12.41	95.74
Development (D2)	19.97	154.08
Capital Budget (CB)	38.00	293.23
Sub-total (D1 + D2 + CB)	70.38	543.04
Total (RM+D1+D2+CB)	140.70	1,085.55
Program	0.00	57.00
Project	0.00	3.00
Sub-total (NEHEP)	0.00	60.00
Total Program (UGC+IDA)	140.70	1,145.55
PforR Boundary	70.38	600.04
Total Program	100%	100%
PforR Boundary	50%	52.4%

\*Base year

**Table 2.3 Expenditure Framework**

Budget Heads	Share of total, %
A. University Teacher/Staff salary and Remuneration (Code:26412 A)	47.4%
B. Program Cost	52.6%
B.1 Recurring and Development (Code:26412)	27.0%
Academic Programs	8.5%
Research and Development	2.4%
Quality Assurance and Accreditation and improvements	3.3%
Performance Grants	2.7%
Equity and Access	3.2%
Digital Development	1.7%
Others and capacity building	5.2%
B.2 Civil works, Equipment (Code:26422)	25.6%

- i. The IDA contribution thus accounts for around 10.0 percent of the total PforR investment. The GON contribution to the PforR expenditure comprises development expenditures and capital funding and excludes GON salary in blockgrants to universities and HEIs.
- ii. In the budget structure, the universities'/HEIs' internal resources are not included for the PforR. At the time of program inception (FY 2020/2021) the resources allocated to overall UGC program was US\$140.70 million with salary component of USD 70.31 million, and development component including capital part was USD 70.38 million (PforR boundary around: 50%).
- iii. The budget structure outlines the projected DLI based PforR income and the scopes of the expenditures within the PforR boundary.

<sup>17</sup> <https://www.ugcnepal.edu.np/uploads///upload/1HrLE2.pdf>

<sup>18</sup> Chapter -IX describes the fiduciary system in detail, which among others includes the budgeting , financing, accounting, procurement, and auditing systems.



## Chapter III: Institutional and Implementation Arrangements

### 3.1 Overall Institutional Arrangement

41. University Grants Commission (UGC) will be the principal implementing agency. Tribhuvan University will be the subsidiary implementing agency which will primarily responsible in implementing the program activities specific to the university. The UGC and TU will set up a Program Coordination Committee (PCC) consisting of the VC, Rector, Registrar, TUPSU coordinator, UGC Secretary, the Chairman and staff. The PCC will be Chaired by the UGC Chairman. The committee will be facilitated by the UGC Reform unit. The committee will invite relevant expert/personnel as and when necessary. The UGC will work closely with the subsidiary implementing agency, other universities and HEIs providing guidance and technical supports under the overall policy guidance of the Ministry of Education, Science and Technology (MOEST). The MOEST will be responsible for overall program coordination and policy matters at the government level. Unless otherwise detailed in the related program implementation manual and/or guidelines this manual provision will supersede the NEHEP role and responsibilities of the agencies.

### 3.2 Roles and Responsibilities of Different Agencies

42. **Ministry of Education, Science, and Technology.** The MOEST as a line ministry will be responsible for overall coordination of NEHEP and also in matters related to the policies at the federal, provincial and local government levels. The ministry will be the supervising entity for overall policy guidance and coordination to facilitate budget approval, implementation of fiduciary management of the programs including timely release of the approved program and budget to UGC and ensure monitoring and reporting. Moreover, the ministry will facilitate UGC for coordination with the National Examination Board (NEB), Center for Education and Human Resource Development (CEHRD), Council for Technical Education and Vocation training (CTEVT) and other agencies under its umbrella.

43. **University Grants Commission.** UGC will be the primary implementing agency for overall administration of activities related to NHEP and NEHEP including among others, preparing the annual work plan and budget (AWPB) and its execution, financial management, procurement, safeguards, M&E, and reporting arrangements. The UGC will also be responsible for the implementation of the IPF component, also adhering to the World Bank requirement as agreed in the Financing Agreement and related documents. The UGC will work in coordination with the MOEST and the subsidiary implementing agency, including the beneficiary higher education institutions (HEIs) and other beneficiaries. In coordination with respective affiliating universities, the UGC will also provide training, management, and monitoring support to the beneficiary HEIs. The UGC will coordinate all the Financial Management (FM) functions from planning and budgeting, accounting and reporting, and coordination for internal and external audits. The UGC secretariat will work as the Program Support Secretariat (PSS) to implement the program's activities.

44. Reform unit of UGC as a technical support unit will be enhanced with additional human resources to strengthen and extend support for the program implementation by the Secretariat. The major roles of the UGC Secretariat, among others, include (i) Coordination with MOEST, MOF, other ministries, and the subsidiary implementing agencies; (ii) Preparation of the Annual Work Plan and Budget (AWPB); (iii) Preparation and approval of SOPGs and OM and their periodic revision in coordination with IDA consistent with the provisions in the Program Financing Agreement; and (iv) Hiring of an Independent Verification Agency (IVA) for DLI verification and ensuring of IVA service delivery; (v) Monitoring and Evaluation (M&E).

45. **Tribhuvan University** is the subsidiary implementing agency responsible for implementing the program activities related to TU. With its Central office, TU will implement the TU related activities under the close coordination and support of the UGC, including timely reporting of Component 2 related activities as defined in the Financing Agreement. A Program Support Unit (PSU) established at TU with additional human resources will also support the Central Office for implementation as a subsidiary implementing



agency supported by the UGC-TU Program Coordination Committee (PCC).

46. **Other Universities/Academies/HEIs.** At the beneficiary level, where most of the expenditures are made, the main frontline actors are the universities, their autonomous and constituent, and affiliated community campuses/institutions. The governing bodies of these institutions will be responsible for managing all of the institution-level activities. The beneficiary Universities/ HEIs will have respective Program Coordinators to facilitate implementation support, coordination, and reporting to UGC.

47. **Other Ministries and National Level Agencies.** UGC will also work in close coordination and support of the National Planning Commission (NPC), Ministry of Finance (MoF), Financial Comptroller General Office (FCGO), and the Public Procurement Monitoring Office (PPMO) for successful implementation, including planning, monitoring, and reporting.

48. **Constitutional Bodies.** UGC will also coordinate with the Office of the Auditor-General for timely preparation of the Audit Report of the Program and the Project<sup>19</sup>. The UGC will also be in close coordination with the Public Accounts Committee of the Parliament for necessary guidance and directives as and when required regarding financial issues/ or irregularities in relation to the program.

49. **Provincial and Local Governments.** UGC will also coordinate with the Provincial and Local Governments to cooperate and support the subsidiary implementing agency and the beneficiaries for the program implementation, monitoring, and evaluation as per their defined educational and other relevant roles in federalism. Local governments will primarily support implementing poverty-targeted scholarship management processes, especially in widening access to disadvantaged students in quality higher education in their respective constituencies. The Provincial governments and the UGC may also need to coordinate to transform some of the accredited campuses into non-affiliating degree-awarding universities in their respective provinces.

50. **Secondary Schools.** UGC and the Community Schools will also collaborate in selecting underprivileged students of grade 12 during the application processes for the students' further studies in universities/campuses. The UGC and respective Local Governments will also coordinate household verifications of the students as per the poverty targeted scholarship guidelines<sup>20</sup>.

### 3.3 Independent Verification Agency

51. The NEHEP has the provision of hiring an Independent Verification Agency (IVA) to conduct third-party verifications against the implementing agencies' DLI and DLR achievement claims. As provisioned, the IVA can be a private or autonomous public entity with adequate institutional capabilities, human resources, qualifications, and a track record of reliably conducting verification processes and should have the ability to act independently from the direct influence of the leading implementing agency. The capability of contributing to GoN long-term systemic strengthening will also be one of the key criteria for the IVA. The UGC has hired an IVA. The agency will verify the UGC DLI achievement report in line with the Terms of Reference agreed between the UGC and the World Bank in close coordination with the World Bank.

### 3.4 DLIs/DLRs Achievement, Verification, and Fund Reimbursement

52. Preparation of DLI/ DLR achievement reports and their verification by an independent verification agency will be conducted as per the DLI/ DLR verification protocols explained in *Annex-1*. A brief snapshot of the same process is also noted below:

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<sup>19</sup>Separate Annual Audit Reports of OAG for the Component 1 (Program for Results), and Component 2 (Investment Project Financing) are mandatory and to be completed in 9 months after the completion of the fiscal year.

<sup>20</sup> HE level poverty Targeted Scholarship Guidelines, 2078 updated in 2081; and Guidelines for Equity Grants to HEIs in lagging and/or disaster affected provinces and Remote regions, 2078 of the University Grants Commission of Nepal.



- i. The UGC prepares the DLI/ DLR achievement report.
- ii. The IVA verifies the achievement report as per the verification protocol.
- iii. The UGC submits the achievement and verification reports to the World Bank with a formal letter for reimbursement of the amount allocated for the DLRs;
- iv. The World Bank reviews and confirms the achievement and verification reports; and
- v. Once confirmed, the World Bank proceeds with the authorization for disbursement.



## Chapter IV: Improved Labor-market Relevance, Entrepreneurship, and Collaborative Research

53. This chapter describes NEHEP Result Area-1: Improved Labor-market relevance, Entrepreneurship, and Collaborative Research with two DLIs: a) *DLI-1: Labor market-driven autonomous programs, faculty members training, and academic leaders' sensitization*; and b) *DLI-2: Collaborative research and entrepreneurship program*. DLI-1 with two sub-sets, i.e., ***Labor market-driven autonomous programs and faculty members' training and academic leaders' sensitization***, will be implemented as follows:

### 4.1 Labor Market Driven Programs

54. The NHEP envisages aligning higher education with labor market needs to enhance graduates' employability to promote growth in the country's economy. For this, UGC has developed necessary provisions for supporting the introduction of new programs and revision of the existing programs that are more aligned to the contemporary labor market demand. Such programs are categorized as Labor Market Driven Programs (LMDPs).

55. The major **characteristics of the LMDPs** will be as follows:

- i. The LMDPs will be linked with the demand for human resources in the marketplace and be designed to meet market needs and meet existing skill gaps;
- ii. It will have an organized set of activities designed specifically to improve the performance of graduates in the labor market by strengthening their technical and social-emotional skills;
- iii. It will also improve individual employability and contribute towards increased productivity in the companies where graduates are employed; and
- iv. It will meet the demand in the current labor market and, as far as possible, anticipate the demand in the medium term.

56. The Universities/ HEIs will design new curriculums and revise the existing ones to align curricula in order to satisfy heightened demand for labor market-relevant skills. The new and/ or revised curricula shall be designed to align the employers' skills needs with the student learning. For this, work-based learning such as internships, apprentices, student seminars with industry experts, visiting classes from industry CEOs, and access to resources which include private sector laboratories will be the key features of the program. Participation of stakeholders (students, employers, faculties, HEIs, other concerned entities, etc.) will be assured in policy decisions and different stages of content development of LMDPs, including implementation of the programs. HEIs' formal collaboration with industrial sectors, including exposure/ attachment of the faculties to the industry, will be initiated. The following additional indicators will also be taken into consideration for improved linkage of the programs with the labor market.

### Additional Indicators for Labor Market Driven Program

57. Short term Indicators (within one year). While preparing the strategic framework and guidelines for LMDP and its implementation, the universities and HEIs will take into consideration of the short-term indicators (implementation in one year) and medium-term indicators (implementation in 2-5 years as explained below:

#### ***Short term Indicators (within 1 year)***

- i. All programs should have representation of an expert from industry board/ industrial association in curriculum approval board/ curriculum development committee/ subject committee of Universities or HEIs with academic autonomy.
- ii. At least one industry CEO or equivalent representation as a guest lecturer will provide four classes per year and/or two classes per semester.
- iii. Student seminars and case studies with industry experts: 4-5 for annual programs and 2-3 for semester programs.
- iv. Establish Career Centre at HEI or link with such available career centers.



**Medium-term indicators (2-5 years)**

- i. Review of skills: Periodic review of students' market relevant/ real-life skills such as communication, practical, ethics and values, problem solving, information technology, and entrepreneurship.
- ii. Review of curriculum (including assessments): Periodic review of curricula with input from industrial boards/ industrial associations.
- iii. Mandatory three months internship: Graduation only after completing an internship. Upgrading of relevant resources, labs, training facilities, and references. CEO guest lecture followed by a one-week internship and reporting in a group. Employment skills and internship achievements to be awarded a Diploma Supplement. (learning based report in case studies).

58. **Major aspects of the LMDP Support Framework:** The LMDP support framework will constitute the scope of the LMDP, institutional setups, selection process, and funding provisions, which are briefly outlined below.

- i. **Scope of the LMDPs:** The universities/ HEIs will prepare the policy, strategy, and guidelines for LMDP based on the UGC LMDP framework. The universities will consult with UGC regarding the preparation of the policy guidelines prior to the final approval. All the programs duly approved by the concerned universities under their LMDP policy framework and guidelines will be eligible to apply for the grant support provisions of UGC. UGC support framework to universities/HEIs on LMDP design and implementation is presented in *Table-4.1* and *Table-4.2*.

**Table 4.1: Universities level responsibility for LMDP design and Implementation**

Activities	Area of coverage	UGC
Universities policy/strategy/ guideline on LMDP	<ul style="list-style-type: none"> <li>• The policy/strategy/guidelines will include all key characteristics for the LMDP, which among others, will include:               <ul style="list-style-type: none"> <li>- meeting global, national, and regional/local labor market needs</li> <li>- ensuring market relevance in the federal context to meet province and local needs ensuring a sufficient degree of autonomy in design (in the case of academic autonomy) and delivery</li> <li>- undertaking 2-3 years cycles for program revision based on market appraisals</li> <li>- incorporation of industrial/ entrepreneurial representation in the curriculum development process</li> <li>- Provision of labor market feedback system involving key stakeholders, including modules on climate change issues as per the national program</li> <li>- Addressing skill gaps to meet the market needs also focuses on students' technical and socio-emotional skills, including communicational skills</li> <li>- Sustainability of the LMDP</li> </ul> </li> </ul>	Facilitates collaboration among universities business and other key stakeholders and funding supports as result-based financing grants RBG (Annex-2)
Designing/Approving/ facilitation LMDP as per the policy/ strategy	LMDP curriculum development and implementations are based on a national program that includes climate change.	RBG as per (Annex-2) Facilitation and collaboration.
Prepare Peer learning Guide/ framework, Organize peer learning seminars, and publish an annual report	University faculty training division/ unit, the business community, and other stakeholders will be an integral part of the peer groups both in preparation of the guide/framework and its implementation	Facilitates universities faculty training divisions/ units, the business community, and other stakeholders for peer learning with RBG as per (Annex-2) (universities) and technical supports



Monitoring and Evaluation	<ul style="list-style-type: none"> <li>- Universities prepare a Guideline for periodic monitoring and evaluation arrangement on teacher training</li> <li>- Universities publish M&amp;E Report</li> </ul>	UGC will provide RBG as per (Annex-2) against such report based on its quality which peer reviewers will assess
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**Table 4.2: HEIs level responsibility for LMDP design and Implementation**

Activities	Area of coverage	UGC
HEIs strategy/ guideline on LMDP	<ul style="list-style-type: none"> <li>• The strategy/guidelines will include all key characteristics for the LMDP within the broader framework of the affiliating university. The HEI teacher training strategy/guidelines, among others, will include:               <ul style="list-style-type: none"> <li>- meeting global, national, and regional/local labor market needs;</li> <li>- ensuring market relevance in the federal context to meet province and local needs ensuring a sufficient degree of autonomy in design (in the case of academic autonomy) and delivery</li> <li>- undertaking 2-3 years cycles for program revision based on market appraisals (in the case of academic autonomy)</li> <li>- incorporation of industrial/ entrepreneurial representation in the curriculum development process</li> <li>- Provision of labor market feedback system involving key stakeholders</li> <li>- including modules on climate change issues as per the national program (in the case of academic autonomy)</li> <li>- Addressing skill gaps to meet the market needs also focusing on students' technical and socio-emotional skills, including communicational skills</li> <li>- Sustainability of the LMDP.</li> </ul> </li> </ul>	Facilitates collaboration among HEIs business and other key stakeholders and fundingsupports as performance-based financing RBG as per (Annex-2)
Designing/Approving/ facilitation LMDP as per the policy/ strategy	Based on a national program that includes environment and climate change. (in the case of academic autonomy)	Support with RBG as per (Annex 2) Facilitation and collaboration.
Implementation of LMDP (New and revision of existing program to LMDP)	In coordination with the Dean’s Office or relevant curriculum development centers.	Facilitates with RBG as per (Annex 2) for the quality and coverage assessed by the expert peer review team constituted in UGC
Prepare Peer learning Guide/framework, Organize peer learning seminars, and publish an annual report	HEIs faculty training division/ unit or equivalent body, the business community, and other stakeholders will be an integral part of the peer groups both in preparation of the guide/framework and its implementation	Facilitates universities faculty training divisions/ units, the business community, and other stakeholders for peer learning with RBG as per (Annex 2)
Monitoring and Evaluation	HEIs prepare a guideline on periodic monitoring and evaluation arrangement for teacher training Universities publish M&E report	UGC will provide RBG as per (Annex 2) against such a report based on its quality which will be assessed by peer reviewers.

ii. **Institutional Setups for LMDP Review:** The LMDP Expert Committee for NEHEP formed by UGC will recommend grant support to LMDP programs. UGC's designated division/unit will



conduct the other administrative procedures.

- iii. **Selection Criteria:** The selection criteria of the LMDPs for the grants support will comprise of its eligibility and ranking criteria.

59. **Eligibility Criteria** will be followed during the screening of the LMDP applications: (a) LMDP policies adopted by the university (b) the LMDP duly approved by academic council/ equivalent entity of the concerned university; (c) the LMDP approved from the concerned professional council, wherever applicable; and (d) updated in respective institutions website.

60. **Funding Provisions and Grant Support to universities and HEIs.** The grants to the participating Universities/HEIs will be released as per the achievements. The allocated grant support in total is NPR 613500,000.00 (*UGC Technical Support and Facilitation to Universities and HEIs NPR 16,000,000.00; University-level Interventions NPR 133, 000,000.00; HEI level Interventions NPR 420,500,000.00 and Monitoring Evaluation 44,000,000.00*) (Refer Annex-2).

61. The estimated targets and the amount allocation are interchangeable program categories as per the market demand of individual LMDP during implementation. The major categories under LMDP grants support will include support to universities and HEIs as explained below:

- a. **Support to HEIs for design and implementation of New LMDPs:** Under this category, the HEIs will be supported with grants for the implementation of newly introduced LMDPs.
- b. **Support to HEIs for implementing existing programs revised to LMDPs:** In this category, UGC will provide grants support to the HEIs that will implement the academic programs revised according to the LMDP framework/ guidelines.
- c. **Support to HEIs for opting for academically autonomous LMDPs:** UGC will also provide grant support to the HEIs that opt for LMDPs with academic autonomy.
- d. **Support to Universities for approving guidelines for LMDPs:** The UGC will support the universities with grants for the development and implementation of LMDP guidelines. The universities will ensure the continuous implementation of the LMDPs.
- e. **Support to Universities for facilitating revising existing programs to LMDPs:** UGC will provide grants support to the universities for revising the existing programs to LMDP. The revision should be in line with the UGC LMDP framework and the university LMDP guidelines.
- f. **Support to Universities for facilitation in approving and supporting the implementation of autonomous LMDPs:** UGC will provide grants support to the universities that will extend academic autonomy. There will be the provision of the grants support for each additional implementation of academically autonomous LMDP for this.

## 4.2 Faculty Members' Training and Academic Leaders' Sensitization

62. Facilitating LMDP design by the affiliating university at the policy level and participation in the design and implementation of the practices by the HEIs are the shared responsibilities of the university leadership and faculty members for the successful roll-out of such programs to meet the national needs. Therefore, sensitizing university leaders with the emerging higher education trends is to align leadership priority in shaping higher education accordingly on policy fronts. Similarly, faculty members' capacity building is equally important in designing and delivering such programs. Recognizing these critical roles of the academic leaders and faculty members, the NHEP supported by the NEHEP supports leadership sensitization and faculty members' training. The NHEP will support at least 3,000 faculty members' training, 1,000 administrative staffs training, and 300 academic leaders' sensitization. Table-4.3 and Table-4.5 provide a guiding framework for the universities/ HEIs for faculty members' training and leadership sensitization both on policy and implementation fronts.



**Table 4.3: University level Responsibilities on Faculty Members' Training and Academic Leaders' Sensitization**  
*(Guiding Framework for universities)<sup>21</sup>*

Policies/ Strategies/ Guidelines	Area of coverage	UGC
<b>a. Faculty Members Training</b>		
Universities policy/strategy/guideline on faculty members' competency	<ul style="list-style-type: none"> <li>• The policy will include all key dimensions of the faculty members' competency development which, among others, will include:               <ul style="list-style-type: none"> <li>- different contemporary skills for faculty members on curriculum design, pedagogy, assessment, and examinations to respond to the labor market needs</li> <li>- incentives for faculty members for capacity enhancement through various approaches, such as paid/unpaid leaves, higher studies, substitutive work, promotions, and so on</li> <li>- Roaster of training courses</li> </ul> </li> </ul>	Facilitates collaboration among universities and encourages the same in UGC funding as performance-based grants (RBG)(Annex-3) and technical support.
Establishment and/or assignment of faculty members training division/unit or University authorized unit	Divisions/ units established with defined Terms of References	Facilitates universities with RBG to establish such division/ unit (Annex-3) and also to collaborate among universities for sharing of resources
Conduction of Faculty Members Training as per the strategy and guidelines	Training could be conducted at different venues/ campuses/ schools/ central departments in coordination with the training division/ unit and deans' offices' collaboration wherever applicable	Facilitates with RBG as per (Annex-3) and the conditions defined in the SOPG
Facilitate Deans' offices and campuses/ schools/ central departments to develop training packages and conduction of training courses	Guiding framework of such courses to bring gradual but transformational changes in the teaching-learning process	Facilitates universities with RBG as per (Annex-3) and the conditions defined in the SOPG
Organizing peer learning seminars among university faculty training division/units, including with the business community, and publishing annual reports on good practices and peer learning	Universities also in association in associated with the business sector prepare a guiding framework for such peer learning	Facilitates participating universities divisions/units and encourages RBG as per (Annex-3) for the coordinating and other universities on an annual rotating basis It also provides support for the experts from the private sectors/ business community
Administrative Staff Training	As defined by the Universities.	Facilitation in training module Development and RBG for conducting training as per (Annex-3).
Monitoring and Evaluation	Universities prepare guidelines for periodic monitoring and evaluation arrangement on teacher training Universities publish Monitoring and Evaluation report	UGC will provide RBG against such a report as per (Annex-3)

<sup>21</sup> SOPG related to faculty members' training and leadership sensitization



<b>b. Academic Leaders' Sensitization</b>		
Organize conferences/ webinars/ visits for academic leaders	The conference/ webinars/ visits will bring best practices of university leaders from across the globe. Individual universities, in coordination with UGC, will prepare a guiding framework/ TOR with expected outcomes of the conference/ webinars	UGC facilitates the universities with RBG as per (Annex-3)
UGC outstanding academic leader award	UGC, in association with universities, launch such award arrangement	UGC will form an independent search committee in UGC <sup>22</sup> and administer this reform initiative

**Table 4.4: HEIs level Responsibilities on Faculty Members Training and Academic Leaders Sensitization**

<b>Activities</b>	<b>Area of coverage</b>	<b>UGC and Affiliating University</b>
<b>a. Faculty Members Training</b>		
HEIs level teacher training strategy/ guideline prepared	The strategy will be in alignment with the affiliating university strategy and will include key dimensions of the faculty members' competency development which, among others, will include: <ul style="list-style-type: none"> <li>- different contemporary skills for faculty members on curriculum design, pedagogy, assessment, and examinations to respond to the labor market needs</li> <li>- incentives for faculty members for capacity enhancement through various approaches, such as paid/ unpaid leaves, higher studies, substitutive work, promotions, and so on</li> <li>- Roaster of training courses</li> </ul>	UGC will provide RBG to HEI as per (Annex-3) UGC will encourage collaboration with other HEIs and specialized training partners. UGC and the affiliating university will also provide guidance and technical facilitation for the preparation of such strategy and collaboration
Conduction of Faculty Members Training as per the strategy/ guidelines	Training to be conducted as per the HEIs strategic framework within the affiliating university framework. Training could be conducted in collaboration with the deans' offices wherever applicable and with support from specialized training partners	UGC will provide RBG HEI as per (Annex-3); UGC and affiliating universities will provide guidance
Administrative Staff Training	Need based.	UGC will provide RBG to HEI as per (Annex-3) facilitation in training module development.
Monitoring and Evaluation	Individual HEIs will conduct Periodic online survey to collect information about the status of Ed Tech readiness from their implementation practices	UGC will provide RBG to university as per (Annex-3) UGC and affiliating University will also provide guidance and technical facilitation for the periodic surveys
<b>b. Academic Leaders' Sensitization</b>		
Organize conferences/ webinars/ guided discussion sessions/ visits for academic leaders	The conference/ webinars/ visit will bring best practices of HEIs leaders from across the country/globe. HEIs are encouraged to collaborate in preparing the guiding framework with the expected outcomes of the conference/ webinars	RBG will be provided to HEI as per Annex 3 and technical support as per the OM

63. **Funding Provisions and Grant Support to Universities and HEIs:** The major categories under faculty members' training and leadership sensitization grants support will include support to universities and HEIs. The grants to the participating Universities/HEIs will be released as per their performances. The

<sup>22</sup> A guiding framework for nomination is provided in the Standards, Operational Policies and Guidelines on Faculty Member training and academic leaders sensitization



allocated grant support in total is NPR 559,900,000.00 (*UGC Technical Support and Facilitation to Universities and HEIs NPR 7,000,000.00; University level NPR 350900, 000.00; HEI level NPR 202,000,000.00 (Refer Annex-3).*)

### 4.3 Collaborative Research and Entrepreneurship Program

64. Collaborative research and entrepreneurship programs will address the aspiration of higher education for a high impact on the national economy. There are two sub-set related to this area: (i) *Promotion of collaborative research and innovation and (ii) Encouraging entrepreneurship and self-employment.*

#### Collaborative Research and Innovation

65. Government of Nepal (GON) 15<sup>th</sup> five-year Plan (*followed by 16<sup>th</sup> plan in 2024/25- 2028/29*) envisions innovative human capital for social and economic transformation through higher education that is made accessible, competitive, and research oriented with an increased investment in science, technology and research, capacity development, and collaboration between universities, industries and research institutions, in-country and globally. National Education Policy-2019; and Science, Technology and Innovation Policy-2019 envisage promoting technical education, focuses skill-based education and training, and promoting a culture of research and collaboration. Having good experiences with earlier reform initiatives, UGC is providing several grants, including PhD and MPhil fellowships to faculty and young students, thesis support grants, funds to HEIs for training and seminar/workshops, and grants for Research Management Cells (RMCs). UGC has also been supporting research. The research funds are directed to reinforce opportunities for academic programs and research initiatives in relevant and appropriate fields and disciplines.

66. **Objectives:** UGC supported Research Programs that aim at promoting research, development, and innovation through research funding to HEIs, the faculty, and students, as well as to strengthen the research infrastructure of HEIs in the country. It also draws on the objectives of NHEP, Framework (2021-2030), and sustainability plan of UGC for Research Funding in Higher Education (2021-2024). Competitive, collaborative research and innovation with industry partners will be supported through funding for selected HEIs, schools, central departments, and centers of excellence (COE).

67. **UGC-Focused Frontiers:** Following the Education, Science, Technology, and Innovation Policies - 2019 and the 15<sup>th</sup> Five Year Plan of Nepal, UGC has identified certain themes and areas based on: (i) national interest and (ii) global trends. These themes and areas are listed hereunder:

- i. Development and prosperity
- ii. Green, Resilient and Inclusive Development (GRID)
- iii. Sustainable Development Goals (SDGs)
- iv. High-performance (smart) materials and products
- v. Climate change adaptation and environment
- vi. Social inclusion and gender equality
- vii. Population dynamics and human mobility
- viii. Indigenous knowledge development
- ix. Digital landscape development

68. **Focus on Collaborative Research:** The commonly practiced categories of collaborations are:

- i. Industry-academia collaboration
- ii. Inter-university collaboration
- iii. Intra-university (inter-disciplinary) collaboration
- iv. Trans-national collaboration
- v. Government-funded academic research
- vi. Non-governmental organizations funded academic research.



69. **Guiding Principles of Research Funding:** This program will follow certain guiding principles of research funding as described in the SOPG.

70. **Collaborative Research Funding:** The ceiling of the maximum funding that UGC will award to a successful collaborative research project is presented in *Table-4.5*. Nevertheless, if the total budget requirement for a research proposal is below the maximum funding for its class of research, the proposal will be considered for the immediate lower class.

**Table 4.5 Ceiling for Collaborative Research Funding**

Class of Research	Maximum Funding per project
Wet Laboratory Based Research	- 15 million NPR
Social Survey Research	- 10 million NPR
Dry Lab Based or Model-Based Research or Combination of physical and social science research	- 5 million NPR

71. **Collaboration Categories and Weightage:** Out of the six categories of collaborative research as outlined above, UGC aims to extend collaborative research grants with the weightage as shown in *Table-4.6*. The weightage will be the basis for selecting new proposals in each category per year on a budgetary basis. A detailed explanation of the weightage of the fund allocated for collaborative research is given in SOPG. The applicants shall specify their category of collaboration during application.

**Table 4.6: Weightage of the Fund Allocated for Collaborative Research based on their Categories**

SN	Category of collaboration	Weightage range (%)	Condition/ Explanation
1	Industry-academia collaboration (IAC)	10-30	<ul style="list-style-type: none"> <li>- Only the sub-category "Industry as a facility-provider," as discussed in section 1.4.3, will be considered for the competition.</li> <li>- The direct cost of laboratory or field expenses incurred because of the research project can be covered.</li> <li>- The cost of one supervisor or trainer serving as a Co-I from the industry side may be covered with the consent of the host institution of PI.</li> </ul>
2	Inter-university collaboration (Inter-UC)	10-30	<ul style="list-style-type: none"> <li>- Each partner university shall have at least one graduate student working towards the competing research project.</li> <li>- Priority will be given to collaboration with international universities. Nevertheless, remuneration and travel related expenses of foreign nationals (Co-Is) may be covered only if they occur while working (granted research projected based work) in Nepal.</li> </ul>
3	Intra-university collaboration (Intra-UC)	10-30	<ul style="list-style-type: none"> <li>- Each department or unit as a partner of the collaboration shall have at least one graduate student working towards the competing research project.</li> </ul>
4	Trans-national collaboration (TNC)	0-10	<ul style="list-style-type: none"> <li>- Remuneration and travel related expenses of foreign nationals (Co-Is) may be covered only if they occur while working in Nepal.</li> <li>- The participating HEI shall have at least one graduate student working towards the competing research project.</li> </ul>
5	Government-funded academic research (GFR)	0	<ul style="list-style-type: none"> <li>- UGC grants are provided to research projects that have no external sources of funding</li> </ul>
6	Non-governmental organizations funded academic research (NGR)	0	<ul style="list-style-type: none"> <li>- UGC grants are provided to research projects that have no external sources of funding</li> </ul>
<b>Note:</b> In the case of research project qualifying for more than one category of collaboration, applicants may choose the preferred category.			

72. **Minimum Eligibility Criteria:** The minimum eligibility criteria to apply for the collaborative research grant are presented in *Table-4.8*.



**Table 4.7: Minimum eligibility criteria for application to the collaborative research grant**

Parameters	Eligibility
Host/Applicant Institution	- The HEI of the PI will serve as the host institution. Any government or community supported HEI in Nepal will be an eligible host institution.
Partner institution	<ul style="list-style-type: none"> <li>- Any government or non-government organization (legally registered) with stated or deemed jurisdiction to collaborate with a host institution may collaborate for submitting an application for collaborative research.</li> <li>- For the IAC category (Industry as a facility-provider), the industry shall have at least one affiliated personnel who should participate as a Co-I. The industry shall have a certificate of duly registered/renewed in Nepal and have received a tax clearance certificate for the previous year as applicable to the laws of Nepal.</li> <li>- For the Inter-UC or Intra-UC category, each partner (HEIs/ Universities) shall have at least one graduate student working towards the competing research project.</li> <li>- For an Inter-UC proposal to be eligible for international collaboration, the international partner university shall be ranked within the top 1000 universities as per the Times Higher Education ranking of the year prior to the application year.</li> <li>- For the TNC category, the research project shall comprise at least two Co-I working in universities from two different foreign countries and ranked within the Top 500 universities of the world as per the Times Higher Education ranking during the year prior to the application year.<sup>29</sup></li> </ul>
Principal Investigator (PI)	<ul style="list-style-type: none"> <li>- Nepali Citizen</li> <li>- A full-time faculty member of HEIs in Nepal with at least three years of service tenure remaining</li> <li>- PhD Degree</li> <li>- Five or more research articles published in Scopus-indexed journals (at least two as the main author or corresponding author)</li> <li>- At the time of application, must have been supervising (including co-supervision) at least three graduate students towards their graduate research.</li> </ul>
Co-Investigators (Co-I) (At least -3)	<ul style="list-style-type: none"> <li>- Nepali Citizen</li> <li>- Faculties from different higher education/research institutions or researchers/experts involved in private organizations</li> <li>- PhD Degree (for community-campus faculties, refer to SOPG)</li> <li>- Two or more research articles published in Scopus-indexed journals (at least one as the main author or corresponding author)</li> </ul>

73. Application Procedure and Selection Process: UGC will publicly call for applications for collaborative research grants. UGC will follow the standard procedure for the application and selection process outlined in the SOPG. The SOPG also outlines the provisions for appeal and hearing and the code of conduct.

74. Other Research Promotion Grants: Other research promotion grants (Collaborative Research Grant, Faculty Research Grant, and Small RDI Grant) to faculties will be as per the Research Development and Innovation Implementation guidelines of UGC

75. Research Funding: The ceiling of the maximum funding that the UGC will award to a successful collaborative research project will be in three categories, as shown in *Table-4.8. The final budget approved as per negotiation.*



**Table 4.8: Cost Allocations of Collaborative Research & Other Research Promotion**

Programs	Rate	Target	Total Amount
<b>Collaborative and Innovative Research Grant</b>			
Research Based on Wet laboratories	15,000,000.00	21	315,000,000.00
Research Based on Social Survey	10,000,000.00	9	90,000,000.00
Research Based on Dry Lab	5,000,000.00	6	30,000,000.00
	Sub-total	36	435,000,000.00
<b>Other Research Promotion Grant to Faculties</b>			
Technical Innovation and Scientific Investigation in National Priority Areas	12,500,000.00	20	250,000,000.00
Collaborative Research Grant	2,000,000.00	47	94,000,000.00
Faculty Research Grant	300,000.00	175	52,500,000.00
Small RDI Grant	150,000.00	250	37,500,000.00
Specialized Research Lab	10,000,000.00	15	150,000,000.00
	Sub-total	507	584,000,000.00
	<b>Total</b>	<b>543</b>	<b>1,019,000,000.00</b>

### Entrepreneurship Support

76. The entrepreneurship support will focus on attaining the following:
- Increase the focus of higher education design on entrepreneurship to produce educated youths to meet present and future market needs.
  - Drive for a shift of university education from degree-based to enterprise and employment-based mindset.
  - Provide knowledge, skills, and exposure to students, recent graduates, and young faculty members for establishing market relevant enterprises.
  - Promote critical and creative thinking to stimulate entrepreneurial culture among students.
  - Promote entrepreneurship as a catalyst for sustainable development, inclusive economic growth, social inclusion, and climate change adaptation.
  - Strive for promoting an entrepreneurial environment that requires transforming the entire higher education ecosystem, including the roles of national policies, government bodies, HEIs, students, the business sector, and the community.
77. **Guiding principles:** This program will follow certain standard principles in the selection, implementation, monitoring, and evaluation of entrepreneurship support programs and related activities, which are outlined in the SOPG.
78. **Key intervention areas:** UGC has identified the following key intervention areas for entrepreneurship development.
- Support to build institutional infrastructure to enable start-ups
  - Nurturing innovations and start-ups
  - Intellectual property rights, patents, and ownership of technology/ process developed
  - Organizational capacity, human resources, and incentives; and
  - Pedagogy and learning interventions for entrepreneurship development
79. **Institutional framework:** A framework for administering the entrepreneurship support fund through UGC is illustrated in *Annex-4, Table A4.1*). Entrepreneurship support funds will be provided for the knowledge, skill, and practice tiers. Two types of grants will be provided for the knowledge tier, and one each will be provided for the skill and the practice tiers. A seven-step procedure is proposed. The step-by-step elaboration of this framework is presented in the SOPG in detail.
80. **Fund allocation and support** will cover content development, course conduction, pre-incubation, and seed fund grant for entrepreneurship as explained below (*Refer Annex-4, Table A4.2*).
- Content Development Grant:* It is aimed to support the cost of the purchase of academic content,



- cost of human resources (including transportation and accommodation), and event organization costs. The support is not recurrent, and the maximum of this support at present will be *NPR 15,00,000.00*.
- ii. *Course Conduction Grant*: It will be provided for conducting the training based on the number of participants. UGC will provide this grant as *NPR 10,000.00 per trainee* after the training classes are started. The grant is recurrent and meant to support the cost of expert trainers and hence HEI/RMC are encouraged to engage expert trainers.
  - iii. *Pre-incubation Grant*: It will be provided based on the number of enterprise proposals. The support of *NPR 50,000 per enterprise proposal* to the HEI/RMC will be recurrent upon satisfactory performance.
  - iv. *Seed grant fund*: Successful proposals selected for Seed Fund Grant will be classified into three categories: *Small, Medium and Large scale Seed Fund with the maximum fund support of NPR 5,00,000.00, NPR 20,00,000.00 and NPR 40,00,000.00 respectively.*

### 4.3 Merit based faculty recruitment and faculty research support

81. Building on the foundation of good progress on collaborative reach and publication and the contribution of faculties recruited through merit-based selection in two cohorts, the UGC has provisioned for support to reinstate and extend merit-based selection of faculties. The UGC will also support the recruited faculties with research funding. This provision is expected to attract academically competent faculty members with national and international research, innovation and publication. This will also help for academic cross breeding of faculties across the universities. NEHEP has provision of supporting a total of 60 such positions-recruitments with university-wise initial quota allocations by UGC, which may be reviewed and revised based on the implementation status in every 8 months or before from the date of first application call by UGC. Funding support for this provision as agreed in the restructuring will be as follows:

**Table 4.9: Merit-based faculty member selection and research support arrangement**

Activities	Verification Indicators	Comments
1.Regulation prepared/ revised (one time) and selection of faculties following the Regulation/Guidelines (per recruitment to individual universities)	Regulation adopted by university Executive Council (EC); Publication of Notice for selection, and recruitment	1. First instalment upon adoption of the Regulation by EC and notice publication for selection @ NPR 1.0 million/university for 10 universities (NPR 10.0 million); 2 <sup>nd</sup> instalment of NPR 0.9 million per recruitment to individual universities as per their seat allocations (NPR 54 million)
2.Research grants for faculties selected on meritocracy	i. Proposals submission ii. Evaluation by the UGC RD iii. Budgeted Activity plan (Following procedural steps in accordance with UGC Research Guideline)	As per UGC Research Grant release Guideline @ NPR 1.20 million per faculty-proposal (upper limit) (Total allocation NPR 72.0 million)



## Chapter V: Strengthening Governance and Financing of Higher Education of Quality Enhancement

82. This area has three sub-result areas: (i) Quality Assurance and Accreditation (QAA), (ii) Quality Enhancement (QE), and (iii) Expansion of non-government sectors for enhancing technical education.

### 5.1 Quality Assurance and Accreditation

83. The program will play a vital role in achieving goals set by the National Higher Education Policy 2019, the National Higher Education Program Framework, and the QAA strategic plan 2021- 2030. The existing QAA system will be further strengthened to support the accreditation of universities. The QAA assessment system, including the process, milestones, criteria, indicators, marking system, and other relevant mechanism, shall be operationalized as defined in the revised QAA guidelines.

84. **Institutional Arrangements:** An eleven-member *Educational Quality Assurance and Accreditation Council (EQAAC)* is functioning under ‘Educational Quality Assurance and Accreditation Regulation (EQAAR – 2074) in the UGC. The Government of Nepal has endorsed the regulations. The EQAAC has the sole authority of managing and regulating the QAA system through policy frameworks. An EQAAC Directives 2074 has also been endorsed by UGC to strengthen the legal process. A seven-member *Technical Committee (TC)* works under the EQAAC. The TC is responsible for reviewing the Self-Study Reports (SSR) submitted by the universities/ HEIs and suggest EQAAC to form Peer Review Team (PRT) by approving the SSR. A *Quality Assurance and Accreditation Division (QAAD)* works as the secretariat of EQAAC to implement the policies and guidelines set by the EQAAC. The division is headed by a director, who is the member secretary of the EQAAC.

85. **Framework for Accreditation of Universities and other HEIs:** The earlier QAA framework has been revised and brought into practice. The new framework covers six core assessment criteria of universities and individual HEIs: (i) *Governance and Leadership*; (ii) *Curriculum Management*; (iii) *Research and Knowledge Extension*; (iv) *Physical Resources*; (v) *Student Welfare and Wellbeing*; (vi) *Human Resource*. Each of the criteria have different sets of sub- criteria and associated indicators. These are explained in the QAA guidelines.

**Table 5.1 Implementation Steps for HEI Accreditation**

Major Activities in Process	Responsibility
Call for LOI	UGC/EQAAC Secretariat
LOI Submission	HEI
LOI Approval	UGC/QAAD
SSR Preparation with Stakeholders Participating	HEI
Submission of SSR to QAAD	HEI
Approval of SSR and recommendation to the EQAAC for PRT	Technical Committee/ QAAD
PRT formation	EQAAC
Assessment (Preparatory Visit)/ PRT Visit/ Follow-up Visit (PRT Report Submission)	PRT Team members (all)/ QAAD staff
Response on PRT Feedback	HEI
Recommendation to UGC for accreditation Decision	EQAAC
Accreditation decision	UGC

86. **Implementation Milestones for HEI Accreditation:** The **Table-5.1** below shows the activity milestones and responsibilities.

87. **Fund allocation for QAA Support to HEIs:** The cost allocations for QAA funding support to HEIs will be as per **Table-5.2**. Eligible HEIs will be supported through QAA grants at the two stages of QAA process, viz. after the approval of SSR and after the accreditation award is granted.

**Table 5.2: HEI QAA Fund Allocation per HEI (Amount in NPR)**

Category	Unit	Estimated Number	Per Unit Amount	Total Amount	Remarks
Grants to SSR Completion	SSR/ HEI	170	400,000.00	68,000,000.00	



Category	Unit	Estimated Number	Per Unit Amount	Total Amount	Remarks
Grants for newly accredited HEI	Per Graduate NPR 35,000.00/HEI	100	3,500,000.00	350,000,000.00	NEHEP revised target of HEIs for peer review completed or Accredited = 150 (new); 50% of 150 HEIs assumed to get accreditation equal to 75 HEIs; private HEIs will also be counted for the results (The support is provided to constituent and community campuses only) ; Max. ceiling = 3,500,000.00; Min. amount = 1,000,000.00
Grants for Re-Accredited HEIs	Per Graduate NPR 35000.00/HEI	50	1,080,000.00	54,000,000.00	Max. ceiling = 1,080,000.00; Min. amount = 600,000.00
<b>Total</b>				<b>472,000,000.00</b>	

88. **Universities/ Academies Accreditation:** UGC has prepared a guideline for universities'/ academies accreditation. Public universities/ academies (upto four) undergoing the QAA process will be provided the grants support of NPR 23,600,000.00 per university/academy. The first tranche (50%) will be released upon approval of the university SSR, and the final tranche (remaining 50%) upon completion of the peer review. The implementation steps for HEIs accreditation will also be applicable for universities accreditation.

## 5.2 Quality Enhancement

89. UGC has developed a framework for the quality enhancement of HEIs. The implementation steps for quality enhancement are presented in Table-5.3. Interested HEIs meeting the criteria as defined in the framework as briefly explained below will be eligible for participation and funding support from UGC.

90. **Eligibility for Participation** Participation in the QE will be accepted from accredited HEIs which were accredited prior to the application call notice date. Implementation steps of QE are given in Table 5.3.

**Table 5.3: Implementation Steps for Quality Enhancement**

Core Activities	Description
i. Sensitization	i. UGC conducts sensitization programs for Universities/ HEIs
ii. Application call	ii. UGC calls the application for QE grants from accredited HEIs once a year.
iii. Submission of application and documents (progress report as per indicators in Table 5.4)	iii. Eligible HEIs submit an application to UGC along with necessary documents (progress report) within the stipulated time.
iv. Screening, review, assessment, and selection	iv. Screening and review by UGC QAA division, and assessment, preparation of merit list, and selection decision by QAAC
v. Grants award	v. Designated Division/unit of UGC
vi. Monitoring & Evaluation	vi. UGC will conduct monitoring & evaluation based on the output, outcome, and impact of the QE activities implemented by concerned HEIs. The findings will be shared with the concerned entities and HEIs for further actions

91. **Quality Enhancement Criteria:** Teaching and learning; Research, Development and Innovation; Governance; and Innovative Practices will be the major thematic areas with different indicators. The framework (Table-5.4 below) will guide the implementing agencies and the



beneficiaries in the implementation of Quality Enhancement.

**Table 5.4: Thematic Areas for Performance**

<b>Thematic Areas/Indicators</b>	<b>The weightage (Total:100)</b>	<b>Description</b>
<b>1. Teaching and Learning (T&amp;L) Outcome</b>	<b>40</b>	
1.1 Result Quality Improvement	10	Results under the grading system should be at least A-10%, B-20 %, C-30 %, D-30%, and at least E-10%. The result under percentage based annual system: HEIs attaining more than 80% pass rate with maintained over last three years.
1.2 Non-credit courses aligned with climate change (employment/entrepreneurship oriented professional courses)	8	At least one non-credit course should be implemented. The duration of the course shall follow the GRID approach, with a minimum of 40 hours. Both teachers and students will develop the non-credit course.
1.3 Extension services such as specialized training/ camps provided to the local community by faculties and students/ graduates for the same activity in the same year)	7	Microfinance, entrepreneurship, health camps, indigenous knowledge enhancement, alternative energy promotion, climate adaptation and mitigation, social issues, etc.
1.4 Increased Retention/ Reduced Dropouts	6	Increased Ratio of exam attendees to enrolled (avg. of last three years)
1.5 Curriculum feedback system in-place and functioning	5	Faculties and students will be engaged in the periodic review of the curriculum in consultation with the business community and other stakeholders. The review report will be submitted to the concerned entities as feedback.
1.6 Academic Calendar	4	Constituent/ Affiliated HEIs will implement a duly approved academic calendar. Additionally, internal assessments will be conducted, and remedial measures to boost the pass rate will be one of the key aspects of the system.
<b>2. Research, Development, and Innovation (RDI) Outcome</b>	<b>30</b>	
2.1 Publication of articles in peer reviewed journals by full time faculties (at least 40% of faculty members of the HEI).	6	The standard should be above QAA indicators
2.2 At least 1 research collaboration national/international institution last year/multi year	6	Collaborative report/ topic
2.3 At least 5% of full-time faculties received academic research grants from funding national/international Agencies	5	At least one related to climate change
2.4 Dissemination and application of research findings in community welfare/ national welfare/ student knowledge enhancement	4	Knowledge sharing and application
2.5 Patents received by full time faculty members	4	After patent received
2.6 Promotion of research and innovation through internally funded research projects conducted	3	Selection of the projects for funding should be as per the guidelines prepared by the HEI



Thematic Areas/Indicators	Weightage (total:100)	Description
by at above 5% of full time faculties (this is in addition to item #2.3)		
2.7 Institutional revenue generated by research/ consultancies by full time Faculties	2	Shall be at least 5% of the HEIs total annual revenue generated against students' tuition fees
<b>3. Governance Outcome</b>	<b>20</b>	
3.1 Student support and graduate tracking system on employability and academic progress	5	<ul style="list-style-type: none"> <li>No of the graduates increased</li> <li>Increased placement services</li> <li>The percentage increased in progress on further studies</li> </ul>
3.2 Faculty members' evaluation by students	4	Students' confidential evaluations will be used in teachers' performance evaluations at the end of each academic calendar. The markings from the evaluation will be embedded in the promotions and other benefits for faculty members
3.3 Internal quality assurance assessment conducted by IQAC annually and corrective measures planned and implemented	3	Related Report
3.4 Merit based student enrolment system in place	2	The number of students appearing in the entrance exam is 30% more than the enrolling students
3.5 Merit based faculties/staff recruitment	2	HEI faculty member/staff recruitment criteria should not be less than the affiliated university specific minimum qualification
3.6 Audit observation(s) of the previous FY settled and publicly disclosed (governance & transparency)	2	Comparison of the audit report with preceding years' audit reports and management responses
3.7 Physical infrastructure developed/progressing as per the pre-designed master plan and annual/strategic plan	2	With the provision of climate change adaptation and mitigation activities at HEI level
<b>4. Additional Innovative QE practice (Open)</b>	<b>10</b>	QAAC / Technical committee will decide (accept/reject) the idea as innovation. Priority innovative areas <sup>23</sup> , weightage of areas will be defined in a separate Guideline
<p><b>General condition:</b> a) HEI(s) with Master level program: at least two indicators from each among 1 to 3 areas; b) HEI(s) only with under-graduate level program: one indicator under RDI theme and other any five indicators with at least one from each area.</p> <p><b>Special condition</b> (if accomplished an innovative indicator): a) HEI(s) with Master level program: other any five indicators at least one from RDI, b) HEI(s) only with under-graduate level program: other any five indicators.</p>		

92. **Grants Allocation and Support:** Total of 60 HEIs will be supported for quality enhancement. The total grant allocation for support is NPR 259,600,000.00: *Thematic area 1 - T&L:* NPR 103,840,000.00; *Thematic area 2- RDI:* NPR 77,880,000.00; *Thematic Area 3-Governance:* NPR 51,920,000.00; and *Thematic area 4 - Additional Innovative (Open):* NPR 25,960,000.00. The participating HEIs fulfilling the requirements submit their final achievement report. UGC designated technical team reviews the report with needful verification/confirmation. The technical team forwards the satisfactory report to the *EQAAC for further review and approval for grant release. This process will be carried out annually.* For further detail, refer *to Annex-5.*

<sup>23</sup> The innovative areas will include: reduction of economic and human development poverty; employment generation; holistic development of national economy; economic, social and political transformation to develop culture of inclusive democracy; conservation and development of national heritage; promotion of indigenous knowledge, vocation, and technology; conservation and sustainable use of natural resources and environment including biodiversity; productivity enhancement in and diversification and commercialization of agriculture; development of basic education, health, drinking water and sanitation, food and nutrition; promotion of good governance; Transportation and other infrastructure; water resources; renewable energy; small industries and business; natural disaster and hazard management; Global warming and climate change; Public-private-community participation in development issues; Engineering and Information and Communication Technology; and Biotechnology, Pharmaceuticals and Nano-technology.



### 5.3 Supporting non-affiliating degree awarding universities

93. Promoting autonomy of the HEIs empowering them as well as making them responsible for developing and running academic programs of national importance and market relevance with contextual flexibility and market dynamism is one of the main agendas of the NHEP, also in the 16th NDP (2025-29). This may include establishing new non-affiliating degree awarding university and or transforming Campuses/HEIs into degree awarding universities. The program will support around four HEIs including non-affiliating new universities, and autonomous campuses with performance grants to opt for this provision of the National Education Policy, 2019. The universities and autonomous HEIs will be in areas of the development priorities in the federal structure under the 2015 Constitutional provision. UGC will coordinate with the government and the concerned universities, including the potential accredited/ autonomous HEIs to formulate necessary policy and procedures. The provisions for funding support for HEIs and or newly establishing degree-awarding universities and or equivalent TU chapters are elaborated in Table 5.5.

**Table 5.5: Fund Allocation for establishing non-affiliating degree awarding universities**  
(This includes for newly establishing universities, TU province chapters and other HEIs)

Indicator Category	Unit	Target Number	Rate (NPR)	Estimated Total Cost (NPR)	Supporting Condition
Establishing non-affiliating degree awarding universities	HEIs	4	50,000,000.00	200,000,000.00	<i>First tranche</i> (50%) upon due approval of the University Act; and Regulatory provisions of the non-affiliating degree awarding university <i>Second tranche</i> (50%) upon approval of the related regulatory provisions and start functioning by initiating academic programs
Grants to TU for facilitation in establishing provincial chapter	TU	3	20,800,000.00	62400,000.00	<i>First tranche</i> (50%) upon approval of the Acts with provincial Chapter. <i>Second tranche</i> (50%) upon initiation of the Chapters with related rules and regulations as non-affiliating degree awarding universities
<b>Total</b>				262,400,000.00	

### 5.4 Performance Based Funding

94. University Grants Commission (UGC) had introduced Performance-Based Funding (PBF) system in SHEP which was sustained with further extension in HERP. The HERP not only extended PBF to the project participating Higher Education Institutions (HEIs) but also provisioned the regular grants from the government's budgetary source to be made performance based. Eligible HEIs were funded based on their performances as per the pre-defined indicators and set criteria. The indicators assessed the performance of the HEIs in the core aspects, viz. governance, quality, relevance, equity, resource generation, capacity, etc. Based on experiences of the early reform initiatives, NHEP RA-2 under DLI-3 of NEHEP will help in extending the performance-based grants for improving, among others, quality and governance in the publicly funded HEIs. The provisions under this category will support the expansion of the performance grants system for HEIs to promote good practices for excellence. High-performing campuses,

**Table 5.6: Grant Allocation for Regular Performance Based Funding to Community Campuses**

Fiscal year	Amount, NPR	Remarks
<b>2020/21</b>	<b>650,000,000</b>	<b>UGC approved Budget</b>
2021/22	715,000,000	Estimated
2022/23	786,500,000	With 10
2023/24	865,150,000	percent
2024/25	951,665,000	annual
2025/26	1,046,831,500	increment
<b>Total</b>	<b>5,015,146,500</b>	



schools, and departments will receive additional grants based on performance indicators. The framework for the Performance Based Funding (PBF) constitutes two major categories: Regular Performance Based Funding (RPBF) and Extended Performance Based Funding (EPBF).

### Regular Performance Based Funding

95. The provisions and procedures for regular PBF are described in UGC Program Directives which will be applicable to the eligible community campuses and will be regularly administered UGC. The estimated budget of PBF to community campuses with in NEHEP period is as shown in Table 5.6.

### Extended Performance Based Funding

96. This PBF system will be an integrated approach of the public funding to the high performing HEIs. The system of funding will be applicable to the constituent campuses/ central departments/ schools of different universities as well as to the affiliated community campuses. The area/category- wise performance indicators with brief description are presented in the *Table-5.7*.

**Table 5.7: Performance Indicators for Extended PBF**

Areas	Performance Indicator	Description
1. Efficiency	Growth in the Pass Rate	This indicator will assess student pass rate of the HEIs. The grants will be based on percentage increment in the pass rate.
2. Effectiveness and employability Employability	Graduate Tracer Study and Employability: a) Tracing of graduates b) Number of employed graduates	The tracer study should be conducted annually by the HEIs. The study will include the students who have graduated in a given year. The study should be conducted as per the framework defined by UGC. The study should also trace the employed graduates.
3. Expansion/ Growth in terms of student number, Promotion of Technical programs	Enrolment expansion in market driven technical programs (baseline: total enrolment of the campus previous year)	This indicator will assess and support the enrolment expansion of the HEIs in the market driven and/or technical programs. Definition: a) LMDP programs: The programs that have been developed as per the norms of the market relevance. The norms will be set by UGC and/ or by the concerned universities. b) Technical programs: All the programs that are categorized under i) Agriculture and Animal/ Fishery Sciences ii) Forestry Sciences iii) Science and Technology iv) Engineering v) Health and Allied Sciences vi) ICT
4. Gender Equity	Gender Ratio in technical programs	This indicator will assess and support the growth in the gender ratio of females in the enrolment of the technical programs for two successive years.



Infrastructure	Lab Support	<p>There will be support provisions to establish and upgrade/ extend laboratories. There will be three categories of support for the lab establishment and upgrading/ extension.</p> <p>Categories:</p> <p>a) Non-technical Basic Lab – This category of labs will include, among others, computer labs, labs related to conducting co-curricular activities in the general programs such as mountaineering/ trekking labs, media/ radio lab, sociology/ arts lab/ hotel management lab, language lab etc.</p> <p>b) Technical Basic Lab – This category of the labs will include, among others, basic science labs, engineering labs, medical labs, etc.</p> <p>and c) Specialized Lab - The labs will include highly specialized labs for the general and technical programs' curricular needs. The labs that are built to cater needs of multiple disciplines (interdisciplinary) will also be included in this category.</p> <p>UGC will ensure that UGC support from other provisions for such support are not repeated, It will engage related experts in categorizing and justifying the proposals for the labs and accordingly, the grants will be disbursed.</p>
5. RDI	<p>a) Workshop/ Seminars conducted</p> <p>b) Publication of interdisciplinary research journal with online presence</p>	<p>The provision will support the RDI activities conducted in a given period in the campus. .</p> <p>a) At least three workshops/ seminars conducted (one of which should be related to climate change mitigation and adaptation);</p> <p>b) Interdisciplinary research journal published in the given year with online presence.</p>
6. Quality Enhancement	Non-credit course conducted to enhance program relevance	The non-credit courses should be conducted as per the basic norms set by UGC. The curriculum of the courses should be designed and approved by the management committee/ or authorized committee of the concerned HEIs. The courses should be relevant to the corresponding programs.
7. Capacity Development	Number of full time teaching staff holding M. Phil/PhD degree	The indicator supports the additional number of the MPhil and/ or PhD holders in the full time faculties.
8. Response to Climate Change	<p>a) Community outreach programs conducted in package annually</p> <p>b) Establishment of environment friendly and disaster risk reducing infrastructure/ equipment/ materials, including the wastes management</p>	<p>a) HEIs should be engaged in community outreach programs. HEIs would design a package of such programs and conduct them as per the timelines of the academic calendar. The package should include programs related to at least i) environment/ climate, ii) social aspects including OHS, SEA/ SH empowerment, grievance redress mechanism, and iv) and iii) research outreach/ dissemination of academic knowledge on aspects useful to the community. The community outreach and awareness programs could be hybrid with a reasonable share of face-to-face and online activities as per the UGC guiding framework.</p> <p>b) This indicator will support environmental safeguard aspects such as installation of solar panels as an alternative source of energy; plantation and efforts for landslide protection; earthquake resistant infrastructure; securing integrated national data center or private cloud-based services to establish online learning platforms to ensure the continuity of online/blended education services during climate-induced or other disasters; scientific management of hazardous chemicals and other wastes; fixation of fire extinguishers; water source management; installation of segregated waste bins; installation of rainwater harvesting and recharge pits; installation of black water management like a septic tank; installation of emergency exit infrastructure, etc.</p>



9 Improved Governance**	Campus mergers/ acquisition	The merger/acquisition performance based grants will be provided to the community campuses. UGC will release the grant upon the completion of the management processes with strategies for sustenance as per UGC guidelines. This category of PBF will support the HEIs that opt mergers/ acquisition as per the criteria defined by the concerned authorities (government agencies/ UGC and or affiliating universities).
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97. The HEIs selection procedure for the EPBF items 1-8 is as follows:

- i. UGC will publish application calls/notices to the community campuses and constituent campuses/ schools of the universities other than TU on the national level newspaper. The same call/ notice will also be published on the UGC's website with the procedural details, including the documents checklist, forms/ formats for data/ documents submission, and deadline for the submission.
- ii. There will be separate sets of documents/data formats for a) Regular PBF and b) Extended PBF in the case of the community campuses.
- iii. The HEIs should submit the required set of information in the prescribed format within the stipulated timeframe.
- iv. The community campuses which are eligible only for the regular PBF will apply to the regular PBF scheme. The community campuses and other HEIs which are eligible for both the PBF schemes will apply for both grants with separate sets of information as for the formats.
- v. The HEIs will then be screened for eligibility by the UGC.
- vi. The community campuses which are eligible only for the regular PBF will be sorted out under the regular PBF category. The HEIs which are eligible for both the regular PBF and the extended PBF will be sorted into the second category of the PBF schemes.
- vii. In case of the extended PBF for the constituent campuses/ central departments/ schools, designated unit will manage the aforementioned procedures in close coordination with and guidance from UGC, including for fund flow from the UGC to TU and the progress reporting from TU to UGC.

**Table 5.8: Eligibility Criteria for EPBF**

Primary Mandatory Criteria	Secondary Eligibility Criteria
<ul style="list-style-type: none"> <li>- LOI accepted by QAAD/ UGC</li> <li>- Strategic plan in place</li> <li>- Received the regular PBF from UGC in the last FY (for the community campuses only)</li> <li>- The campuses applying for Merger only under Improved Governance (EPBF 10) will be exempt from these criteria.</li> </ul>	<ul style="list-style-type: none"> <li>- EMIS unit established with a focal person appointed</li> <li>- Annual report of the last year published</li> <li>- Audit report of last FY finalized</li> <li>- Grievance Redress Mechanism (GRM) established</li> <li>- Pass rate average for the last three years is &gt; or = 20%</li> <li>- Functioning CMC/ Board/Similar Entity</li> <li>- In case of the community campus, the HEI must have received the regular PBF from UGC in the last FY</li> </ul>

98. **Eligibility Criteria:** The HEIs need to meet the following eligibility criteria in order to qualify for the extended PBF item 1-8. The HEIs must meet the primary mandatory criteria. Additionally, the HEIs should also fulfill at least four conditions from the secondary eligibility criteria as stated in Table-5.8. *Eligibility criteria for item 9 related with Campus Merger is as follows and PBG for merger is in Table 5.9:*

***Eligibility criteria for item 9 related with Campus Merger***

- i. The merger must be duly approved by concerned university (approved by the EC)
- ii. The emergent campus after merging must be a community campus registered in UGC and receiving regular performance grants.
- iii. Merger duly approved by the campus management committees of both the campuses, merging



and merged

- iv. Duly signed agreements between the management committees regarding the merger decisions of the concerned authority in case of government owned, e.g., Municipality owned campuses)
- v. Agreed arrangement for transfer of the students from the campus that has merged into the campus that has taken the merger in a smooth way following the same academic calendar, including the classroom teaching learning, examinations, and result publications.
- vi. Strategic plan with provisions of sustainability of the newly formed campus after merging

**Table 5.9: Performance Based Funding for Campus Merger**

SN	Performance Indicator	Per unit grants	Funding formula	Major conditions
1	Campus/HEIs merger with at least one program	2500000	Per merger of campus/HEI	MOU/Agreement/decisions of the relevant / Campuses/HEIs
2	Merger of additional Program Same as existing faculty/discipline/	1500000	Per additional Program merger/ acquisition	Relevant decisions by the concerned authorities Full functioning of the merger
3	Merger of additional Program different from existing faculty/discipline/	2000000	Per additional program merger/ acquisition	

99. **PBF for matching the initiatives of HEIs.** As a part of the PBF provision, grants will be provided in the form of performance grants matching the initiatives of the eligible HEIs in reforming academic system, infrastructures, and equipments. The matching performance grants will be provided at the ratio of 2 part provided by NEHEP for 1 part expenditure of the HEIs. The eligibility criteria and ceilings of the matching performance grants will be as per category of the eligible institutions mentioned in the Table 5.10. The scopes of the matching grants will be limited to

- i. Establishment/enhancement of Laboratories (Science and Technology / Specialized)
- ii. Addition/enhancement/refurnishment of academic buildings and hostels for girls/ students from deprived communities/areas
- iii. Addition/enhancement of libraries
- iv. LMS/EMIS system strengthening: training, software upgrading, equipment, other facilities

**Table 5.10: PBF for matching the initiatives of HEIs.**

Eligible HEI	Criteria	Max. Ceiling fro NEHEP	Grants Provision Ratio
Autonomous-accredited constituent campuses and/or Institutions/ Campuses in the process of re-accreditation with approved SSR (affiliated community campuses) with a road map towards strengthening capacity of the HEIs within the framework of the indicators (estimated numbers:20, refer Annex 6)	<ul style="list-style-type: none"> <li>• Regular annual audit (external audit) in place (timely conducted for the past 2 years);</li> <li>• Procurement unit in place with e-bidding provision</li> <li>• Matching grants claim should be for the items listed in the strategic plan</li> </ul>	50,000,000 Max. from UGC	The grants will be provided at the ratio of 2 parts provided by UGC under NHEP for 1 part expenditure of the HEIs. Fully funded project/task/procurements from any other sources will not be eligible for this grants provision

100. The other grants received from UGC will not be eligible for the matching grants. Fully funded



project/task/procurements from any other sources will not be eligible for this grants provision. In case of partial funding from UGC, the UGC funds provided will be subtracted from this UGC matching grants provision. The participating institutions must submit detailed proposal listing the grants use along with progress monitoring to UGC for approval.

101. Performance Assessment and Grants Disbursement Procedures for the Extended PBF are as follows:

- i. The submitted information is verified by the designated section/ unit at UGC.
- ii. The verified final information is tabulated, and grants are calculated according to the set criteria.
- iii. The calculated grants are forwarded for the final approval.
- iv. Approved grants will be disbursed through account section of UGC.

102. In case of the extended PBF for the constituent campuses/ central departments/ schools of TU, TU Central office (TUPSU) will manage the aforementioned procedures in close coordination with and guidance from UGC, including for fund flow from the UGC to TU and the progress reporting from TU to UGC.

103. **Performance Based Funding allocation and support:** Total fund allocation for extended PBF as planned in the NEHEP is NPR 2,544,250,000.00. Category wise cost allocations disaggregated by performance indicators has been presented in *Annex-6*.



## Chapter VI: Widening Access to Quality Higher Education for Disadvantaged Students

104. The resulting area of the National Higher Education Program has been designed to enhance equitable access to higher education in Nepal. With a focus on underprivileged students, it aims to enhance equitable access to higher education, particularly in disadvantaged provinces and disaster affected regions. It has two areas of intervention, viz. Equity Grants to HEIs in Lagging and/or Disaster-affected Provinces, and Poverty Targeted Scholarship Scheme to Bottom Quintile Students studying at bachelor level.

### 6.1 Equity Grants to HEIs in Lagging and/ or Disaster-affected Provinces and Remote Regions

105. About 110 HEIs are expected to get support with the equity grants. UGC secretariat will directly implement the grants scheme in community campuses. Universities will implement it in their constituent campuses.

106. **Objectives** of the equity grants are: Strengthening Teachers' quality and teaching; Improved connectivity; Conducting online courses; Making Peer learning arrangements; Sharing of resources for efficient use; Capacity building; and addressing the risk of learning due to disasters/pandemics. Under Equity Grants, support, Access, Governance, Quality, and Equity are considered interrelated and interdependent attributes of an education system, yet Equity remains in the core. *Knowledge management* can increase both access and governance; the *capacity building* can increase governance and quality of education; climate change mitigation and adaptation can enhance the quality of education and access of the poor/vulnerable/disadvantaged people in higher education. Moreover, there are some strategic areas<sup>35</sup> of intervention.

107. **Thematic Areas and Indicators:** Equity Grants Support provision will have five thematic areas: Accessibility and Disaster; Access Equalizer; Climate Change; Knowledge Management; and Capacity Building. Each area will have two sub-areas and indicators (31 in total) with definitions/description, and means of verification which are described in Equity Grants Guidelines, 2078<sup>3</sup>. Table-6.1 summarizes the performance based implementation Equity Grants support in stages in identified strategic areas.

**Table 6.1: Implementation Framework of Equity Grants**

Stages	Activities/ Process	Implementing Agency/ Methods	Criteria
Stage-1	1. LOI calling		Community and constituent campuses from among remote and disaster affected districts and in Madhesh, Karnali, and Suderpaschim provinces.
	Community campuses	UGC	
	Constituent & Autonomous Campuses	Respective universities will select and UGC released funds on the basis of performance of HEIs through universities.	
	2. Lagging behind and Remote/Disaster affected Regions	110	
	Karnali Province	10-15	
	Suderpaschim Province	15-20	
	Madhesh Province	20-25	
	Remote and Disaster Affected Districts	25-35	
Disaster during NEHEP period	Maximum 15		



Stages	Activities/ Process	Implementing Agency/ Methods	Criteria
Stage-2	<i>MOU/Contract agreement</i>	Between selected constituent/autonomous campuses and their respective Universities	
		Between selected academies/community campuses (other HEIs) and UGC Nepal	
Stage-3	<i>Implementation of Equity Initiatives</i>		
	1. Access Equalizer	i. Digitization of HEIs	
		ii. Use of digital technologies	
		iii. Poverty Targeted Scholarships (up to 3rd quintile students from Karnali, Suderpaschim and Madhesh)	
	2. Climate Change Adaptations	iv. Implementation of GRID aligned academic programs	
		Stakeholders' Participation and Student internships	
	3. Knowledge Management	vi. Creation	
		vii. Dissemination	
	4. Capacity Building	viii. HRM planning	
		ix. Individual/collaborative training	
		x. Peer learning	
		xi. Cost sharing basis teaching/learning	
		xii. 360° performance evaluation	
xiii. Student Tracking			
Stage-4	<i>Equity Grants Support</i>	First Installment (advance) NRs.800000.00 after signing MOU/Contract	
		Annual support upon their progress/performances on implementation of Equity Initiatives	
Stage-5	<i>Monitoring and Evaluation</i>	GON/ MOEST, UGC, Universities, Local/provincial governments, Funding partners, HEIs own system	
<b>Beneficiaries:</b> Selected HEIs from among Madhesh Province, Karnali Province, Sudurpaschim Province, Remote and Disaster affected districts; and Poverty Targeted Students (boys) under third PMT quintile studying at bachelor level.			

108. **Selection:** Public notice requesting LOIs from among the Community and Constituent Campuses completed at least one academic cycle will be published. Format of proposal/LOI, evaluation method and criteria including HEIs quota disaggregated by lagging provinces, and 'remote and disaster affected' areas will be as per the guidelines. HEIs selected for the grants should apply for the performance based annual equity grants.

109. **Eligibility Criteria:** Fundamental criteria of the selection to get Equity Grant are that the aspirant HEIs should belong from among the lagging behind remote and disaster affected regions. Other eligibility criteria will be as follows:

- a. Community and Constituent campuses getting regular grants from UGC;



- b. For new campuses, submission of the documents as specified in the UGC manual for regular grants to new community campuses;
- c. HEIs having minimum of 75 students in Tarai districts;
- d. HEIs having minimum of 60 students in Mountain and Hill districts;
- e. With number of students as per quota to the HEIs implementing quota specified academic programs;
- f. Marks obtained in LOI;
- g. Renewal of the affiliation from affiliating University;
- h. A copy of Mark ledger to show the number of students passed in latest board exams; and
- i. Last FY's Financial Audit Report with management comment/letter.

110. **Equity Grants Support:** Per HEI total sum of the equity grants support during NEHEP will be provided as per annex-7 NPR **5861660.00**. Need based striking disaster grant of NPR 590,000.00 (Max.) to maximum 15 HEIs (*Annex-7, Table A7.1*). Poverty targeted scholarships for up to third quintile students of the lagging behind regions will be based on poverty targeted scholarship guidelines. The detail of the fund allocation is presented in *Annex-7, Table A7.2*.

## 6.2 Poverty Targeted Scholarship Scheme to Bottom Quintile Students

111. **Introduction:** UGC has prepared higher education Poverty Targeted Scholarship Guidelines (PTSG), 2078 updated in 2081. This guideline comes under the broader framework of UGC Operational Management Guideline 2060 B.S. under the provision of the UGC Act 2050, which also deals with scholarship.

112. The objectives of the scholarship support are to enhance equitable access of poor and underprivileged students to quality higher education. While the share of the poorest quintile of students in higher education is less than 2 percent, this intervention will help increase the share of such a category of students in higher education. This will ultimately contribute to increased human capital development in the country by involving a large share of students who otherwise would not have opportunities for such contribution to the national growth and prosperity. This support will also bring social cohesion and harmony to the country's development process. Preferential treatment for female students is another dimension of scholarship support. The support scheme will also follow specific procedural aspects, which among others, will define bases to identify economically poor students, determine eligibility criteria for scholarship needs, clarify the roles of stakeholders in the federal setup, to engage commercial banks for partnership, especially in channeling the scholarships granted to the individual students' Bank account.

113. **Eligibility Criteria:** Students meeting the below criteria will be eligible to participate in the poverty-targeted scholarship processes.

- a. Students of Government or Community Secondary School (Grade 12) in Nepal while applying Students shall be identified<sup>36</sup> and defined as poor<sup>37</sup> as per UGC Poverty Targeted Scholarship Guidelines, 2078
- b. Nepali Citizen or eligible person<sup>38</sup> to get the citizenship
- c. Regular student studying in bachelor level
- d. Students duly accepted/signed the specific Student Bond
- e. Must have own individual bank account in first class financial institution (commercial bank) in their vicinity, and
- f. Must have uploaded the documents<sup>39</sup> within the due date on UGC web-based scholarship management system

114. **Implementation Process of Poverty Targeting:** The process will follow eight steps<sup>40</sup> which include: information dissemination; application collection; application verification; selection; grievances



handling, enrollment; intermittent monitoring and scholarship award confirmation, scholarship disbursement, and final evaluation and student tracking. For the targeting process, refer to *Annex 8, Table A8-1*.

115. **Standards of Poverty Targeting System:** The poverty targeting method<sup>41</sup> as described in the PTSG will adopt the standards of Nepal Living Standard Survey<sup>42</sup>/NLSS-II (2020/011), adopted the Cost of Basic Needs Approach (CBN) for regional poverty<sup>43</sup>, Small Areas Estimation Approach<sup>44</sup> (SAE) for small area poverty. Based on the NLSS, the Proxy Means Testing<sup>45</sup> (PMT) method has been developed that will be used in poverty targeting. Grievance handling is another inherent method in the targeting system. PTSG SOPG has elaborated on these aspects of poverty targeting.

116. **Scholarship Management Committee:** For the smooth functioning, including coordinated management of the poverty targeted scholarship in HE in the federal structure, a Scholarship Management Committee has been formed with defined roles, responsibilities, and authorities. The Committee composition is also provided in the PTSG. A technical team of three specialists from the fields of poverty targeting, statistics, and ‘monitoring and evaluation’ formed under the MOEST will provide technical support to the committee<sup>46</sup>.

117. **Scholarship Amount and its Channeling:** The scholarship to the selected student will be provided through Commercial Bank to the beneficiaries’ Bank accounts annually. The scholarship amount will be NPR 21,000.00 per annum to the market oriented, technical and professional STEM programs (Category A); and NPR 15,000.00 per annum to other program (Category B). Total allocation for scholarship is NPR 713,700,000.00 (*Category-A: Amount NPR 256,200,000.00, and Category-B: Other Programs Amount NPR 557,500,000*). Year wise and total allocation is included in *Annex 8, Table A8.2*.

### 6.3 Other Scholarship Programs of UGC

118. UGC Nepal also manages some other regular scholarships, which are being implemented based on separate guidelines. Efforts are being made by UGC also to bring these scholarships under the poverty targeted approach. UGC allocation for these scholarships will be as in *Table-6.2*.

**Table 6.2: Fund Allocations of Other Scholarship Amounts During NEHEP Period**

SN	Type of Scholarship	Fiscal Year Wise Allocation, NPR					Total Amount NPR
		2021/022	2022/023	2023/024	2024/025	2025/026	
1	Scholarship for Students with Disabilities, Dalit, and Economically Deprived Students	1,998,000.00	2,197,800.00	2,417,580.00	2,659,338.00	2,925,271.80	12,197,989.80
2	Scholarship from among DOM, BADI, CHAMAR and MUSAHAR students for MBBS and Bachelor in Engineering program (Special Scholarship)	40,000,000.00	44,000,000.00	48,400,000.00	53,240,000.00	58,564,000.00	244,204,000.00
3	Scholarships to the Children of Martyrs and Conflict Victims for Higher Education (Special Scholarship)	7,000,000.00	7,700,000.00	8,470,000.00	9,317,000.00	10,248,700.00	42,735,700.00
4	Scholarships for Students from Female Muslim and Mukta Kamlari (freed bonded labor) Students for Higher Education	20,000,000.00	22,000,000.00	24,200,000.00	26,620,000.00	29,282,000.00	122,102,000.00
<b>Total</b>		<b>68,998,000.00</b>	<b>75,897,800.00</b>	<b>83,487,580.00</b>	<b>91,836,338.00</b>	<b>101,019,971.80</b>	<b>421,239,689.80</b>



## Chapter VII: Extending Digitization of Higher Education

### 7.1 Introduction

119. Digitalization of Education, though relatively a new practice, has received higher priority over the last decade in Nepal and recent policies and practices have embraced its importance. The *National Education Policy 2019*<sup>47</sup> has underscored the importance of using Information and Communication Technology (ICT) to deliver improved equitable quality education for producing human capital for societal transformation and prosperity indicating the role of ICT in higher education for improved pedagogy. The policy has also emphasized the need of an integrated EMIS to inform the policy and practices at different levels with real time data to foster improved efficiency in education service delivery and good governance. *Science, Technology and Innovation Policy, 2019*<sup>48</sup> has highlighted the importance of producing skilled technical human resources and scientists by upgrading and modernizing traditional knowledge and technology, developing scientific culture, and encouraging a research-oriented education system.

120. Information and Communication Technology (ICT) Policy 2015<sup>49</sup>, The Fifteenth Five-year Plan (2019/20–2023/24)<sup>50</sup>, and The Digital Nepal Framework (DNF) 2019<sup>51</sup> are the foundations to move ahead in this regard. More specifically, the Fifteenth plan emphasized the role of practical and vocational education towards developing entrepreneurship skills in higher education. After the progressive impact of ICT in Education Master Plan 2013-2017 (MP-I), the MOEST has released the draft version<sup>52</sup> of Education Master Plan-II (MP-II) with the mission of ensuring equitable and relevant quality education using utilizing the ICT and innovative technologies and resources. Higher education digitalization has helped higher education improve collaborations, good governance, and overall education management. Digitalization opened wider avenues toward a sustainable teaching-learning process despite its limited use. The GON/ UGC and universities/ HEIs have realized that Nepal needs to utilize the full benefits of digitalization for sustainable and uninterrupted quality service delivery in education during pandemics and disasters despite various limitations on digitalization, which among others, include:

- a. Nor clearly defined strategic framework for higher education;
- b. Lack of policy and strategic plan for strengthening connectivity, online/ blended learning at some universities/ HEIs;
- c. Limited outreach of digital connectivity and access to the digital device to individuals;
- d. Lack of regulatory provisions for alternative mode of final examination, administration and management across the disciplines;
- e. Inadequate skilled human resources in universities/ HEIs in different aspects of digitalization of higher education.

### 7.2 Objective and Areas of Work

121. In the context of aforesaid limitations, extending the digitalization of higher education is one of the cross-cutting result areas (RA) of the NEHEP to support the program objectives. This RA aims to improve the policy and governance system for digitalization and connectivity and strengthen the institutions' capacity to digitize teaching and learning, and the administration. The NEHEP will support three specific sub-results areas.

122. Sub-Result Area 1: *Improving the policy and governance of digitization and connectivity*; Sub-Result Area 2: *Strengthening campus networks and distance learning capabilities*; and Sub-Results Area 3: *Digitization of UGC and university administration* are the areas in which UGC will strengthen the established digital learning platform and online administration at the UGC. The UGC and universities/HEIs will continue strengthening digitalization towards an increasing share of students registered in courses with online/blended teaching methods. The NHEP will work towards exceeding the NEHEP target of 50 percent.

### 7.3 Digitalization of UGC and Universities Administration

123. UGC has identified the following standards for the digitalization of the higher education sector in



Nepal. The standards (broader perspectives and technical perspectives) will be elaborated in the SOPG.

**Broader Perspectives:**

- a. Transformation of higher education by complementing face-to-face mode of education;
- b. Quality enhancement;
- c. Immersion into digital culture;
- d. User-friendly, cost effectiveness, and social adaptability;
- e. Inclusion and accessibility;
- f. Collaboration and expertise utilization;
- g. Short-circuiting of the conventional learning curve;
- h. Exploration of new tools and techniques;
- i. Adoption of the core principles of digitization. Operational Policies of HE Digitization and Guidelines: The operational policies will be prepared to guide the universities/HEIs’ preparation for digitalization in line with the NHEP and NEHEP provisions and linking the achievements with performance-based financing of UGC to the universities/HEIs refer to *Annex-9*.

**Policies regarding digitalization of UGC and universities administration**

124. Digitalization of UGC and university administration is one of the forefront agenda of the NHEP, which is also elaborated under the Sub-Results Ares 4.3 of the NEHEP. The UGC digitalization will significantly improve the higher education implementation and overall management in close coordination with the universities/HEIs. The UGC will prepare/ update the higher education *digitalization policy and strategic framework* in alignment with the national policies, programs, and targets. The framework will include, *among others*, connectivity, digitalization infrastructure, Virtual Learning Environment (VLE), implementation of a Learning Management System (LMS), human resource development, Digital Education Resources (DERs), and Monitoring and Evaluation (M&E). The framework will also include provisions for collaboration and resource sharing among GON agencies, universities, private sectors, and other agencies to promote sustainable development with shared responsibilities through resource sharing and other forms of partnership. The responsibilities of the universities and HEIs are mentioned in *Table-7.1 and Table-7.2*.

***Table 7.1: University level Responsibilities***

<b>Policies/ Strategies/ Guidelines</b>	<b>Area of coverage</b>	<b>UGC</b>
Universities Information Technology Policy	The policy will include all key dimensions of digitalization: Connectivity, Digital Infrastructure, Learning Management System/ Virtual Learning Environment, Digital Materials; Capacity	Facilitates collaboration and resource sharing among universities and agencies and encourage the same in UGC
	Enhancement of HR, EMIS strengthening, Funding, and sustainability plan	funding as performance-based grants (Refer Annex-9)
University Digitalization Strategy	Implementation strategy of the various dimension of digitalization with milestones, estimated budget, and sustainability plan	Facilitates universities to work on the provision of government/ UGC and university cost sharing modality. Update regularly the strategy as per the availability of public funding and internal resources
University Digitalization Guidelines	Guiding framework of different components of practices of digitalization for constituent and affiliated campuses/ schools/ departments.	Provides the list of areas to the HEIs for developing the guidelines
Monitoring and Evaluation	Periodic online survey to understand the status of education technology readiness on policies and practices of individual universities and their constituent/ affiliated campuses for evidence-based support going forward	UGC will also carry out a periodic online survey with nationwide coverage



**Table 7.2: Individual Campus/ School/ Department level Responsibilities**

Activities	Area of coverage	UGC and affiliating university
Campus/ School/ Department level ICT Strategy	Implementation strategy of the various dimension of digitalization with milestones, estimated budget and sustainability plan	UGC will encourage collaboration with other HEIs. UGC and the affiliating university will also provide guidance and technical facilitation for the preparation of such strategy and collaboration
Campus/ School/ Department level ICT Guidelines	Implementation guidelines of different components of the practices of digitalization	UGC and affiliating universities will also guide as required
Monitoring and Evaluation (Institute/ School/ Campus/ Department level)	Individual Institutes/ Schools/ Campuses/ Departments will conduct a periodic online survey to collect information about the status of EdTech readiness from their implementation practices	UGC and affiliating universities will also provide guidance and technical facilitation for the periodic surveys

**Table 7.3: Guiding Framework towards strengthening Policies and Practices of Digitalization**  
 (Applicable for UGC, Universities and HEIs as per their specific needs)

Component	Remarks
<b>Connectivity</b> <ol style="list-style-type: none"> <li>Broad-Band connectivity service</li> <li>Last-mile connectivity and campus area wifi facilities</li> <li>Connectivity to individual faculty member/student residence</li> <li>Deployment of intranet to connect all the departments of UGC, universities, HEIs</li> </ol>	Applicable to all (UGC, Universities, HEIs)
<b>Digital Infrastructure</b> <ol style="list-style-type: none"> <li>Availability of digital equipment at UGC, university/HEIs, faculty members/students</li> <li>Development of a common educational data center</li> <li>Acquisition of cloud service</li> <li>Establishment of IT support unit</li> <li>Establishment of Digital Studio Lab</li> </ol>	<ol style="list-style-type: none"> <li>Applicable to all</li> <li>UGC coordination to agree on a common data center</li> <li>UGC coordination</li> <li>Applicable to all</li> <li>Applicable to all</li> </ol>
<b>Virtual Learning Environment (VLE)</b> <ol style="list-style-type: none"> <li>Implementation of Video Conference/Online tools</li> <li>Implementation of Learning Management System</li> <li>Policy and sustainability plan for the Learning Management System hosting</li> <li>Standard LMS and configuring it on the webpage</li> <li>Approval of the template for LMS deployment with needful customization and configuration and publishing on the web page</li> <li>Preparation of the step-by-step user's guide (manual) both for teacher and student and published on the webpage.</li> </ol>	<ol style="list-style-type: none"> <li>Applicable to all</li> <li>Applicable to all</li> <li>Applicable to all</li> <li>Applicable to all</li> <li>Applicable to all</li> <li>Applicable to universities/HEIs</li> </ol>
<b>LMS Implementation Support Arrangement</b> <ol style="list-style-type: none"> <li>IT Support Unit: The unit will work as an administrator of the LMS implementation. This unit will provide necessary support and training to teachers and students.</li> <li>Administration Unit: This unit will administer students, teachers, and online teaching/learning resources; develops and manages all the necessary documents; considers students', teachers', and staffs' welfare.</li> <li>Examination Unit: this unit will work for the exam through LMS. This unit closely works with teachers to create questions and make results.</li> </ol>	<ol style="list-style-type: none"> <li>Applicable to universities/HEIs</li> <li>Applicable to universities/HEIs</li> <li>Applicable to universities/HEIs</li> </ol>



<p><b>EMIS System will address the following aspects</b></p> <ol style="list-style-type: none"> <li>a. Centralized Email System</li> <li>b. Website/Web portal</li> <li>c. Student Admission System</li> <li>d. Account/Finance</li> <li>e. Administration</li> <li>f. Research, Development, Innovation, Entrepreneurship</li> <li>g. Quality Assurance and Accreditation</li> <li>h. Assessment and Examination</li> <li>i. Online Payment</li> <li>j. Integrated Monitoring &amp; Evaluation</li> </ol>	
<p><b>Human Resource Development</b></p> <p><b>Academic Leaders</b></p> <ol style="list-style-type: none"> <li>a. Identification of key elements required for empowering university leaders/heads of institutions/ principals and developing their e-leadership capacity for academic management practices</li> </ol> <p><b>Faculty Members</b></p> <ol style="list-style-type: none"> <li>a. Identification of key elements required in a digital competence framework for faculty members and imparting training and inputs to make them capable of integrating ICT for teaching in line with the curricula, and training to staff for digitalization of administration and EMIS: <ul style="list-style-type: none"> <li>- digital literacy training</li> <li>- integrated pedagogical skill training for faculty members</li> <li>- mass-scale training through MOOC learning platform</li> <li>- self-paced learning environment</li> </ul> </li> <li>b. Monitoring &amp; Evaluation of the impact of ICT technology on the current pedagogical approaches that the faculty members use in the teaching-learning and evaluation</li> </ol>	<ol style="list-style-type: none"> <li>a. Applicable to universities/HEIs</li>   <li>a. Applicable to universities/HEIs</li>   <li>b. Applicable to universities/HEIs</li> </ol>
<p><b>Students</b></p> <ol style="list-style-type: none"> <li>a. Identification of key digital competencies for students that the universities and institutes/ schools/ campuses/ departments should develop and impart training in alignment with the curricula: <ul style="list-style-type: none"> <li>• use of digital resources,</li> <li>• use of online libraries, MOOC courses, and so on</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>a. Applicable to universities/HEIs</li> </ol>
<p><b>Digital Education Resources (OER)</b></p> <ol style="list-style-type: none"> <li>a. Use of Open Educational Resources (OER) and Open Data</li> <li>b. Development and sharing of OER</li> <li>c. e-resources, e-library, privacy/plagiarism/security tools</li> </ol>	<ol style="list-style-type: none"> <li>a. Applicable to all</li> <li>b. Applicable to all</li> <li>c. UGC/universities/HEIs collaboration for cost-sharing</li> </ol>
<p><b>Monitoring &amp; Evaluation (M&amp;E)</b></p> <ol style="list-style-type: none"> <li>a. Periodic M&amp;E about the implementation of the policy and practice dimensions of Digitalization</li> <li>b. Inform Policy and Practices for appropriate revision/updating</li> </ol>	<p>UGC will provide a framework for UGC, universities, and HEIs in collaboration with Universities</p>

125. While the UGC will continue supporting universities and HEIs for digitalization on policy and practice levels, UGC will also provide performance-based funding to the universities and HEIs for digitalization focusing on policies and practices as presented in *Annex-9*. These supports will be an integral part of other supports that UGC will continue providing universities and HEIs. UGC will also play a coordinating role with academia, government agencies, business communities, and private sectors to facilitate collaboration among these agencies in sustainably strengthening the higher education Digitalization with shared responsibilities. NEHEP support on Digitization is listed under DLI 6: Online teaching, learning and digitized administration. The total allocated amount for this DLI is \$ 6 millions (Approx. NPR 780,000,000.00). Refere Annex-9 for further details.



## Chapter VIII: Monitoring and Evaluation

126. For the smooth functioning of the program, both internal<sup>55</sup> and external<sup>56</sup> monitoring<sup>57</sup> and evaluations will be done. The UGC, the principal implementing agency, will have the major role and responsibility to monitor, evaluate, and report the NEHEP activities. Additionally, three layers of governments, concerned universities, academies, HEIs, and beneficiary HEIs will monitor and evaluate the program. Reporting of implementation progress and lessons learned will also be done as agreed in the Financing Agreement of the NEHEP. The UGC EMIS and M&E section will be responsible for the overall M&E of the program. The Research and QAA divisions will be responsible for feeding into the UGC EMIS and M&E data system. The subsidiary implementing agency will also feed the UGC data system. Data and trimester physical and fiduciary progress reports generated and sent to UGC from other universities and HEIs will be consolidated and reported to the MOEST, and the WB.

### 8.1 Monitoring

127. UGC will undertake the overall monitoring responsibilities throughout the program implementation period. The monitoring framework will ensure that all of the program's activities are in line with the preset provisions and procedures and are aligned toward attaining the targets within the deadlines. The main purpose of the monitoring will be to ensure acquiring accurate data in time, reporting the information within the agreed timeframe, and getting feedback for corrective policy measures. UGC will conduct two major approaches for the monitoring: (i) **Compliance Monitoring** to ensure that the beneficiary HEIs are complying with the norms, standards, provisions, and procedures defined by UGC, and (ii) **Results<sup>58</sup> Monitoring** to ensure that the program activities are well aligned with the predefined targets. The monitoring activities will be supported through the Component 2 of the program. The UGC will continue its established monitoring methods as follows:

128. **Desk Study:** The desk study will comprise the monitoring activities that include among others, designing of the data collection indicators and relevant tools, identifying verification testimonials for data validity, developing data processing system, defining data collection methodologies and reporting timeframe etc. as the initial functions of the activities. These activities will define the master framework for monitoring. The desk monitoring will be an integral activity for the grants disbursement procedures in all of the DLIs.

129. **Field Survey:** The information that are acquired in the process of desk monitoring will be periodically verified through physical observations/ inspection by conducting field visits to the beneficiary HEIs. Technical facilitations will also be an integral part of the field based monitoring. The monitoring team assigned by UGC will physically observe the relevant aspects of the beneficiary HEIs at the time of the monitoring visits. The team will conduct interactions, interviews, focused group discussions, and other approaches to collect information. Each intervention area of the program will have separate sets of the field monitoring framework.

130. **Virtual Monitoring:** In contingent cases, monitoring activities will be carried out using contemporary virtual tools/ platforms. Result areas wise monitoring frameworks will be prescribed in their specific standard operating procedural guidelines (SOPGs).

### 8.2 Results Monitoring and Evaluation Arrangements

131. UGC EMIS and the M&E section will be responsible for the overall function of the Program. The Research/ QAA divisions will be responsible for feeding into UGC EMIS and M&E data system. The TU Central Office will also feed into the UGC data system. The data and reports generated will be used for the annual and trimester progress reporting of the Program. The trimester physical and financial reports collected from Universities/ HEIs will be consolidated and reported to the MOEST, National Planning Commission (NPC), and the World Bank.



## **Education Management Information System (EMIS)**

132. The existing central EMIS established at UGC will be further strengthened for data collection, processing, and reporting of the information related to the program. The EMIS will be fed with relevant information by different functional units/ divisions at UGC. The EMIS unit at UGC will be responsible for the continuity of the higher education statistical report reporting annually. Each participating university program will have dedicated data units responsible for data collection, processing, and reporting. The data units will report requested information to UGC in the prescribed formats. EMIS unit and M&E division at UGC will coordinate with the data centers of universities to collect relevant information on higher education. The program participating HEIs will have a dedicated EMIS unit, which will be responsible for submitting data, documents, and reports at UGC that are specific to the HEIs. The UGC will provide technical facilitation to strengthen the HEIs EMIS.

### **Evaluation**

133. UGC, as the principal implementing agency, will conduct and coordinate evaluation activities of the program. UGC will commission various surveys, evaluation studies, and needs assessments for the effective implementation and evaluation of the reform actions as explained in the Program Action Plan (PAP) and according to needs which will be further agreed upon in subsequent review missions and MTR. Three rounds of beneficiary feedback surveys will be commissioned. Also, joint implementation support consultations will be carried out twice a year. A midterm review (MTR) will be conducted in 2023. Beneficiary satisfaction survey in Year 1, Year 3, and Year 5, and a performance audit once in the Program period will be carried out.

### **Reporting**

134. UGC will have the primary responsibility for reporting the NEHEP's activities. The participating universities, including the beneficiary HEIs and individual grantees, will submit the reports as requested by UGC in the prescribed formats and within the stipulated timeline. The different functional units/divisions at UGC will be responsible for generating reports relevant to their functional areas. The reports generated by the divisions/ units will also be centrally archived at UGC. The QAA and Research divisions in UGC and TU Central office will feed UGC data system. Data collected from other universities and HEIs through trimester physical and financial reports will be consolidated and reported to the MOEST, MOF, NPC, and the WB.



## Chapter IX: Fiduciary Management

135. This section includes financial management, procurement management, internal control mechanism, accounting and reporting, and auditing arrangements.

### 9.1 Financial Management

136. Financial Management mainly comprises Planning and Budgeting, Fund Flow and Disbursement, Accounting and Reporting, Monitoring and Auditing. A sound financial management and reporting system informs the management of the financial progress and alerts any major variations from approved programs. Management can take corrective action on a timely basis.

137. UGC shall coordinate the financial management of NEHEP activities with the TU and participating HEIs. The UGC will provide reliable and timely financial reports and necessary financial information to the concerned governmental bodies and the World Bank (Bank). The Financial Management System (FMS) of UGC will include records and accounts to prepare financial statements in a format acceptable to the World Bank.

138. The financial management system of NEHEP is designed to accomplish the following objectives:

- a. Outline and specify the accounting procedures to be used for the program and project, reflecting accountability and transparency,
- b. Ensure that the established procedures are adhered to in the disbursement of the program and the project funds,
- c. Ensure that all transactions are correctly classified and accounted for,
- d. Ensure that reports required by the MOEST and the Bank are prepared on a timely basis, efficiently and effectively,
- e. Define the procedures for creating, maintaining, and safeguarding records and ensure that records are preserved and classified for easy access,
- f. Allow for the efficient audit of the project financial statements, and
- g. Ensure that there are internal controls in place to foster the safeguarding of fund utilization.

139. The Financing Agreement (FA), Disbursement and Financial Information Letter (DFIL), PAD, Financial Procedure and Fiscal Accountability Act (FPFAA) 2019 and the rules 2020, UGC Act 1993, UGC financial rules 2013, Public Procurement Act 2007, World Bank Disbursement Guideline 2018, Procurement Guidelines Procurement under IDA credits should be considered in the financial management of the Program. In addition to these, other related acts, rules, guidelines, and directives shall be part of the management as and when required. To carry out the above functions, the UGC's Secretary of the Secretariat has the overall responsibility of financial management; the chief of the finance division will have to act as the finance manager of this program to support the Secretary. The finance staff of UGC, the TU Central Office with its Program Support Unit (PSU) and other cost centers, and finance units of HEIs will have the primary responsibility for financial transactions. The PSU at UGC and TU and HEIs will carry out these functions by establishing effective financial management and reporting system.

#### 9.1.1 Implementation Arrangement for Financial Management

140. **UGC Secretariat and Program Support Unit:** UGC will be the leading implementing agency to carry out the overall financial management of the project. UGC Secretariat, with its PSU will perform the following functions but are not limited to:

- a. Preparation of the annual program and budget planning for the project in coordination with the technical staff following the directives issued by the National Planning Commission (NPC), the directives of the MOEST, the program implementation plan, the annual programs of the TU/other



- Universities/HEIs, and the target indicators for the program results. The AWPB will include the DLIs-wise budget; grants to be provided to TU, other universities/HEIs, and public colleges,
- b. Arrange grant assurance/fund disbursement to the program supporting units (TU, other universities, HEIs, and public colleges), including getting disbursements from the Bank,
  - c. Keep records and accounts in accordance with the Nepal Public Sector Accounting Standards (NEPSAS) through Financial Management Information System (FMIS) or other appropriate accounting/monitoring software,
  - d. Prepare and submit interim unaudited financial reports (IUFRR) and Annual Financial Statements reliably and timely in coordination with the sub-implementing agency to the concerned GON institutions and the Bank,
  - e. Establish and operationalize a sound internal control system within the organization
  - f. Coordinate for reliable and timely submission of internal and external audits and for resolving the audit issues,
  - g. Coordinate, facilitate, and monitor the PSU at TU and HEIs' financial management, and
  - h. Conduct the monitoring of the financial activities of the program, including PSU at TU and HEIs.

141. **TU Central Office and Program Support Unit:** As the sub-implementing agencies of the program, TU will perform the following tasks of financial management but are not limited to:

- a. Work closely with the secretariat and finance unit of PSU at UGC
- b. Establish a sound internal control system for the program/project activities.
- c. Prepare program-related annual program and budget of the institutions as per the annual indicators or targets to be achieved under the program results area with the support of and coordination with different divisions/sections, Heads of Departments, Professors, other officials, and researchers.
- d. Ensure the approval of the annual budget and program following the rules and regulations of the Institution.
- e. Submit program and budget to UGC with details including quadrimester division, estimated expenditure amount in each sub-heading, and expected grant for the program/project from the UGC.
- f. Recording and accounting of the grant and expenditures thereof.
- g. Submission of quadrimester, bi-annual and annual physical and financial progress. Quadrimester and annual progress will be related to component 2 of the programs, bi-annual physical progress will be related to component 1, which is related to DLIs. Bi-annual DLIs' progress should be submitted within 15 days after each semester.
- h. Ensure timely internal and external audits of the program/project, and resolve the audit issues/findings within the stipulated time.

142. **Participating HEIs:** The program participating institutions, HEIs will perform the following tasks regarding financial management but are not limited to:

- i. Work closely with the secretariat and finance unit of the UGC.
- ii. Establish a sound internal control system for the program/project activities.
- iii. Preparation of program proposal of the institutions as per the program results area with the support of and coordination with different divisions/sections, Head of Departments, Professors, other officials, and researchers.
- iv. Submission of program proposal to the UGC Secretariat with details including quadrimester division, estimated expenditure amount in each sub-heading, expected grant from the UGC/program
- v. Recording and accounting of the grant and expenditures thereof,
- vi. Submission of physical and financial progress report as per MOU with UGC. Quadrimester and annual progress will be related to component 2 of the programs; physical progress will be related to component 1 (PforR with DLIs).

143. **Fund Flow Mechanism:** The World Bank disburses funds to the government for eligible program expenditures of NEHEP program, which the government has incurred and paid from its resources through the Treasury Single Account (TSA) system. Hence any eligible expenditure that the



government has paid out of its funds for the program will be claimed back from the World Bank using the reimbursement method, and the amount will be transferred into the government treasury account. The GON fund flow will be channelized from DTCCO to the UGC. The UGC will arrange for fund flow to the sub-implementing agencies. Under the PforR component of the program, the disbursement from the World Bank will be as per the Results Framework, DLIs, and DLRs verification protocol. The reimbursement will be SOE based. Direct payment/ advance can also be arranged as needed. The disbursement of component 2 will be based on the statement of expenditures (SOE) with reimbursement provision.

### 9.1.2 Disbursement from the World Bank

144. **Statement of Expenditures:** This is a part of the reimbursement system. Usually, applications for reimbursement of expenditure will be accompanied by supporting expenditure documents. The Finance Section of UGC and participating HEIs will maintain updated supporting documents related to the SOEs, including for Bank review.

145. **Reimbursement for the expenditures incurred for PforR (DLIs):** The government's expenditures for component 1 will pre-financed. The UGC claims for reimbursement for all categories 1 through six DLIs as per the disbursement provisions made in the Disbursement and Financial Information Letter (DFIL). The UGC shall collect the DLI/DLR-wise necessary details from the sub-implementing agencies (TU and other HEIs), examine them, prepares the consolidated achievement report for each DLR, get verified by the IVA, determine the reimbursable amount, and request the World Bank for reimbursement preferably in April and September of each year as per the Financing Agreement. A copy of such request made for reimbursement shall be forwarded to the Financial Comptroller General Office (FCGO). The type of documents required for claiming reimbursement for DLIs/DLRs are as follows:

- a. DLI/DLR achievement Report by UGC along with its verification report by the IVA
- b. Request letter for reimbursement

146. The World Bank further reviews the evidence of the DLIs achievement, and if found satisfactory, the World Bank transfers the amount to the Government Treasury in Nepali rupees against the achieved/verified DLIs/DLRs.

147. **Disbursement to Component-2:** SOE based reimbursement methods shall be used to request the World Bank for the project expenditures as per the disbursement provisions made in IPF component. For the reimbursement, the TU Central office, as a subsidiary implementing agency, submits the Statement of Expenditures (SOEs) of its component 2 SOE to UGC on a quadrimester basis within 15 days the maximum after the end of quadrimester. The UGC prepares the Consolidated SOEs, including the SOEs of UGC, as the main implementing agency incurred during the period and submits the World Bank for reimbursement. Based on SOEs, the eligible expenditures will be reimbursed from the World Bank. Persons authorized to sign the Application for Withdrawal to obtain reimbursement from the World Bank will be Member Secretary and Finance Controller of UGC or other designees as decided by the UGC.

### 9.1.3 Account Management

148. **Fund Release from Government:** MOEST will make available the authorization letters, approved programs, sources of funding, and detailed line items to UGC within 15 days of the start of the FY. The GON fund flow will be channelized from the District Treasurer Controller Office (DTCCO) to UGC. UGC will arrange the fund flow to TU and other universities/HEIs (subsidiary implementing agencies) as grants. Government allocates the budget as a grant in the name of the NEHEP program. UGC will maintain two types of accounts for the program as follows:

- a. Operational account for the program, including component 1.



- b. Project bank accounts for operational expenses of UGC, including component 2.

149. The fund received from the DTCO will be deposited into these bank accounts. Later, the UGC will transfer the funds to the bank accounts of subsidiary implementing agencies and participating HEIs, as per their approved annual work plan and agreed on MOU, on quadrimester basis. The implementing agencies should submit the following documents with a fund request letter to the UGC.

- a. Statement of Expenditures (SOEs) of component 2 on quadrimester basis within 15 days at the end of the quadrimester by TU Central Office as a subsidiary IA for component 2
- b. DLI Progress (Achievement) report and quadrimester Financial report for the program

150. **Eligible expenditures:** Expenditures incurred by UGC to achieve the program development objectives will be eligible for the IDA credit. UGC shall break down the total estimated budget, including NEHEP *component 1*, into the budget under the expenditures sub-heading following the government chart of accounts/ or UGC's approved chart of accounts. The expenditures sub-heads will be 26412 (Recurring grants with clause) and 26422 (Capital grants with clause) for recurrent and capital grants, respectively, as agreed. A separate budget head 350021 is used in UGC only for the IPF component. Budget allocation for IPF component is NPR 354,000,000.00 (NPR 265,500,000.00 for UGC and NPR 88,500,000.00 for subsidiary implementing agency (refer to Annex-11)).

151. The participating agencies will receive the grants against each DLI/ DLR as explained in the fund flow arrangement for each of the DLRs, which will be further clarified in the individual MOU signed between the implementing or sub-implementing agency and the beneficiary institution.

152. Under *component 2*, the Financing Agreement made provision in expenditure category 7 for Goods, non-consulting services, consultants' services, Training, and Incremental Operating Costs for the Project. The respective implementing and subsidiary implementing agencies shall record the expenditures in accordance with the approved chart of accounts incurred for Capacity Building, Program Management, Monitoring, and Evaluation related activities.

153. **Planning and Budgeting:** Annual program plan and budget play an important role in timely project implementation. Budgeting involves quantifying the financial costs of undertaking specific tasks/objectives planned for the project to be achieved in a given timeframe. It would be mandatory on the part of the implementing Agencies to make sufficient provisions in their own budget for meeting their share of estimated expenditures to be incurred under the Project. The project's financial planning process for each financial year will follow the normal procedure and budgeting cycle of the GON. The budget will be linked with the component-wise DLIs, DLAs, Annual work plan, physical targets, and procurement Plan.

154. The budget shall be prepared following the FA, Disbursement letter, PAD, and budget ceiling provided by the NPC. The PSU at UGC shall consolidate the activity-wise budget supported by the approved line-item expenditure code. It is mandatory to enter into the Line Ministry Budget Information System (LMBIS) from the drafting stage of the budget. UGC will enter all information into LMBIS after the consolidation of the information from the implementing agencies (TU, other universities/HEIs). Generally, the expenditures sub-head will be 26412 and 26422 for this program in accordance with government charts of account. UGC shall formulate AWBP closely with MOEST as well as WB.

155. **Budget Authorization:** The approved budget shall be authorized following approved AWPB by MOEST. UGC should authorize the concerned sub-implementing agencies since Tribhuvan University and other institutions involved in the program have no direct access to LMBIS. The budget for the program shall be transferred as a conditional grant to HEIs based on the mode of payment provision of MOU. **Accounting:** The PSU, UGC will maintain a Financial Management System including adequate accounting and financial reporting to ensure that it can provide the World Bank and the Government of Nepal with accurate and timely information regarding the project resources and expenditures. Financial reports generated from the above accounting system will be comparable to Program allocations, yearly budgets, forecasting, and utilization of funds relating to physical and academic achievement as targeted under the Program.



156. The program accounting system shall recognize, classify, summarize, analyze, and report financial transactions. All implementing/sub-implementing agencies and the beneficiary institutions will maintain books of accounts by components, activity, category, and expenditures sub-head to reflect their operations and financial transaction of the program/project.

157. UGC is currently using a computerized accounting system, namely UGC's Financial Management Information System (FMIS). The system is designed in such a way to ensure that the procedures conform to the following relevant World Bank documents as well as Government requirements. All transactions executed by UGC will be recorded in the Computerized Accounting System. The financial reports and financial statements required for the program/project can be prepared from the extracted data and information through the financial information system. The project accounting ledgers shall be category-wise register, allocation, expenditure incurred, reimbursement claim, disbursement from the World Bank, and records of SOEs and assets. The World Bank may review such records from time to time. The reconciliations with the balance of designated accounts and records of FCGO shall be verified at least quadrimesterly.

158. All participating institutions will also be responsible for recording, accounting, and reporting the NEHEP's DLI-wise expenditures. Records of expenses incurred should be kept in accordance with the grants received by the Universities/HEIs from the UGC. Each University/HEI should maintain the records for each type of conditional grant. UGC shall disburse the conditional grants to the Universities/HEIs following the adopted standard accounting method. The UGC PSU shall prepare the consolidated expenditure records of actual regular expenditures, program development expenditures, and capital expenditures incurred from the conditional grant disbursed to UGC/ Universities/ HEIs followed by DLI-wise expenditures.

159. **Basis of Accounting System:** Separate books of accounts and records of fund flow for the project funds will be maintained by each management structure at UGC, TU, and participating HEIs. Each of these management structures will maintain standard Books of Account (Cash Book, Bank Book, Journal, Ledgers, etc.). The Chart of Accounts provides the detailed list of ledger accounts that are required to be maintained by the project participants. The Chart of Account (aligned with the government charts of account) is mandatory for all project participants. Each accounting will maintain a detailed chart of accounts for the booking of expenditure under the project. To ensure transparency in the system, accurate records will be kept at all cost centers. These records will have to be supported by documents/vouchers, etc., to establish the accuracy and authenticity of expenditures. Each accounting centers will adopt Double Entry System of book-keeping on Cash basis. All payments will be charged off to relevant project activity account head at the time of making the payments, except advance payment. Advance payments will be charged off to the relevant project activity account head on adjustment. Release of funds to participating HEIs will be accounted for as advance in the books of accounts and treated as expenditure only upon submission of expenditure information.

160. **Records to be maintained:** In addition to the books of accounts normally required to be maintained, project will also maintain the following records, ledgers and subsidiary ledgers with a view to provide the WB's information on the position of the Fund, reimbursement and also to ease the process of preparation of "Project financial statements":

- a. Program/Project Accounts
- b. Main Loan Register
- c. Withdrawal Monitoring Register Reimbursement
- d. Subsidiary Loan Register/Category Register
- e. Statement of Expenditure.

161. **Accounting Centers:** The main accounting /cost centers for the project will be as follows:

- a. UGC Secretariat
- b. Subsidiary Implementing Agency and other Universities.
- c. Participating HEIs



### 9.1.4 Internal Control, Internal Audit, and Statutory Audit

162. **Internal Control System:** The project will be established a sound internal control system to provide greater assurance to GON and World Bank that the NEHEP project will achieve its operating, financial reporting, and compliance objectives. The internal control system of UGC will be an integral process that is affected by project management and is designed to address risks and provide reasonable assurance in pursuit of the project objectives. The internal control mechanism of the UGC will have the following general objectives:

- a. Executing orderly, ethical, economical, efficient, and effective operations
- b. Fulfilling accountability obligations
- c. Complying with applicable laws and regulations; and
- d. Safeguarding resources against loss, misuse, and damage

163. The following internal control activities shall be followed by UGC and other participating HEIs:

- a. Authorization and approval procedures
- b. Segregation of duties (authorizing, processing, recording, reviewing);
- c. Establishment of appropriate budgeting systems
- d. Supervision/Monitoring (assigning, reviewing and approving, guidance and training)
- e. Controls over access to resources and records
- f. verifications
- g. Reconciliations
- h. Timely Reporting
- i. Reviews of operating performance
- j. Documentation
- k. Monitoring of physical and financial progress
- l. Comparison of Statement of expenditure with the annual budgetary allocations, Program components, and categories of disbursement.

164. UGC shall develop and operationalize internal control guidelines aligning with MOEST and FCGO's internal audit guidelines. Such internal control guidelines will be modified by UGC to incorporate the nature of the University's processes. The UGC internal control guidelines shall be applicable to NEHEP program/project's activities.

165. **Internal Audit:** Internal audit system is one of the important parts of financial management to examine and verify the adequacy and effectiveness of the inherent internal control system of an organization/project. UGC shall make arrangements for the internal audit of the program disbursed to UGC from different sources. Such internal audit will be carried out on a quadrimester basis, as mentioned in UGC financial rule. As per the guidelines and provisions made in the financial procedures and financial accountability act, the scope of internal audit is not limited to only financial accuracy, completeness, and internal control but also extended to the review of compliance, evaluation of the economy, efficiency, and effectiveness of the activities performed by UGC and other participating HEIs.

166. Some of the participating HEIs, including TU, have their internal audit section, and some of them are carrying out internal audits through outsourcing. UGC shall arrange the internal audit in other HEIs to comply with the internal audit guidelines/standards. The chief of implementing unit/program coordinator will provide all the information and supporting documents that the internal auditor asks for. Any issues identified in the internal audit shall be resolved immediately. The respective HEIs shall submit the internal audit reports to the OAG/N to assess the effectiveness of internal audit functions.

167. **Statutory Audit:** For NEHEP, the audit requirements of the project are spelled out in the Agreement signed with World Bank. According to the Constitution of Nepal 2015, the Auditor General of Nepal is the sole authority to audit GON implemented Project Financial Statements. The OAG conducts a final audit of all government offices, including MOEST, UGC, and other cost centers, following standards that are in consonance with International Auditing Standards. The Auditor General conducts



such audit with due consideration to regularity, economy, efficiency, effectiveness, and propriety, as provided by law. Audit of the Project Financial Statements requires extra effort as this needs a separate statement to be produced by the project specifying that the fund is effectively spent for the prescribed works. This statement must be approved by the Project Chief, the Secretary of the MOEST, and the Financial Comptroller General before it is certified by the Auditor General/ or Deputy Auditor General. The essence of the World Bank audit policy is to ensure that the Bank receives adequate, professional audit assurance that the proceeds of World Bank credit were used for the purposes intended, that the annual project financial statements are free from material misstatement and that the terms of the credit agreement were complied with in all material respects. World Bank will prescribe the format of financial statements

168. The objective of the audit of the Project Financial Statement (PFS) is to enable the auditor to express a professional opinion as to whether

- a. the PFS presents fairly, in all material respects, the sources and applications of project funds for the period under audit examination,
- b. the funds were utilized for the purposes for which they were provided, and
- c. expenditures shown in the PFS are eligible for financing under the credit agreement

169. The OAG has the authority to determine the scope of the audit based on the risk assessments. Before, starting the audit, an audit engagement letter is prepared; the member secretary at UGC, chief/head of the Financial and administrative department/units at other HEIs, and audit team leader of the program shall agree on the scope of audit engagement and duly sign on the engagement letter. The member secretary of UGC, project coordinator of TU PSU, chief of implementing unit/program coordinator will provide all the information and supporting documents that are asked by the OAG. Any issues reported in the preliminary audit report shall be resolved immediately by submitting the supporting evidence. In addition to the audit report, auditors will provide the project management with Management Letter which includes matters to be improved for better project management and ensure to achieve project objectives in a timely manner with efficiency and an effective manner.

### 9.1.5 Financial Reporting

170. A good reporting system informs the management of the financial progress in implementation and reflects the variations from planned goals, and alarms the organization of any major changes or adverse situations so that corrective action is taken. Ad-hoc and regular financial reports will be produced for program management. Also, trimester financial monitoring reports and audited annual financial statements will be prepared and submitted to the WB for the purpose of monitoring program implementation. There will be adequate procedures to ensure full compliance with the reporting requirements that have been agreed with the WB. Ad-hoc and regular financial reports should be produced for program management. Also, trimester financial monitoring reports and audited annual financial statements should be prepared and submitted to the development partners for the purpose of monitoring program implementation. There should be adequate procedures to ensure full compliance with the reporting requirements that have been agreed with the development partners.

171. **Interim Unaudited Financial Report (IUFR):** The IUFR covers four months and is submitted no later than 45 days after the end of the quadrimester. The finance Unit of UGC is responsible for compiling the financial report of all implementing partners. TU PSU shall submit the SOE within 15 days after the end of the quadrimester to the UGC PSU. UGC shall consolidate and prepare the quadrimester IUFR. The template of the IUFR is in *Annex-12 Table-A12.1*. The IUFR will form the basis for the bank's disbursement of project financing, provided it is:

- a. prepared within the framework of an acceptable financial management system;
- b. submitted in the standard format; and,
- c. fulfills all other financial information requirements of the World Bank.

172. **Program/Project Financial Statement:** The financial statements prepared for the purpose of GON and Funding Agency, World Bank, and the records providing information, like the amount of loan received by the projected reimbursement amounts to be received from the World Bank together is, called the "Project Account" designed to meet these requirements. The finance unit of UGC prepares separate



project financial statements from the accounting records and information with a compilation of the reports of all cost centers to show a complete and up-to-date picture of the program/project as per the requirements of GON and the WB concerned.

173. Audited financial statements showing the cumulative status of the program/project cumulative status will be submitted by the UGC Secretariat through the MOEST to the WB as per the Agreement. As per the agreement with the WB, program/project financial statements are to be prepared showing cumulative figures at the end of the fiscal year to report on financing and expenditure by the program/project as applicable. The program/project financial statements will be prepared using information available in the existing accounting records of UGC's accounting system.

174. Annual Financial Statements are prepared for each financial year (Mid-July to Mid-July) ending Ashad as per the Nepalese Fiscal Year. The UGC PSU will prepare the annual unaudited financial statement by consolidating all the financial reports from all implementing agencies. The annual financial statements shall comprise the project component as well as the program component. The Audited Project Financial Statements (APFSs) template is in **Annex-12 Table-A12.2**.

175. Each University/HEIs shall be responsible for preparing their annual financial statements, and the OAG will have audited the financial statements. They shall submit the audited financial statements to the UGC within six months after the fiscal year-end. The financial statements shall be accompanied by the schedules relevant to the Program expenditures/DLIs expenditures incurred from the conditional grant.

176. The OAG, Nepal, will audit the Financial Statements. UGC PSU will be responsible for facilitating the audit by providing all relevant support documents for the auditor's review and responding to audit queries. The Audited Financial Statements and the audit report and Management letter will be submitted to the World Bank within nine months from the end of the preceding fiscal year. Once the audit report and management letter are received, the World Bank may need a further response from MOEST & UGC based on its review. UGC PSU will be responsible for preparing relevant responses to respond to the World Bank.

177. The audited annual financial statements should include:

- a. Consolidated Statement of Sources and Uses of funds (by disbursement/procurement category/by activity, showing sources of funds)
- b. statements reconciling the balances on the various bank accounts to the bank balances shown on the Consolidated Statements of Sources and Uses of funds; and
- c. Notes to the Financial Statements.

178. UGC and the sub-implementing agency shall maintain the Audit Arrears Resolving Action Plan (**Annex--12 Table-A12.3**) on an updated basis. The audit issues shall be resolved within one year from the date of receiving audit reports. The Bank can declare ineligible expenditure for the IPF part of the financing, and UGC shall undertake to refund the ineligible expenditure, including coordinating with TU as a sub-implementing agency. UGC, including TU as the subsidiary implementing agency, shall consider the eligible expenditures for the IPF component.

179. **Closure of the Program and Reconciliation:** Although PforR operations do not link disbursements to individual expenditure transactions, the aggregate disbursements against the DLIs should not exceed the total expenditures by UGC under the Program over its implementation period. If by Program completion, Bank financing for the DLIs exceeds the total amount of program expenditures, UGC is required to refund the difference to the Bank.

## 9.2 Procurement Management

180. Public procurement in NEHEP is governed by the Public Procurement Act (PPA) and Public Procurement Regulations (PPR) of 2006, and World Bank Procurement Regulations. The procurement activities for the program under component- one governs by PPA and PPR 2007, whereas the procurement under component- two will be carried out in accordance with The World Bank Procurement



Regulations for IPF Borrowers “Procurement in Investment Project Financing – Goods, Works, Non-Consulting and Consulting Services” published by the World Bank in November 2020 (4<sup>th</sup> edition). The Procurement Management System of UGC and other participating HEIs will be based on the following fundamental principles/objectives:

- a. To render transparent and credible the working procedures and decisions related to procurement
- b. To promote competition, integrity, accountability & equal opportunity for participation;
- c. To obtain the maximum output from public expenditure cost-effectively and judiciously;
- d. To enhance the capacity for procurement management;
- e. To ensure good governance in public finance management.

181. **Procurement Arrangement at the Project level:** The procurement unit will establish UGC and HEIs to carry out the procurement activities of the NEHEP program. The UGC supports to HEIs in procurement activities and enhances their procurement skills in NEHEP. The responsibility of the procurement units of UGC and participating HEIs are as follows:

- a. Planning and coordination with other divisions/units and preparing a Procurement Plan,
- b. Preparing standard procurement documents for pre-qualification, tender/bids, and contract-related documents by making necessary as prescribed by GON and WB.
- c. Publicly publishing a notice for procurement, submission management, and bids evaluation.
- d. Giving notice of acceptance of the prequalification proposals, tenders, or consultancy service
- e. Support contract execution and examining (causing to be examined) the quality, and standards of the goods, construction works, or services that have been procured.

182. **Tender/Bid Evaluation Committee:** On the basis of PPA-2006 and PPR-2007, a bid evaluation committee is to be constituted by the institution for the examination and evaluation of prequalification proposals, tenders, letters of intent, or proposals for consultancy services or sealed quotations.

183. **Procurement Tracking Tool:** UGC uses the Bank’s online procurement planning and tracking tools, i.e., Systematic Tracking of Exchanges in Procurement (STEP), to record all procurement actions under project operations, including preparing, updating, and clearing its Procurement Plan, and seeking and receiving the Bank’s review and No-objection to procurement actions as required. HEIs use a conventional system for aspects of the procurement track. The electronic government procurement (e-GP) system will be a procurement tracking tool for registered universities and HEIs to issue procurement documents, receive Applications/quotations/Bids/Proposals, and carry out other procurement actions.

### 9.2.1 Procurement Plan

184. **Master Procurement Plan:** The procurement Unit of UGC prepares and updates the Master Procurement Plan (MPP) for multi-year procurement and thresholds of higher than NRs 100 million. The MPP is a consolidated form of bulk procurement that UGC board approves.

185. **Annual Procurement Plan:** An Annual Procurement Plan (APP) will be prepared for procurement activities of Goods, Works, and consulting/non-consulting Services at the time of preparation of AWPB by UGC and all participating HEIs. It will be based on a particular fiscal year’s MPP and procurement activities. The APP consists of: a description of the activities/contracts; procurement methods and contract type; Cost estimates and packaging/slicing, time schedules of invitation and contract awards, and donor partner’s review and approval date.

186. The APP will be prepared and updated when required. UGC submits APP (under component two) to the World Bank through STEP, an online procurement management system of the Bank subject to approvals and thresholds defined in WB procurement regulations. The APP, once finalized, will be made available in the Project’s database and on the Bank’s external website. The basis and justification for updates to the Procurement Plan shall be documented in the Project Procurement Strategy for Development (PPSD). UGC uploads APP on its official website and maintains in PPMO e-GP system if procuring through e-GP a single online portal of the Government of Nepal. HEIs submit their procurement plan to UGC and upload their official websites.



## 9.2.2 Methods of Procurement

187. **Procurement of Goods/Works/Non-Consulting Services:** The procurement of Goods/Works/Non-Consulting Services of the project under component 2 will be carried out as per World Bank Procurement Regulations for IPF Borrowers “Procurement in Investment Project Financing – Goods, Works and Non-Consulting Services” published by the World Bank 4<sup>th</sup> edition November 2020. The approved selection method will be used for Goods, Works, and Non-Consulting Services procurement according to the approved procurement plan of the project, which may include a) Request for Proposals (RFP); b) Request for Bids (RFB); c) Request for Quotations (RFQ), and d) Direct Selection.

188. **Selection of consulting Services:** The procurement process of consulting services for the project under component 2 will be followed the World Bank Procurement Regulations for IPF Borrowers “Procurement in Investment Project Financing-Goods, Works and Non-Consulting Services” published by the World Bank in November 2020. As per WB guidelines, the approved selection method of consulting firms includes a) Quality Cost Based Selection (QCBS), b) Fixed Budget Based Selection (FBS), c) Least Cost Based Selection (LCS), d) Quality Based Selection (QBS) e) Consultant’s Qualifications Based Selection (CQS), and f) Direct Selection. Likewise, individual consultants' approved selection methods include a) Open Competitive Selection, b) Limited Competitive Selection, and c) Direct Selection.

189. **Procurement Reviews:** Procurement reviews are conducted by the Bank to ensure that funds for projects financed are used for purposes for which they were granted. Procurement reviews will be conducted in one of two ways: (i) prior review, in which WB reviews and approves key documents and decisions prior to them being implemented; or (ii) post review (sampling), in which WB reviews documents, decisions, and procurement processes, on a sample basis, after contract signing. The prior review involves WB reviewing and providing a “no-objection” prior to each step in the procurement process. UGC and PSU will satisfactorily address Bank's comments and including making requested modifications to the reviewed documents. Procurement post review may be conducted at each reimbursement cycle, when a series of withdrawal applications are received, or as part of project review missions by WB or its consultants. UGC retain all documentation with respect to each contract was adopted during project implementation. The UGC will submit the procurement related documents and justifications to WB according to the prior review or post review requirement.

190. Similarly, UGC supports and guides the HEIs to prepare the procurement documents and execution. UGC verify and audit all procurement document of HEIs before releasing the grants against those procurement document submissions by HEIs.

191. **Contract Management:** UGC develops a management plan (CMP) for efficient execution and monitoring to ensure that both parties fulfill their contractual obligations to achieve results. UGC will proactively manage compliance of contracts throughout their duration against the Contract Management Plan. An evaluation of the contract execution shall be carried out at the contract completion to assess the performance and identify any lessons learned for future contracts. UGC also encourages HEIs to develop such a contract execution plan and make field visits to verify the procurement activities of HEIs under the program. The following criteria include in CMP:

- a. risks are managed or mitigated before they materialize;
- b. the contract is completed on time and within budget;
- c. contract variations are properly justified;
- d. the outcome of the contract meets the objectives set at the start;
- e. the project's technical requirements are met or exceeded within budget;
- f. the final contract price compares favorably with comparable benchmarks.



## Chapter X: Environmental and Social Safeguards

### 10.1 Introduction

192. The PforR (Component 1) will align with three Core Principles with three specific actions for improved environmental and social due diligence as explained in the Environmental and Social Safeguard Assessment (ESSA).<sup>59</sup> The UGC has established a dedicated Environmental and Social Safeguard (ESS) unit within UGC with allocated resources and prepared relevant guidelines and frameworks to support implementation. The UGC will ensure the implementation of the actions, which are also included in the Program Action Plan *Annex-A1.4*. For the capacity building part (Component 2), the UGC has prepared an Environment and Social Commitment Plan (ESCP).

193. ESCP has been prepared for the implementation of Component 2. Material measures and actions stated in ESCP will be implemented within the stipulated time frame under the overall coordination and implementation responsibility of UGC. Prior to initiation of any Component 2 supported procurement and/or activity, the UGC will conduct an Environmental and Social Assessment (ESA) (prepare E&S screening checklists before implementation in accordance with the ESS1 and ESS3 of the World Bank's ESF and national legislation). The Component 2 activities with potential environmental and social risks and impacts identified during screening will be included in terms of the reference of the activity and addressed in the activity output and management measures, including stakeholder engagement and consultations. Any risks or vulnerabilities identified during screening related to Gender Based Violence (GBV), SEA/SH, and Violence Against Women (VAW) will be addressed (also included in the PAP). The Stakeholder Engagement Plan (SEP) prepared for Component 2 will also be implemented.

### 10.2 Core Concept and Key Focus Areas

194. The objectives of environmental and social safeguards for achieving the NEHEP also supported by the NEHEP are as follows:

1. Assess and manage overall environmental and social risks and impacts
  - a. Establish E&S unit with E&S specialist within the implementing organization UGC
  - b. Provide adequate technical and managerial assistance to relevant workers and contractors
2. Develop a plan for improved labor and working conditions at the beneficiary HEIs
  - a. Develop a labor management procedure for the HEIs
  - b. Develop and implement occupational, health and safety (OHS) regulations/protocols
3. Develop a plan for resource efficiency and pollution prevention, and management
  - a. Develop standard operating procedures for the management of e-waste and solid waste generated by the Project during its lifetime
  - b. Develop an implementation plan for the management of waste and hazardous materials generated by the Project during its lifetime
4. Develop a plan for Community and Healthy Safety Measures for the beneficiary HEIs
  - a. Develop and implement COVID 19 specific Community and Health Specific Procedures (including code of conduct) and similar other pandemics
  - b. Develop mechanisms to address and reduce cases of sexual exploitation and abuse, and sexual harassment across all HEIs
  - c. Organize sensitization and awareness raising programs regarding sexual exploitation abuse and sexual harassment for all the employees including top management of the institutions; develop and implement grievance redress mechanism
5. Develop a plan for stakeholder engagement and information disclosure
  - a. Update and implement the stakeholder engagement plan (SEP)
  - b. Develop an information sharing mechanism on environmental and social risks and impacts of HEIs

195. Apart from the above, the NEHEP will also consider, if felt necessary, addressing issues and developing appropriate plans and standard operations policies related to the management of solid waste,



e-waste and impacts of land acquisition, restrictions on land use, indigenous people, and cultural heritage in and around project sites, as the project progresses.

### **10.3 Objectives, Activities and Outputs**

196. In order to achieve the above goals effectively and in a timely manner, the key activities have been set as elaborated in Annex-10. These activities will be conducted at different time periods across the beneficiary HEIs during the 5-year project period. Since the exact number of the beneficiary HEIs is difficult to predict at this time, the activities will start with the institutions that have already received Quality Assurance and Accreditation (QAA) from the UGC so far. Focus will also be on universities, colleges and campuses where infrastructural development and construction projects are going on. As one of the initial activities, the top leaders/decision makers of the HEIs related to program activities will be invited to attend 1 orientation programs to familiarize them about the key issues this project aims to address during the project period. The table below gives the details of activities, responsible institutions, indicators, means of verification and including risks and assumptions in order to implement the general strategy during the project implementation period. More specific activities, events, and timelines will be separately prepared as the number and characteristics of HEIs become clearer and as the project progresses.

### **10.4 Monitoring and Reporting**

197. UGC will form a Monitoring Committee consisting of experts and professionals to monitor and report the outcomes of the Environmental and Social Safeguard Plan of HEIs based on the indicators and means of verifications mentioned above. The Committee will be responsible for the carrying out activities as per the monitoring protocols developed. Specific focus will be given to build capacities of the beneficiary HEIs to enable them to effectively implement the activities and prepare necessary reports.

### **10.5 Expected outputs/ outcomes**

198. By successfully implementing the activities as per the goals of NEHEP, the beneficiary HEIs will have their capacities built. This capacity building is expected to address the environmental and social issues of respective institution in a timely and efficient manner. The long term goal will be to contributing to achieving the objectives of NEHEP i.e. enhancing quality of higher education, boosting collaborative research and innovation, increasing equitable access for underprivileged and disaster affected groups, and strengthening employment-oriented education.



## Chapter-XI: Miscellaneous

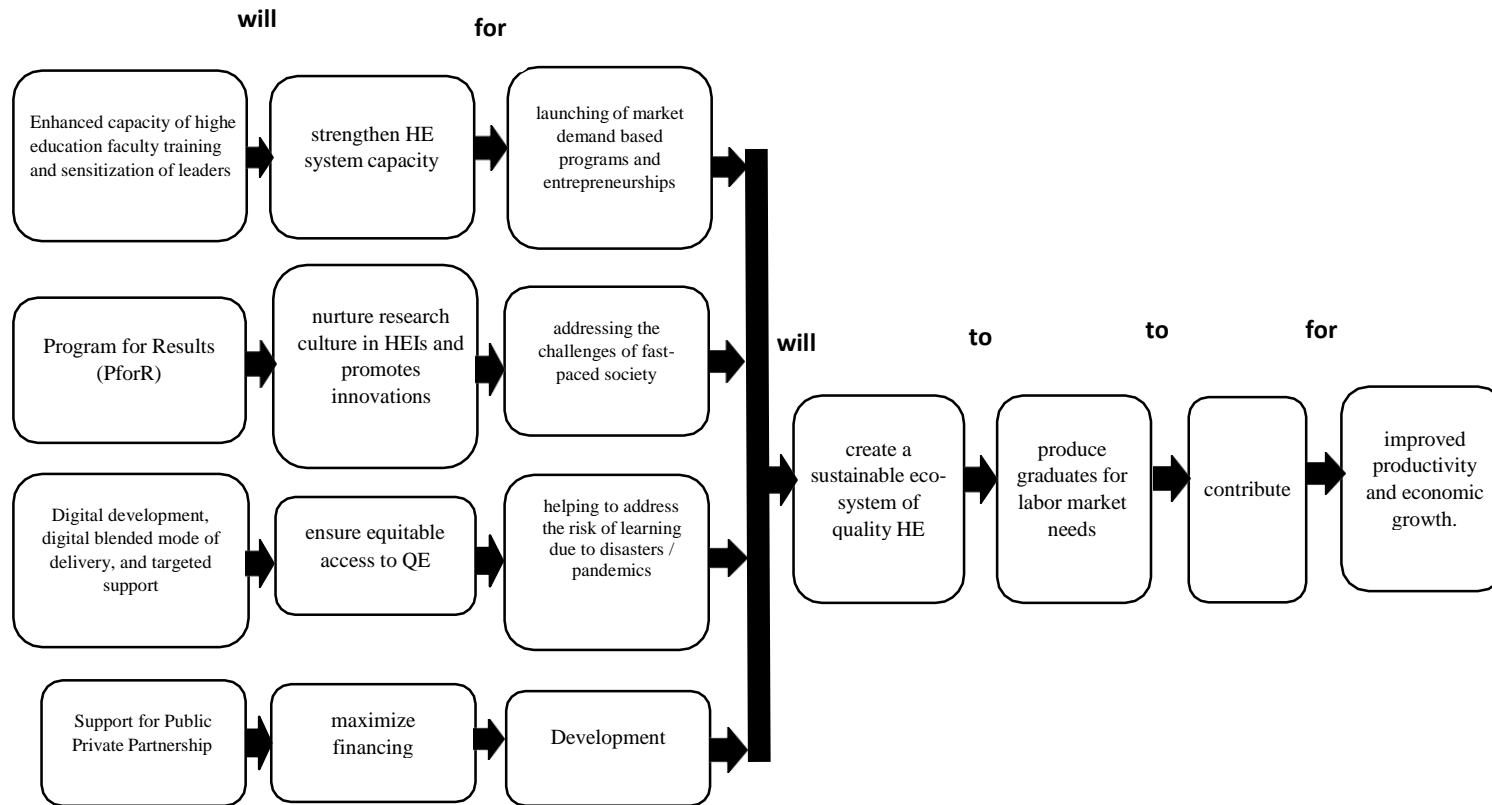
199. **Effective Date:** This operations manual (OM) will be automatically activated from the date of approval from UGC Nepal.
200. **Amendments:** Need-based amendments in this OM provisions will be made with confirmation of the World Bank's consent after at least one year's implementation experience and learnings of NEHEP.
201. **Cost Allocations and Re-allocations:** Amendments, modifications, alterations, and changes on target, result areas, and category-wise cost allocations could be done from the UGC.
202. **Program Conditions, Risks, and Assumptions:** NEHEP financing agreement and PAD stated conditions, risks and assumptions shall be applied during the implementation of this OM.
203. **Authority of Explanation:** The UGC has the final authority to explain the OM's definitions, conditions, assumptions, and ambiguities (if any).

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## ANNXES

### Annex-1: NEHEP Theory of Change, Program Indicators with Annual Targets DLI Verification Protocols, and Program Action Plan

*Figure-A 1.1: NEHEP Theory of Change*





**Table A1.1: NEHEP Program Development Objectives or Key Performance Indicators with Annual Targets**

Indicator Name	DLI	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Outcome 1: To strengthen labor market relevance and quality of higher education</b>							
1. Number of labor-market relevant programs introduced in consultation with employers and industries (cumulative) (Number)	DLI 1 related	0.00	5.00	25.00	70.00	90.00	100.00
2. Number of students completed first year in labor market relevant programs (LMRP) (cumulative) (Number)		0.00	90.00	450.00	3,600.00	9,000.00	13,500.00
Average share of female (Percentage)		0.00	15.00	20.00	30.00	40.00	45.00
3. Number of HEIs/ Programs Accredited / completed peer review for quality assurance and accreditation (QAA) (cumulative) (Number)	DLI 3 related	77.00	130.00	170.00	150.00	190.00	227.00
<b>Outcome 2: To boost collaborative research and innovation</b>							
4. Number of collaborative research projects awarded (cumulative) (Number)	DLI 2 related	0.00	0.00	8.00	28.00	30.00	30.00
<b>Outcome 3: To enhance equitable access for underprivileged and disaster affected groups</b>							
5. Number of higher education students supported from bottom quintiles (Cumulative) (Number)	DLI 5 related	0.00	5,000.00	10,000.00	15,000.00	20,000.00	20,000.00
Share of female (Percentage)		0.00	50.00	<b>50.00</b>	50.00	50.00	50.00
6. Share of students registered in	DLI 6	20.00	25.00	30.00	35.00	40.00	50.00



Indicator Name	DLI	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
online/blended learning (Percentage)							
Share of female of the total (Percentage)		45.00	45.00	45.00	45.00	45.00	45.00

**Table-A1.2: Intermediate Results Indicators with Annual Targets**

Indicator Name	DLI	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Results Area 1 - Improved Labor-market relevance, Entrepreneurship, and Collaborative Research</b>							
1. Number of HEIs which have published graduate tracking reports (cumulative) (Number)	DLI 1 related	0.00	10.00	50.00	140.00	180.00	200.00
2. Number of students enrolled in labor market relevant programs (cumulative) (Number)		0.00	100.00	500.00	4,000.00	10,000.00	15,000.00
3. Share of female enrollment in STEM programs (Percentage)		8.00	9.00	10.00	12.00	14.00	14.00
4. Number of faculty members trained and academic leaders sensitized (cumulative) (Number)		0.00	230.00	380.00	1,000.00	1,550.00	1,600.00
4.a. Number of faculty members trained, including all the eligible female faculty members (Number)		0.00	200.00	600.00	900.00	1,400.00	1,400.00
4.b. Number of academic leaders sensitized, including all the eligible female academic leaders (Number)		0.00	30.00	80.00	100.00	150.00	200.00
5. Number of students/graduates participated in entrepreneurship training (cumulative) (Number)	DLI 2 related	0.00	0.00	300.00	500.00	500.00	500.00
Share of female (Percentage)		0.00	0.00	45.00	45.00	45.00	45.00
6. Number of trained entrepreneurs received seed fund (cumulative) (Number)		0.00	0.00	15.00	30.00	50.00	50.00
7. Number of Publications in refereed journals (cumulative) (Number)		0.00	10.00	30.00	50.00	80.00	260.00



The University Grants Commission

Nurturing Excellence in Higher Education Program (NEHEP)

Operations Manual (OM) Revised following MTR/ NEHEP Restructuring UGC Board Decision Date: 2081-09-21, Decision Number: 1718;

Merit based selection of faculty members through global competition among Nepali Scholars		0.00	0.00	0.00	0.00	40.00	60.00
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Indicator Name	DLI	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Results Area 2 - Strengthening Governance and Financing of Higher Education for Quality Enhancement</b>							
8. Number of HEIs reconstituted as Deemed Universities (cumulative) (Number)	DLI 3 related	0.00	0.00	2.00	1.00	3.00	4.00
9. Number of universities completed peer review for QAA (cumulative) (Number)		0.00	0.00	2.00	3.00	4.00	4.00
10. Number of accredited HEIs undertook QE activities (Number)		0.00	0.00	20.00	30.00	40.00	50.00
11. Number of HEIs received Performance Based Grants (PBG) (Number)	DLI 4 related	0.00	50.00	150.00	250.00	350.00	400.00
<b>Results Area 3 - Widening Access to Quality Higher Education for Disadvantaged Students</b>							
12. Improved Student GER disaggregated by gender in Lagging Provinces (Text)	DLI 5 related	Province 2: Total (T) - 4.75%, Female (F) - 4.05%; Karnali: T -8.84%; F- 7.04% Sudurpaschim: T- 9.38%; F- 9.83%	Province 2: T - 5%; F- 5%; Karnali: T - 9%; F- 9%; Sudurpaschim: T- 10%; F -10%	Province 2: T- 7%, F - 7%; Karnali: T-10%; F- 10%; Sudurpaschim: T-11%; F- 11%	Province 2: T - 8%; F- 8%; Karnali: T - 11%; F-11%; Sudurpaschim: T-12%; F-12%	Province 2: T-10%, F-10%; Karnali: T-13%; F-13%; Sudurpaschim: T-14%; F-14%	Province 2: T-12%; F-12%; Karnali: T- 14%; F-14% ; Sudurpaschim: T-15%; F-15%
13. Number of HEIs supported with equity grants in lagging and/or disaster affected provinces/ remote regions (cumulative) (Number)		0.00	15.00	50.00	75.00	100.00	100.00
<b>Results Area 4 – Extending Digitization of Higher Education</b>							
14. Share of HEIs participating in online data feeding (cumulative) (Percentage)	DLI 6 related	25.00	30.00	40.00	50.00	60.00	70.00



<b>Indicator Name</b>	<b>DLI</b>	<b>Baseline</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
15. Number of universities passing Rule for blended mode of course delivery and final examination (cumulative) (Number)		0.00	2.00	3.00	5.00	7.00	8.00
<b>Program Management and M&amp;E</b>							
16. Conduction of Beneficiary Satisfaction Survey (Text)		Not Applicable	Baseline survey conducted	Not Applicable	Mid-term survey conducted		End-line survey conducted
Students benefiting from direct interventions to enhance learning (CRI, Number)		0.00	25,000.00	100,000.00	250,000.00	375,000.00	500,000.00
Students benefiting from direct interventions to enhance learning - Female (CRI, Number)		0.00	12,500.00	50,000.00	125,000.00	187,500.00	250,000.00



**Table A1.3: Disbursement Linked Results with Annual Targets and Verification Protocols**

Disbursement Linked Results	Annual Targets <sup>61</sup>				
	Year 1 (2022)	Year 2 (Cumulative)	Year 3 (Cumulative)	Year 4 (Cumulative)	Year 5 (2026) (Cumulative)
DLR 1.1: Standards, operational policies, and guidelines for faculty competency development and academic leadership sensitization designed and approved	Yes	-	-	-	-
DLR 1.2: 1,600 faculty members trained and academic leaders sensitized	230	680	1,000	1,550	1,600
DLR 1.3: 100 labor market-driven autonomous programs introduced	5	25	70	90	100
DLR 2.1: Standards, operational policies, and guidelines for collaborative research and entrepreneurship programs developed and approved	Yes	-	-	-	-
DLR 2.2: 20 collaborative research projects awarded	-	8	18	20	25
DLR 2.2 (a) <b>60 faculty members recruitment/promotion based on meritocracy</b>	-	0	0	40	60
DLR 2.2 (a) 60 Collaborative Reserch Projects awarded to the newly recruited faculty members on meritocracy	-	-	-	40	60
DLR 2.3: 50 entrepreneurs trained and received seed funds	-	15	30	50	50
DLR 3.1: 50 accredited HEIs undertook at least three QE activities based on their institutional development plan (cumulative)	-	20	30	40	50
DLR 3.2: Five HEIs reconstituted as Deemed Universities or equivalent TU Chapters	-	2	3	4	4
DLR 3.3: Five Universities or Academies have completed peer review for QAA	-	2	3	4	4
DLR 3.4: Additional 220 HEIs/ Program Accredited / completed peer review for quality assurance and accreditation (cumulative 297) (Average share of accredited HEIs/ Programs to be 50% or above)	53	93	133	163	150
DLR 4.1: Standards, operational policies, and guidelines for performance grants with enhanced performance criteria and evaluation methods is designed and approved	Yes	-	-	-	-
DLR 4.2: 400 HEIs received performance based grants	50	150	250	350	400
DLR 5.1: 100 HEIs in lagging and or disaster affected Provinces or Remote Regions received Equity Grants	15	50	75	100	100
DLR 5.2: Additional 20,000 higher education students supported from bottom quintiles (Cumulative)	5,000	10,000	15,000	20,000	20,000
DLR 6.1: Standards and operational policies for Higher education digitization, connectivity, and implementation procedures designed and approved	Yes	-	-	-	-
DLR 6.2: Share of students registered in courses with online/blended teaching methods increased to 50%	-	30	35	40	50
DLR 6.3: Digital learning platform and online administration established at UGC	Yes	Yes	-	-	To be established

<sup>61</sup> For scalability and rollover provision please refer to the Financing Agreement



### **DLI/ DLR Verification Protocols**

#### ***DLI 1: Labor market-driven autonomous programs, faculty members' training, and academic leaders' sensitization***

1. ***DLR 1.1: Standards, operational policies, and guidelines for faculty competency development and academic leadership sensitization designed and approved.*** This DLR is considered achieved when the following conditions are met: (i) UGC designs and approves the standards, operational policies, and guidelines (SOPG) for faculty members' competency development, including pre-service teachers' preparation for prospective school teachers, and academic leadership sensitization in consultation with universities and the World Bank; and (ii) UGC discloses the approved SOPG on its website. The SOPG would include, among others: (a) design and implementing strategies of faculty training programs on curriculum development, pedagogy, assessment and examination, digital content development, online/blended delivery, and knowledge on climate change issues as per the national program; (b) promotion of collaborative academic and research activities; (c) sensitization of academic leaders on global trends and reforms in higher education management.
2. ***DLR 1.2: 1,600 faculty members trained and academic leaders sensitized.*** This DLR is considered achieved when the following conditions are met: (i) 1,600 faculty members trained and academic leaders sensitized, including pre-service teachers preparation for prospective school teachers, as per the SOPG
3. ***DLR 1.3: 100 labor- market driven autonomous programs introduced.*** This DLR is considered achieved when the following conditions are met: (i) the guideline for LMDP of autonomous nature, including pre-service teachers preparation for prospective school teachers, is passed by the affiliating universities; (ii) HEIs/programs have approved costed and sustainable human resource development plan; and (iii) 100 LMDP, including pre-service teachers preparation for prospective school teachers, designed, and the first cohort students enrolled as per the LMDP guideline. The guideline will include the provision for: (a) meeting global, national, and regional/local labor market needs; (b) undertaking 2-3 years cycles for program revision based on market appraisals; (c) setting up labor market feedback system through graduate tracking, and (d) including modules on climate change issues as per the national program.

#### **DLI 2: Collaborative research and entrepreneurship program**

4. ***DLR 2.1: Standards, operational policies, and guidelines for collaborative research and entrepreneurship programs developed and approved.*** This DLR is considered achieved when the following conditions are met: (i) UGC prepares and approves the SOPGs for collaborative research and entrepreneurship programs in consultation with universities/HEIs and the World Bank; and (ii) UGC discloses the approved SOPGs on its website. The collaborative research would include a wide range of collaborations, including collaborations with industry entities, other research entities, researchers from foreign universities, and universities in the South Asia region. The SOPG for collaborative research will define, among others: (i) grant selection criteria and procedure; (ii) grant release procedure; and (iii) monitoring and evaluation. The SOPG for entrepreneurship program will include, among others: (i) design of entrepreneurial skills training, legal training, financial education, etc.; (ii) trainee selection criteria and procedure; (iii) competitive selection procedure for seed fund support; (iv) fund release procedure; (v) monitoring and evaluation; and (vi) awareness raising on climate change issues. Business proposals in the areas of climate change adoption/mitigation shall receive preferential treatments. The SOPG will align with the GON's 'start-up capital credit flow procedure for entrepreneurs' (2020) and the self-employment program.
5. ***DLR 2.2: 25 collaborative research projects awarded.*** This DLR is considered achieved when the following conditions are met: (i) UGC has awarded 20 collaborative research projects selected as per the SOPG. At least 20% of the awarded projects shall be related to climate change adaptation/mitigation.
6. ***DLR 2.2 (b): 60 faculty members recruitment/promotion based on meritocracy:*** This DLR is considered achieved when the respective universities

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revise/pass the rule and recruit the faculty members.

7. DLR 2.2 (c): 60 Collaborative Reserch Projects awarded to the newly recruited faculty members on meritocracy. This DLR is considered achieved when the collaborative research awards are granted to the newly recruited faculty members following procedural steps in accordance with UGC Reserch Guidelines.

8. ***DLR 2.3: 50 entrepreneurs trained and received seed funds.*** This DLR is considered achieved when the following conditions are met: (i) entrepreneurs trained in the entrepreneurship program; (ii) trained entrepreneurs received the first tranche of the seed fund as per the SOPG; and (iii) entrepreneurs submitted the first progress monitoring report of the use of the seed fund as per the SOPG. Entrepreneurs include students, graduates, and faculty members who participate in the entrepreneurship training program.

### **DLI 3: Quality Assurance and Accreditation (QAA) and Quality Enhancement (QE)**

9. ***DLR 3.1: 50 accredited HEIs undertook at least three QE activities.*** This DLR is considered achieved when the following conditions are met: (i) UGC prepares a QE framework/guideline for HEIs to plan and implement quality enhancement activities; and (ii) 50 accredited HEIs implement at least three QE activities as per their plans, including at least one related to climate change adaptation/mitigation.

10. ***DLR 3.2 (a): Four HEIs reconstituted as Deemed Universities:*** This DLR is considered achieved when the following conditions are met: (i) five universities/HEIs have their acts passed by the Parliament and regulatory provision duly approved as per the act. The establishment of TU chapter in different Provinces equivalent to Deemed University will also be considered in this category.

11. ***DLR 3.3 (a): Four universities completed peer review for QAA.*** This DLR is considered achieved when the following conditions are met: (i) five universities or equivalent institutes/academies have completed QAA cycle as per the QAA Guidelines, which among others shall include a provision of climate adaptation/ mitigation.

12. ***DLR 3.4(a): Additional 150 HEIs/program accredited/ completed peer review for QAA.*** This DLR is considered achieved when the following conditions are met: (i) 220 HEIs/programs achieved accreditation or completion of peer review as per the QAA Guidelines; and (ii) UGC compiles achievement reports with the HEIs/program list and status of accreditation/ peer review. Among the HEIs/programs claimed for this DLR achievement, those still under the peer-review completion status cannot exceed 50% (110 HEIs/ programs). There will be no double counting of HEIs/programs at the stage of accreditation if the HEI/program has been claimed for the completion of peer review.

### **DLI 4: Performance Based Grants (PBG)**

13. ***DLR 4.1: Standards, operational policies guidelines for performance-based grants designed and approved.*** This DLR is considered achieved when the following conditions are met: (i) UGC prepares/ updates and publishes the SOPG for PBG in consultation with the World Bank; and (ii) UGC circulates the information to HEIs. The performance criteria among others shall also include provision of climate adaptation/ mitigation as per the national program, and pre-service school teacher preparation for prospective teachers. The performance indicators may also be related with QAA peer review completion/ accreditation and quality enhancement of HEIs.

14. ***DLR 4.2: 400 HEIs received performance grants.*** This DLR is considered achieved when the following conditions are met: (i) 400 HEIs received

PBG as per the SOPG; and (ii) UGC compiles data of performance indicator wise progress of individual HEIs and amount achieved by the HEIs as per the PBG SOPG. HEIs may receive PBG multiple times in different academic years if they are qualified based on their continued improvement.

**DLI 5: Enrollment of disadvantaged students in lagging and/ or disaster affected provinces and regions**

15. DLR 5.1: 100 HEIs in lagging and/ or disaster affected provinces and regions received equity grants: This DLR is considered achieved when the following conditions are met: (i) UGC prepares the Equity Grant Manual, which among others shall also include indicator of climate adaptation, in consultation with the World Bank; and (ii) 100 HEIs from lagging provinces and regions received equity grants as per this Manual. The lagging and / or disaster affected provinces and regions will be defined in the Manual.

16. DLR 5.2: Additional 20,000 higher education students supported from bottom quintiles: This DLR is considered achieved when the following conditions are met: (i) Additional 20,000 students from bottom quintiles received the scholarship as per the Guidelines for poverty targeting or similar scheme. Students will not be double-counted when they receive scholarships multiple times over academic years.

**DLI 6: Online teaching, learning and digitized administration**

17. ***DLR 6.1: Standards, operational policies, and guidelines for higher education digitization, connectivity, and implementation procedures designed and approved.*** This DLR is considered achieved when the following conditions are met: (i) UGC prepares the SOPG for HE digitization, connectivity, and implementation procedures on online/blended learning, assessment & examination in consultation with universities and the World Bank and publishes on its website. The SOPG may include, among others, the framework (a) for online content development and pedagogy to adjust the curricula; (b) to establish educational and knowledge sharing networking in collaboration with available national research and education networks and international educational networks; (c) to create a university/ HEIs level e-learning/ assessment platform and student e-portfolio; and (d) for sustaining these facilities at UGC/universities and HEIs in term of regular updating of hardware and human resources.

18. ***DLR 6.2: Share of students registered in courses with online/blended teaching methods increased to 50 percent.*** This DLR is considered achieved when the following conditions are met: (i) the percentage of students registered in online or blended learning methods against the overall students increased to 50 percent; and (ii) UGC compiles information of HEIs and number of registered students disaggregated by gender in the online or blended learning method. Courses with blended learning methods mean academic programs where any part of the students' educational activities occur on online platforms or in distance mode.

19. ***DLR 6.3: Digital learning platform and online administration established at UGC.*** This DLR is considered achieved when the following provisions are in place: (i) UGC has developed a digital learning platform and online administration in coordination with universities. Services may include, among others: (a) enhanced online data feeding on HEIs; (b) sharing of TU central library e-resources and other HEIs; (c) platform for collaboration with national/



international research and educational networks for resources sharing; and (d) platform for short-term on-line courses and e-courses on various priority subjects including climate change and entrepreneurship.

**Table-A1.4: Program Action Plan**

Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement
1. Develop and improve accounting policies, internal control guidelines, improved financial administration rules, updated audit arrears, internal audit, FMIS (b) Hire FM consultant/ Procurement staff	Fiduciary Systems		UGC/ TU	Due Date	31-Jul-2021	(a) Both the UGC, TU shall share these documents; (b) An FM Consultant hired at the UGC Secretariat; (c) Procurement staff hired at UGC and TU and retained
2. Use e-GP for procurement and upload the approved annual procurement plan to the websites	Fiduciary Systems		UGC, TU	Recurrent	Yearly	e-GP implemented and procurement plan uploaded to the UGC and respective HEIs websites
3. (a) Establish a dedicated unit/sub-unit at UGC; (b) develop a strategy for strengthening capacity of beneficiary institutions for mainstreaming E&S Aspects	Environmental and Social Systems		UGC	Due Date	31-Jul-2021	a) The unit/ subunit will include two specialists (E&S) and adequate budget; (b) UGC shares the strategy; and maintains the the above throughout Program implementation
4. Prepare/ approve/ publish Guidelines for universities QAA	Technical	DLI 3	UGC	Due Date	16-Aug-2021	UGC prepares the universities QAA Guidelines
5. Upgrade/ strengthen UGC networking for online system support	Technical	DLI 6	UGC	Due Date	16-Aug-2021	A Video Conferencing system and Learning Portal is functional at UGC
6. Hire an independent DLI Verification Agency	Technical		UGC	Due Date	16-Aug-2021	UGC hires the IVA as per the agreed TOR
7. Develop/ implement a guideline / framework for managing E&S risks in HE program	Environmental and Social Systems		UGC	Due Date	30-Sep-2022	UGC-wide guideline/ framework developed and approved
8. Prepare capacity building plan (CBP) of UGC with budget allocation	Technical		UGC	Due Date	30-Sep-2021	UGC prepares/ updates the CBP in the AWPB annually starting FY 2021/ 22
9. Prepare various guidelines for the NEHEP Operations	Technical		UGC	Due Date	30-Sep-2021	Guidelines: PBG, Digital Development; PMT based support; Equity Grants to HEIs
10. Upgrade and Implement Web-based EMIS software	Technical	DLI 6	UGC	Due Date	31-Dec-2021	Web-based EMIS operational at UGC
11. Prepare/ publish a framework/ guidelines of QE	Technical	DLI 3	UGC	Due Date	31-Dec-2021	UGC prepares the list and implementation framework/ guidelines of QE activities and implementation arrangement
12. Develop and implement programs to address grievance redressal mechanism	Environmental and Social Systems		UGC	Due Date	31-Dec-2021	UGC develops/ shares: sensitization/ awareness programs, code of conducts for



Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement
(GRM) and SEA/SH risk mitigation						UGC/ HEIs, GRM, and SEA/ SH risk mitigation measures, and prepares implementation progress every June/ December thereafter
13. Conduct stakeholder consultation (SC) and feedback activities on key reforms	Technical		UGC	Other	June and December every year	SC with policy makers, academics, employers and students. UGCV publishes SC report semi-annually review meetings (SARM)
14. Revise and implement the UGC M&E plan annually	Technical		UGC	Other	June and December every year	UGC prepares M&E flash report in SARM and a consolidated M&E report annually
15. Prepare the NHEP climate resilient framework (CRF)	Technical		UGC	Due Date	31-Mar-2022	The CRF with with implementation arrangement in place
16. Complete fiduciary reviews in FYs 2022, 2024 and 2026	Fiduciary Systems		UGC/ TU	Other	December 2022, 2024 and July 2026	UGC shares the Report



## Annex-2: Labor Market Driven Program Grant Allocations

Level wise Intervention	Unit	Target Number	Per Unit Grants	Amount NPR
<b>UGC Technical Support and Facilitation to Universities and HEIs</b>	-	-	-	<b>16,000,000.00</b>
<b>University level</b>	<b>Unit</b>	<b>Target Number</b>	<b>Per Unit Grants</b>	<b>Amount NPR</b>
1. Universities policy/strategy/ guideline on LMDP	University	11	3,000,000.00	33,000,000.00
2. Designing/Approving/ facilitation LMDP as per the policy/ strategy and implementation of academically autonomous/new LMDPs	Program	70	600,000.00	42,000,000.00
3. Designing (Revision)/ Approving/ facilitation of existing programs to LMDP as per the policy/ strategy and implementation	Program	60	600,000.00	36,000,000.00
4. Prepare Peer learning Guidelines/ framework, Organize peer learning seminars, and publish annual report	University	11	1,000,000.00	11,000,000.00
5. Monitoring and Evaluation	University	11	1,000,000.00	11,000,000.00
<b>University Level Intervention</b>				<b>133,000,000.00</b>
<b>HEI Level</b>	<b>Unit</b>	<b>Target Number</b>	<b>Per Unit Grants</b>	<b>Amount NPR</b>
1. HEIs strategy/ guideline on LMDP	Program	20	1,200,000.00	24,000,000.00
2. Designing (Revision)/ Approving/ facilitation of Existing programs to LMDP as per the policy/ strategy and implementation	Program	20	1,200,000.00	24,000,000.00
3. Prepare Peer learning Guide/ framework, Organize peer learning seminars, and publish annual report	Program	40	500,000.00	20,000,000.00
<b>LMDP Implementation</b>				
4. New LMDPs implementation		<b>70</b>		
Technical LMDP (Bachelor, Master's and Above Level)	Program	35	4,000,000.00	140,000,000.00
Non-technical LMDP (Bachelor, Master's and Above Level)	Program	35	2,500,000.00	875,00,000.00
5. LMDPs revisions and implementations		<b>60</b>		
Technical LMDP (Bachelor, Master's and Above Level)	Program	35	2,500,000.00	87500,000.00
Non-technical LMDP (Bachelor, Master's and Above Level)	Program	25	1,500,000.00	37500,000.00
<b>HEI level Intervention</b>	HEI	<b>0</b>		<b>420500000.00</b>
<b>Monitoring and Evaluation of LMDP program</b>				
<b>6. Monitoring and Evaluation</b>	Program	110	400,000.00	<b>44,000,000.00</b>
			<b>Total</b>	<b>613,500,000.00</b>



### Annex-3: Grants Allocation for Faculty Members Training and Leadership Sensitization Program

Level wise Intervention	Unit	Target Number	Per Unit Grants	Amount NPR
<b>UGC Technical Support and Facilitation to Universities and HEIs</b>	-	-	-	<b>7,000,000.00</b>
<b>University Level</b>				
<b>Faculty Members Training</b>				<b>295,900,000.00</b>
Universities policy/strategy/guideline on faculty members Competency	Universities	11	300,000.00	3,300,000.00
Establishment of faculty members training Division/unit	Universities	20	500,000.00	10,000,000.00
Conduction of Faculty Members Training as per the strategy and Guidelines	Faculty Member	1800	100,000.00	180,000,000.00
Facilitate Deans' offices and campuses/ schools/ central departments to develop training packages and conduction of training courses	Per Training Module	44	500,000.00	22,000,000.00
Organizing peer learning seminars among university faculty training Division/unit including with business community and publishing annual reports on good practices and peer learning	Universities/Event	33	1,000,000.00	33,000,000.00
Administrative Staff Training	Staff	600	50,000.00	30,000,000.00
Monitoring and Evaluation	Universities	44	400,000.00	17,600,000.00
<b>Academic Leaders Sensitization</b>				<b>55,000,000.00</b>
Organize Conferences/ Webinars/visits for academic leaders	University/Event	33	1,000,000.00	33,000,000.00
UGC outstanding Academic Leader award	Per Award	44	500,000.00	22,000,000.00
<b>University Level Intervention</b>				<b>350,900,000.00</b>
<b>HEI Level (Faculty Training)</b>				
HEIs level teacher training Strategy/Guideline prepared	Community Campus	30	300,000.00	9,000,000.00
Establishment of Faculty Training Unit	HEI	30	500000	15,000,000.00
Training Package Development	HEI	30	500000	30,000,000.00
Conduction of Faculty Members Training as per the strategy/ Guidelines	Faculty Member	1200	70,000.00	84,000,000.00
Administrative Staff Training	Staff	600	35,000.00	14,000,000.00
<b>Academic Leaders Sensitization</b>				<b>50,000,000.00</b>
Organize collaborative conferences/ Webinars/ visits for academic leaders	HEIs/Event	100	500,000.00	50,000,000.00
<b>HEI level Intervention</b>				<b>202,000,000.00</b>
			<b>Grand Total</b>	<b>559,900,000.00</b>



### Annex-4: Entrepreneurship Framework and Allocations

Table-A4.1: Framework for administering the entrepreneurship support of UGC

Level	Major steps of Workflow	Institutional scope, roles and responsibilities			
		UGC [Research Division]	HEI/RMC	Students, Recent Graduates, Young Faculties	Partner HEI/ Individual Expert/ Private sector
Knowledge	<b>Step 1: Roster preparation</b>	<ul style="list-style-type: none"> <li>• Invite LOI</li> <li>• Evaluate LOI</li> <li>• Publish the Roster</li> </ul>	<ul style="list-style-type: none"> <li>• Decide for entrepreneurship education and training</li> <li>• Submit LOI</li> </ul>		
	<b>Step 2: Course Content development</b>	<ul style="list-style-type: none"> <li>• Invite proposal</li> <li>• Provide feedback to proposal</li> <li>• Decide the amount of Content Development Grant</li> <li>• <b>Provide the C.D. Grant</b></li> </ul>	<ul style="list-style-type: none"> <li>• Prepare and submit proposal</li> <li>• Hire external experts</li> <li>• Prepare standard course content for both a not for credit training course and for a credit course</li> </ul>		<ul style="list-style-type: none"> <li>• Provide expert consultation to develop the course content.</li> </ul>
	<b>Step 3: Course conduction</b>	<ul style="list-style-type: none"> <li>• Record the list of trainees</li> <li>• Monitor the training</li> <li>• Provide the <b>Course Conduction Grant</b></li> </ul>	<ul style="list-style-type: none"> <li>• Develop a standard evaluation criterion</li> <li>• Publish notice and select trainees</li> <li>• Conduct training</li> <li>• Engage external experts</li> <li>• Evaluate the trainees</li> </ul>	<ul style="list-style-type: none"> <li>• Attend the course</li> <li>• Attend the evaluation</li> <li>• Proceed if passed or repeat</li> </ul>	<ul style="list-style-type: none"> <li>• Teach, share experience</li> <li>• Facilitate industry and market exposure.</li> </ul>
Skills	<b>Step 4: Pre-incubation</b>	<ul style="list-style-type: none"> <li>• Get and compile the list of successful trainees</li> <li>• Monitor the pre-incubation</li> <li>• Provide the <b>Pre-incubation grant</b></li> </ul>	<ul style="list-style-type: none"> <li>• Report the list of successful trainees to UGC (with rank)</li> <li>• Team formation</li> <li>• Pre-incubate the teams</li> <li>• Engage experts and mentors</li> </ul>	<ul style="list-style-type: none"> <li>• Get immersed in the pre-incubation</li> <li>• Brainstorm start-up ideas</li> <li>• Prepare proposals</li> </ul>	<ul style="list-style-type: none"> <li>• Teach, share experience</li> <li>• Facilitate industry and market exposure.</li> <li>• Provide mentoring and intensive coaching.</li> </ul>
	<b>Step 5: Idea bank and shortlisting</b>	<ul style="list-style-type: none"> <li>• Form an idea bank and populate it with short-listed proposals</li> <li>• Decide max. number of Seed Fund Grant</li> <li>• Evaluate and select proposals for funding</li> <li>• Cross-fertilize similar proposals</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a basis for evaluating proposals</li> <li>• Short-list the proposals</li> <li>• Forward the short-listed proposals to the UGC</li> <li>• Assist to refine proposals</li> </ul>	<ul style="list-style-type: none"> <li>• Refine proposals</li> </ul>	
Practice	<b>Step 6: Incubation and start-up</b>	<ul style="list-style-type: none"> <li>• Classify into small, medium and large</li> <li>• Issue offer letter for Seed Fund Grant</li> <li>• Review the response to the offer</li> <li>• Provide the <b>Seed Fund Grant (practice)</b></li> <li>• Support for IPR and Patents</li> </ul>	<ul style="list-style-type: none"> <li>• Submit response to offer with pledge</li> <li>• Sign the tripartite agreement</li> <li>• Incubate the selected teams</li> <li>• Receive grant on installments and release to the start-up</li> <li>• Support for IPR and Patents</li> </ul>	<ul style="list-style-type: none"> <li>• Submit the pledge and enter into the agreement</li> <li>• Provide financial contribution</li> <li>• Intensively work towards the start-up</li> <li>• Aim for patent and IPR</li> </ul>	<ul style="list-style-type: none"> <li>• Provide mentoring and intensive coaching.</li> <li>• MOUs and agreements by various private sectors and financing institutes</li> <li>• Support for IPR and Patents</li> </ul>
	<b>Step 7: Monitoring &amp; Evaluation</b>	<ul style="list-style-type: none"> <li>• Semi-annual monitoring</li> <li>• Evaluation after development into an enterprise</li> <li>• Review the support and revise the SOPG</li> </ul>	<ul style="list-style-type: none"> <li>• Continue incubation</li> <li>• Extend financial support</li> <li>• Receive the refund of the seed fund and recirculate for new start-ups</li> </ul>	<ul style="list-style-type: none"> <li>• Develop an enterprise as per the proposal and the agreement</li> <li>• Report progress to the UGC through the HEI/RMC</li> <li>• Pay back the Seed Fund</li> </ul>	

<sup>62</sup> Four grants in red font indicate fund flow from the UGC to the HEI/RMC

**Table-A4.2: Fund Allocation for Entrepreneurship and Self Employment Program**

SN	Headings	Maximum Ceiling	Number of Awards		Total allocation (NPR)	Description	Support /Condition
1	<b>Training Content Development Award (Step-2)</b>	1,500,000	70		105,000,000	Per HEIs/RMCs, no recurrent, to be paid as per actual, at least 25 % cost shall be outlaid for external consultants/specialists	Only one installment, after the development and submission of the content acceptable to the UGC.
<b>Total</b>					<b>105,000,000</b>	22.93	
2	<b>Training Award to HEIs/RMCs</b>	Participants Unit cost	Year	Number of trainees	Total cost	Description	Support /Condition
	<b>i) Course Conduction (Step-3)</b>	10,000	3	6300	63,000,000	Depends on number of participants, it could be recurrent.	<u>First tranche 40%</u> after the training classes are started, and <u>second tranche 60%</u> upon submission of the training completion report acceptable to the UGC.
	<b>ii) Pre-incubation (Step-4)</b>	50,000	3	1600	80,000,000	Depends on number of proposals in the same enterprise category, it could be recurrent.	<u>First tranche 40%</u> after the training classes are started, and <u>second tranche 60%</u> upon submission of the training completion report acceptable to the UGC.
<b>Total</b>					<b>143,000,000</b>	31.22	
3	<b>Enterprise Seed Fund (Step-6)</b>	Per Enterprise Seed Grant Cost (Maximum ceiling, NPR)	Duration of Pay Back Period to HEIs (years)	Estimated no of total proposals to be awarded	Total allocation (NPR)	Description (Maximum 60% of the total capital cost of the enterprise)	Support /Condition
	Small Enterprise	500,000	3	100	50,000,000	Depends on the approved individual enterprise proposal(s).	<u>First Installment maximum 40%</u> upon installation of plant and start of the enterprise; and <u>Second Installment 60 %</u> upon start of the production
	Medium Enterprise	2,000,000	3	40	80,000,000	Depends on the approved individual enterprise proposal(s).	<u>First Installment maximum 40%</u> upon installation of plant and start of the enterprise; and <u>Second Installment 60 %</u> upon start of the production.
	Large Enterprise	4,000,000	3	20	80,000,000	Depends on the approved individual enterprise proposal(s).	<u>First Installment maximum 30%</u> upon installation of plant and start of the enterprise; <u>Second Installment 40 %</u> upon start of the production; and <u>Third Installment 30%</u> after one year of uninterrupted production.
<b>Total</b>				<b>160</b>	<b>210,000,000</b>	45.85	
<b>Grand Total</b>					<b>458,000,000</b>		
<p><b>Note:</b> Number of courses might be developed, courses conduction, pre-incubation, enterprise proposals, and incubation &amp; startup could not estimate exactly; this is just an estimation and will not be binding in regard to the numbers for funding support.</p>							



### Annex-5: Allocation for Quality Enhancement Grants Support

Areas/ Category wise Indicators	Weightage (Total:100)	Total Cost of the Indicator NPR	Per HEI Amount NPR
<b>1. Area/ Category: Teaching and Learning</b>	<b>40</b>	<b>103,840,000.00</b>	
1.1 Result Quality Improvement	10	25,960,000.00	432,666.67
1.2 1.2 Non-credit courses aligned with climate change (employment/entrepreneurship oriented professional courses)	8	20,768,000.00	346,133.33
1.3 Extension services such as specialized training/ camps provided to the local community by faculties and students/ graduates for same activity in same year)	7	18,172,000.00	302,866.67
1.4 Increased Retention / Reduced Dropouts	6	15,576,000.00	259,600.00
1.5 Curriculum feedback system in place and functioning	5	12,980,000.00	216,333.33
1.6 Academic Calendar	4	10,384,000.00	173,066.67
<b>2. Areas/ Category: Research, Development and Innovation</b>	<b>30</b>	<b>77,880,000.00</b>	<b>1,298,000.00</b>
2.1 Article publication in peer reviewed journals by at least 40 % full time faculty members of the HEI	6	15,576,000.00	259,600.00
2.2 At least 1 research collaboration national/international institution last year/multi year	6	15,576,000.00	259,600.00
2.3 At least 5% full time faculties received academic research grants from funding national/international agencies	5	12,980,000.00	216,333.33
2.4 Dissemination and application of research findings in community welfare/ national welfare/ student knowledge enhancement	4	10,384,000.00	173,066.67
2.5 Patent received by full time faculty/ies	4	10,384,000.00	173,066.67
2.6 Promotion of research and innovation through internally funded research projects conducted by at above 5% full time faculties	3	7,788,000.00	129,800.00
2.7 Institutional revenue generated by research/ consultancies by the HEI full time faculty Members	2	5,192,000.00	86,533.33
<b>3. Area/ Category: Governance</b>	<b>20</b>	<b>51,920,000.00</b>	<b>865,333.33</b>
3.1 Student support and graduate tracking system on employability and academic progress	5	12,980,000.00	216,333.33
3.2 Practice of Faculty Members evaluation by students	4	10,384,000.00	173,066.67
3.3 Internal quality assurance assessment conducted by IQAC annually and corrective measures planned and implemented	3	7,788,000.00	129,800.00
3.4 Merit based student enrolment system in place	2	5,192,000.00	86,533.33
3.5 Merit based faculties/staff recruitment	2	5,192,000.00	86,533.33
3.6 Audit objection(s) of the last financial audit of the last FY cleared and publicly disseminated (transparency)	2	5,192,000.00	86,533.33
3.7 Physical infrastructure developed/progressing as per the pre-designed master plan and annual/strategic plan	2	5,192,000.00	86,533.33
<b>4. Innovative QE practice (Open)</b>	<b>10</b>	<b>25,960,000.00</b>	<b>432,666.67</b>
<b>Total</b>		<b>259,600,000.00</b>	<b>4,326,666.67</b>



### Annex-6: Fund Allocation for Extended Performance Based Funding

Performance Indicators	Target	Unit	PUG	Total, NPR
Growth in the Pass Rate (%)	5	Percent Point	4,000.00 to 6,000.00	156,000,000.00
Tracing of graduates (Number)	30000	Graduate/ HEI	4,000.00	120,000,000.00
Number of employed graduates (Number)	3000	Graduate/ HEI	10,000.00	30,000,000.00
Enrolment Expansion in LMDP/ Technical Programs (Number)	15000	Student number / HEI	10,000.00	150,000,000.00
Gender Ratio in LMDP/ Technical Programs (%)	45	Percent Point/ HEI	2,000.00	42,000,000.00
Support for establishment of non-technical basic lab (Number)	50	Lab/ HEI	1,500,000.00	75,000,000.00
Support for establishment of technical basic lab (Number)	30	Lab/ HEI	3,000,000.00	90,000,000.00
Support for establishment of specialized lab (Number)	5	Lab/ HEI	6,000,000.00	30,000,000.00
Support for upgrade/ extension of non-technical basic lab (Number)	25	Lab/ HEI	700,000.00	17,500,000.00
Support for upgrade/ extension of technical basic lab (Number)	15	Lab/ HEI	1,500,000.00	22,500,000.00
Support for upgrade/ extension of specialized lab (Number)	5	Lab/ HEI	3,000,000.00	15,000,000.00
Workshop/ Seminars conducted (Number)	300	Program/ HEI	300,000.00	90,000,000.00
Research Collaboration with industry/ academies/ Research institutions	20	Collaborations/HEIs	1000000.000	20000000.00
Publication of Interdisciplinary research journals with online presence (Number)	100	Journal/ HEI	1,000,000.00	100,000,000.00
Non-credit course conducted to enhance program relevance (Number)	300	Course/ HEI	300,000.00	90,000,000.00
Number of full-time teaching staff holding M. Phil (Number)	90	Degree/ HEI	125,000.00	11250,000.00
Number of full-time teaching staff holding PhD (Number)	60	Degree/ HEI	300,000.00	18,000,000.00
Grants for the Campus Merger/acquisition (Number)	15	HEI	2,500,000.00	37,500,000.00
Grants for the Campus Merger/ acquisition – per additional faculty/ discipline (Number)	15	Program	1,500,000.00	22,500,000.00
Grants for the Campus Merger/ acquisition – different from existing faculty/ discipline (Number)	15	Program	2000000.00	30000000.00
Community outreach programs conducted in package annually (Number)	300	Program/ HEI	300,000.00	90,000,000.00
Students counseling and support unit established and functioning	200	HEIs	200000	40,000,000.00
HEIs sent their faculties for M.Phil study	90	Number	300000	27,000,000.00
HEIs sent their faculties for PhD study	60	Number	500000	30,000,000.00
Emergency Health Service unit established	200	HEI	200000	40,000,000.00
Establishment of environmental friendly, and disaster risk reducing infrastructure/ equipment/ materials including the wastes management; and approval of provision for securing universities/ HEI data in the national data center or private cloud-based services to ensure the continuity of online/ blended education services during climate-induced or other disasters (Package) as per SOPG/ Guidelines.	150	Package/ HEI	1,000,000.00	150,000,000.00
Matching Grants for reform initiatives of HEIs	<b>20</b>	<b>HEI</b>	<b>5000000</b>	<b>100000000</b>
			<b>Total</b>	<b>2544250,000.00</b>



## Annex 7: Equity Grants Allocations

**Table-A7.1 Thematic Area-wise Equity Grants Allocations**

SN	Thematic Area	Indicators	Unit	Number of years/ FYs to be supported	Weightage 1=NPR 118,000.00	Amount NPR	Per HEI/ indicator NPR	Remarks
1	<b>Accessibility and Disaster</b>					<b>37,760,000.00</b>		
	<i>a) Lagging Behind Regions</i>	1.1 Karnali Province (10-15 HEIs)	HEI	1	3.5	5,310,000.00	354,000.00	
		1.2 Sudurpaschim Province (15-20 HEIs)	HEI	1	2.5	5,900,000.00	295,000.00	
		1.3 Province-2 (20-25 HEIs)	HEI	1	2.5	7,375,000.00	295,000.00	
	<i>b) Remote and Disaster</i>	1.4 Remote and Disaster Affected (25-35 HEIs)	HEI	1	2.5	10,325,000.00	295,000.00	
1.5 Disaster during NEHEP period ( <i>as per UGC decision maximum to 15 HEIs</i> )		HEI	1	5	8,850,000.00	590,000.00		
2	<b>Institutional Equity Policy</b>	1.1 University Specific Equity Guidelines	University	11	3.5	<b>4,543,000.00</b>	<b>413,000.00</b>	one time support
3	<b>Access Equalizer</b>					<b>232219000.00</b>		
	<i>a) Digitization</i>	2.1 Blue print plan of Digitization and Connectivity		1	2	22,420,000.00	236,000.00	
		2.2 Free Student data pack ( <i>Subsidy pack</i> )	HEI	3	0.5	16,815,000.00	177,000.00	
		2.3 HEI's website with regular update ( <i>Regular notices and relevant documents uploaded on website</i> )	HEI	2	0.5	11,210,000.00	118,000.00	
	<i>b) Digital technologies</i>	2.4 Online library/Students access to other online libraries	HEI	2	0.5	11,210,000.00	118,000.00	
		2.5 At least 25% classes run in virtual mode	HEI	4	0.5	26,904,000.00	283,200.00	
		2.6 Online collaborative guest lectures from (inter)national guest experts/professors	HEI	4	0.5	44,840,000.00	472,000.00	
	<i>c) Poverty Targeted Scholarships to boys</i>	2.7 Scholarships to third quintile boys too in lagging behind regions					-	-
Market Oriented Technical and Professional, STEM (=>4 years) (100 * 5 cohorts = 500)		Student	4		25,620,000.00	21,000.00	Per student/ year	



SN	Thematic Area	Indicators	Unit	Number of years/ FYs to be Supported	Weightage 1=NPR 118,000.00	Amount NPR	Per HEI/ indicator NPR	Remarks	
		General Education (400 * 5 cohorts = 2,000)	Student	4		73,200,000.00	15,000.00	per student/year	
		<b>Climate Change Adaptations</b>					<b>42,037,500.00</b>	-	
4	a) GRID approach alignment	3.1 GRID approach aligned Programs implementations	HEI	1	0.25	2,802,500.00	29,500.00		
		3.2 Climate change mitigation and adaptations issues in the programs and/or trainings executed.	HEI	2	0.25	5,605,000.00	59,000.00		
	b) Participation and Internships	3.3 Participation based waste/ energy management practices at HEIs premises.	HEI	4	0.5	22,420,000.00	236,000.00		
		3.4 Student learning opportunities at local market	HEI	2	0.5	11,210,000.00	118,000.00		
		<b>Knowledge management Initiatives</b>					<b>61,655,000.00</b>	-	
5	a) Creation	4.1 Functional Research Unit/Committee	HEI	2	0.25	5,605,000.00	59,000.00		
		4.2 Faculty members selected/getting UGC research grant	HEI	2	0.25	5,605,000.00	59,000.00		
		4.3 Local/regional governments/industries and other stakeholders funding to student research and thesis	HEI	2	0.25	5,605,000.00	59,000.00		
	b) Dissemination	4.4 Collaborative research including collaborations with other University/Institutes HEIs/Experts	HEI	2	0.5	11,210,000.00	118,000.00		
		4.5 Reports, Periodicals, and Journal Publication with ISSN	HEI	4	0.5	22,420,000.00	236,000.00		
		4.6 Consolidated Annual Report upload on web-site the	HEI	2	0.25	5,605,000.00	59,000.00		
		4.7 Reports/Research products uploaded on campus website	HEI	2	0.25	5,605,000.00	59,000.00		
		<b>Capacity Building (HEIs, faculty members, and staffs)</b>					<b>103,356,200.00</b>	-	
6	a) Planning	5.1 HRM/HRD Plan in place	HEI	1	0.5	5,605,000.00	59,000.00		
		5.2 Content of Individual or collaborative Training (physical/online/blended mode)	HEI				-	-	



SN	Thematic Area	Indicators	Unit	Number of years/ FYs to be Supported	Weightage 1=NPR 118,000.00	Amount NPR	Per HEI/ indicator NPR	Remarks
		Cognitive skill		2	0.25	5,605,000.00	59,000.00	
		Socio-economic skill		2	0.25	5,605,000.00	59,000.00	
		Technical skill		2	0.25	5,605,000.00	59,000.00	
		Digital/Digitization skill		2	0.5	11,210,000.00	118,000.00	
		Research Methodologies		2	0.75	16,815,000.00	177,000.00	
	<i>b) Execution of HRM/HRD plan</i>	5.4 Workshop/Seminar/Conferences at individual HEI (physical/online/blended mode)	HEI	2	0.5	11,210,000.00	118,000.00	
		5.5 Peer learning with leading model HEIs	HEI	2	1	22,420,000.00	236,000.00	
		5.6 Event manager/Facilitator HEIs ( <i>additional incentive</i> )	HEI	2	0.25	5,829,200.00	61,360.00	
		5.7 360 degree performance evaluation ( <i>faculty members evaluation by students</i> )	HEI	2	0.25	6,726,000.00	70,800.00	
		5.8 Student tracking system	HEI	2	0.5	6,726,000.00	70,800.00	
<b>Grand Total Cost in NPR</b>						<b>477027700.00</b>	<b>5861660.00</b>	



**Table-A7.2: Cost Allocation of Access Equalizer Poverty Targeted Scholarships to Boys in Lagging Behind**

Category-A: Market Oriented Technical and Professional, STEM ( =>4 years)

Category-B: Other Streams

Category	Cohorts	Number of beneficiary students	Per Year Scholarship Amount (NPR)	Years wise scholarship amount estimation (NPR)					Total (NPR)
				I (2022)	II (2023)	III (2024)	IV (2025)	V (2026)	
Category A (20% of total)	I	100	21000	2,100,000.00	1,680,000.00	1,680,000.00	1,680,000.00	-	7,140,000.00
	II	100	21000	-	2,100,000.00	1,680,000.00	1,680,000.00	1,680,000.00	7,140,000.00
	III	100	21000	-	-	2,100,000.00	1,680,000.00	1,680,000.00	5,460,000.00
	IV	100	21000	-	-	-	2,100,000.00	1,680,000.00	3,780,000.00
	V	100	21000	-	-	-	-	2,100,000.00	2,100,000.00
Sub-total		500		2,100,000.00	3,780,000.00	5,460,000.00	7,140,000.00	7,140,000.00	25,620,000.00
Category B (80% of total)	I	400	15000	6,000,000.00	4,800,000.00	4,800,000.00	4,800,000.00	-	20,400,000.00
	II	400	15000	-	6,000,000.00	4,800,000.00	4,800,000.00	4,800,000.00	20,400,000.00
	III	400	15000	-	-	6,000,000.00	4,800,000.00	4,800,000.00	15,600,000.00
	IV	400	15000	-	-	-	6,000,000.00	4,800,000.00	10,800,000.00
	V	400	15000	-	-	-	-	6,000,000.00	6,000,000.00
Sub-total		2000	15000	6,000,000.00	10,800,000.00	15,600,000.00	20,400,000.00	20,400,000.00	73,200,000.00
<b>Grand Total</b>		<b>2500</b>		<b>8,100,000.00</b>	<b>14,580,000.00</b>	<b>21,060,000.00</b>	<b>27,540,000.00</b>	<b>27,540,000.00</b>	<b>98,820,000.00</b>
<i>Note: Continuation of about 80% students has been expected in next semesters/years and the estimated cost allocation has been done accordingly.</i>									



## Annex-8: Poverty Targeted Scholarship Steps and Fund Allocation

**Table-A8.1: Activities in different Steps of Poverty Targeted Scholarship**

Stages	Broad Activity	Activity Details
Stage-1	Information Dissemination	<ul style="list-style-type: none"> <li>- Electronic media notice (online);</li> <li>- Print media notice; Social sites/networks notice;</li> <li>- Block SMS (NTC, NCELL);</li> <li>- Priority people (PP) to prospective PP notice;</li> <li>- Stakeholders to PP;</li> <li>- Schools, Campuses, Universities, local and provincial governments, Like minded other agencies, programs/projects;</li> <li>- UGC website notices;</li> <li>- Website linkages;</li> <li>- Field visits;</li> <li>- Stakeholders' consultations and policy dialogues.</li> </ul>
Stage-2	Application and Verification	<ul style="list-style-type: none"> <li>- Web-based application initiation by the student aspirants<sup>63</sup>;</li> <li>- Web-based application submission by the individual students in consultation with their guardians<sup>64</sup>;</li> <li>- Web-based application verification submitted by the HSS scholarship focal person<sup>65</sup>;</li> <li>- Web-based application approval of the submitted applications by head teachers<sup>66</sup>;</li> <li>- Download school wise total applicants list and their application acceptance number<sup>67</sup>.</li> </ul>
Stage-3	Selection (50% female) and Notification	<ul style="list-style-type: none"> <li>- Web based data processing;</li> <li>- Result checking (in coordination of National Higher Education Board for grade 11/12);</li> <li>- Eligible list preparation<sup>68</sup>;</li> <li>- Approval of the list;</li> <li>- Final Selection list publication<sup>69</sup>;</li> </ul>
Stage-4	Grievances Handling	<ul style="list-style-type: none"> <li>- Appeal(s) collection online;</li> <li>- Processing of appeal(s);</li> <li>- Decision over appeals;</li> <li>- Publication of the appeal(s) results;</li> <li>- Include in the final selection list if selected;</li> </ul>
Stage-5	Enrollment	<ul style="list-style-type: none"> <li>- College enrollment;</li> </ul>

<sup>63</sup> User Id creation by entering valid cell phone with other basic information, system will generate PW then send SMS to their cell phones); the applications will be automatically disqualified if and in cases of absence of verification and approval by the respective authorities of the respective schools the student applicants. The student will get provisional confirmation SMS.

<sup>64</sup> System will not accept the phone with other basic information if it was once entered already.

<sup>65</sup> or/and HT assigned teacher nearby the applicant students house-ward wise division of work could be impressive (HSS EMIS code based management.

<sup>66</sup> HSS EMIS code based management.

<sup>67</sup> System generated list to be downloaded and kept as a record by the respective school HTs.

<sup>68</sup> Disaggregated by province, district, local governments, gender, HSS, Caste wise (dalit, janajati, advanced, others), ethnic name wise.

<sup>69</sup> UGC website, SMS (web/telecom), mobile data uses based, and telephone voice based.



Stages	Broad Activity	Activity Details
		<ul style="list-style-type: none"> <li>- Bank account opening;</li> <li>- Acceptance of Student Oath (signing the form);</li> <li>- Web-based uploading of the- scan or photo of documents<sup>70</sup>;</li> <li>- Web-based uploading in next semesters/years<sup>71</sup>; Web-based verification by scholarship focal person at the respective colleges;</li> <li>- Web-based approval of the college principal/coordinator.</li> </ul>
Stage-6	Monitoring, and Award Confirmation	<ul style="list-style-type: none"> <li>- Desk monitoring;</li> <li>- Field based monitoring (occasional)<sup>72</sup>;</li> <li>- Award Confirmation List Generation;</li> <li>- Award Confirmation Form (ACF) approval;</li> <li>- Notification to the respective students<sup>73</sup>;</li> </ul>
Stage-7	Scholarship Fund Channeling	<ul style="list-style-type: none"> <li>- Corporate banking system from first class financial institutions/commercial banks;</li> <li>- Bank disbursement authentication<sup>74</sup>;</li> <li>- Amount disbursed/collected to beneficiary students' individual accounts;</li> <li>- Bank automatic SMS notification.</li> </ul>
Stage-8	Evaluation and Student Tracking	<ul style="list-style-type: none"> <li>- Evaluation studies<sup>75</sup>;</li> <li>- Performance trekking;</li> <li>- Student tracking after completion of the level.</li> </ul>

<sup>70</sup> Scan copy or JPEG photo of (a) citizenship certificate, (b) admission bill, (c) bank cheque, and (d) student oath form by the students.

<sup>71</sup> Scan copy or JPEG photo of (a) previous semester examination admit card, and (b) admission bill in following semesters/years.

<sup>72</sup> Third party: bachelor last semester and/or master's level students of nearby college could work as interns, field work, or as work study provision based on paid volunteerism concept.

<sup>73</sup> Web-based automatic SMS.

<sup>74</sup> Commercial bank staff sign with his/her signature no and bank stamp/seal in the voucher/deposit slip.

<sup>75</sup> Along with others, utilization of the funds, socio-economic impacts.



**Table-A8.2: Allocations of Poverty Targeted Scholarships**

*Category-A: Market Oriented Technical and Professional, STEM Streams ( =>4 years)*

*Category-B: Other Streams*

Category	Cohorts	Number of beneficiary students	Per Year Scholarship Amount (NPR)	Years wise scholarship amount estimation (NPR)					Total (NPR)
				I (2022)	II (2023)	III (2024)	IV (2025)	V(2026)	
A (29% of total)	I	1000	21000	21,000,000.00	16,800,000.00	16,800,000.00	16,800,000.00	-	71,400,000.00
	II	1000	21000	-	21,000,000.00	16,800,000.00	16,800,000.00	16,800,000.00	71,400,000.00
	III	1000	21000	-	-	21,000,000.00	16,800,000.00	16,800,000.00	54,600,000.00
	IV	1000	21000	-	-	-	21,000,000.00	16,800,000.00	37,800,000.00
	V	1000	21000	-	-	-	-	21,000,000.00	21,000,000.00
<b>Sub-total</b>		<b>5000</b>	<b>-</b>	<b>21,000,000.00</b>	<b>37,800,000.00</b>	<b>54,600,000.00</b>	<b>71,400,000.00</b>	<b>71,400,000.00</b>	<b>256,200,000.00</b>
B (69% of total)	I	2500	15000	37,500,000.00	30,000,000.00	30,000,000.00	30,000,000.00	-	127,500,000.00
	II	2500	15000	-	37,500,000.00	30,000,000.00	30,000,000.00	30,000,000.00	127,500,000.00
	III	2500	15000	-	-	37,500,000.00	30,000,000.00	30,000,000.00	97,500,000.00
	IV	2500	15000	-	-	-	37,500,000.00	30,000,000.00	67,500,000.00
	V	2500	15000	-	-	-	-	37,500,000.00	37,500,000.00
<b>Sub-total</b>		<b>12500</b>	<b>15000</b>	<b>37,500,000.00</b>	<b>67,500,000.00</b>	<b>97,500,000.00</b>	<b>127,500,000.00</b>	<b>127,500,000.00</b>	<b>457,500,000.00</b>
<b>Grand Total</b>		<b>17500</b>		<b>58,500,000.00</b>	<b>105,300,000.00</b>	<b>152,100,000.00</b>	<b>198,900,000.00</b>	<b>198,900,000.00</b>	<b>713,700,000.00</b>

*Note: Continuation of about 80% students has been expected in next semesters/years and the estimated cost allocation has been done accordingly.*



## Annex-9: Grants Allocation to Universities/HEIs for Digitalization

SN	Indicator	Activities	Grants Amount
1	1.1 Digitalization Policy, Strategy, and Rules/Guidelines preparation, approval and implementation	<p><u>Universities</u></p> <p>(i) Preparation of Policy, Strategic Plan, Rules/ Guidelines in consultation with stakeholders incorporating all aspects of digitalization adhering to the standards and operational policies as explained details in the SOPG and approval (release of 20 percent of the allocation upon completion of this task)<sup>76</sup></p> <p>(ii) Implementation of Policies, Strategic Plan, and Rules/Guidelines (80%)</p>	<p><u>Universities:</u></p> <p>Policy, Strategic Plan, Rules/ Guideline <u>Funding Arrangement</u><sup>77</sup></p> <p><u>Universities with total students:</u></p> <ul style="list-style-type: none"> <li>• &gt;=100,000 total students: up to NPR 1 crore</li> <li>• &gt;= 50,000 total students: up to NPR 50 lakhs</li> <li>• &lt; 50,000 total students: Up to NPR 25 lakhs</li> </ul>
	1.2 Connectivity and ICT Infrastructure Development-	<p><u>a) HEIs (Constituent/Community including schools and central departments)</u></p> <p>(i) Broadband Connectivity</p> <p>(ii) Secure Wi-Fi on campus</p> <p>(iii) Intranet development on campus to connect all the departments</p> <p>(iv) IT support unit with hardware and software.</p> <p>b) Integrated Intranet in the Central Departments of S&amp;T (TU)</p>	<p><u>HEIs</u></p> <p>@ NPR 1,25,000 per activity (total Rs. 5,00,000/HEI). Integrated intranet established and connected to the Departments through dean office ,</p> <p><u>a) NPR 50 lakh</u></p>
2	Learning Management System/Virtual Learning Environment	<p><u>Universities with constituent campuses/ programs</u></p> <p>Establish a university-level LMS platform integrating constituent campuses/ schools/ departments, and delivery of online/ blended mode academic courses (existing and or new)<sup>78</sup> with setting up of a virtual learning environment (MS Teams, ZOOM, Meet, or other similar tools)</p> <p><u>Community Campus</u></p> <p>Establish the LMS platform at the campus and deliver online/blended mode academic courses (existing and or new)<sup>12</sup> with setting up of virtual learning environment (MS Teams, ZOOM, Meet, or other similar tools)<u>UGC:</u></p> <p>(i) Offer the self-paced MOOC course for HEI faculties and students public concern courses such as climate adaptation, cyber security, digital pedagogy, entrepreneurship, indigenous teaching including self-certification</p>	<ul style="list-style-type: none"> <li>• &gt; =100,000 students in constituent campuses/programs:NPR 1 Crore</li> <li>• &gt;= 20, 000 students: NPR 50lakh</li> <li>• &lt; 20,000 students: NPR 30 lakh</li> </ul> <p><u>Community Campuses</u></p> <ul style="list-style-type: none"> <li>• &gt;= 3,000 students: NPR 10 lakh</li> <li>• &lt; 3,000 students: NPR 5 lakh</li> </ul> <p><u>UGC:</u></p> <ul style="list-style-type: none"> <li>• Delivery of MOOC courses with self-certification: 20 courses in 5 yrs. @ NPR 2,00,000/course</li> </ul>
		<p>(ii) Technical support to continue operationalization of the UGC LMS including the addition of new features as per needs</p>	<p>NPR 20 lakh</p>



SN	Indicator	Activities	Grants Amount
3	Digital Resources Development and Dissemination	<p><u>Universities with constituent campuses</u></p> <p>(i) Establish/operate the Digital library platform to develop the digital materials</p> <p>(ii) Digital studio set up</p> <p>(iii) Production and publishing of e-books, audio/video, animation, simulation, gaming learning materials, and so on and dissemination/sharing (up to 500 items)</p> <p><u>Community Campuses</u></p> <p>i. Establish/operate the Digital library platform to develop the digital materials</p> <p>ii. Digital studio set up</p> <p>iii. Production and publication of e-books, audio/video, animation, simulation, gaming learning materials, and so on and dissemination/sharing (up to 100 items)</p>	<p><u>Universities with constituent campuses</u></p> <p>@ NPR 20 lakh/100 items (item standard as per the guideline provided by UGC)</p> <p><u>Community Campuses</u></p> <p>@ NPR 20 lakh/100 items (item standard as per the guideline provided by UGC)</p>
4	Capacity Building	<p><u>Universities and HEIs (Constituent and Community)</u></p> <p>(i) Conduct the digital literacy training for faculties, students</p> <p>(ii) Conduct digital pedagogy training for faculties</p> <p>(iii) Conduct the subject-specific tools handling training for faculties.</p>	<p><u>Universities and HEIs</u></p> <ul style="list-style-type: none"> <li>Digital Literacy Training (DLT): NPR 50,000 up to 100 faculty members</li> <li>Digital Pedagogy Training DPT: NPR 100,000 up to 100 faculty members<sup>79</sup></li> <li>Subject-specific tools handling training: NPR 100,000 up to 50 faculty members</li> </ul>
5	Strengthening Web-based EMIS	<p><u>Universities and constituent campuses</u></p> <p>(i) Integration of university/constituent campus EMIS with UGC EMIS system including with provision of reporting</p> <p>(ii) Regular updating of academic data in the EMIS system and generating executive reports.</p>	<p><u>Universities with constituent campuses/programs</u><sup>80</sup></p> <ul style="list-style-type: none"> <li>&gt;= 100,000 students in constituent campuses/ programs: NPR 1.5 Crore</li> <li>&gt;= 20, 000 students in constituent campuses/ programs: NPR 75 lakh</li> <li>&gt;= 5, 000 students in constituent campuses/ programs: NPR 50 lakh</li> <li>&lt; 5, 000 students in constituent campuses/ programs: NPR 30 lakh</li> </ul> <p>EMIS data system interfaced with UGC data system.</p>
		<p><u>Community Campuses</u></p> <p>(iii) Integration of campus EMIS with UGC EMIS system including with provision of reporting</p> <p>(iv) Regular updating of academic data in the EMIS system and generating executive reports.</p>	<p><u>Community Campuses</u><sup>81</sup></p> <p>NPR 3 lakh per campus (One time support)</p>



SN	Indicator	Activities	Grants Amount
6	UGC EMIS and Office Automation System	<u>UGC</u> (i) Re-engineering of EMIS system and implementation of UGC EMIS system (ii) Digitalization of QAA, Research, and Development, Monitoring and Evaluation, Planning, admin, finance functionalities at the UGC level. (iii) Integration of UGC functionalities and develop the integrated educational management information system (IEMIS) system with universities and HEIs EMIS. (iv) Capacity enhancement for staff of UGC (v) Capacity enhancement of service seekers and the staff of HEIs (vi) Back-up and Disaster Recovery System managed	<u>UGC</u> <hr/> Estimated amount: NPR 2 Crore (To be released as per the expenditures against the five noted activities)



## Annex-10: Environmental and Social Safeguard Goals/Activities, Indicators and Means of Verification

<i>Objective 1: Assess and manage overall environmental and social risks and impacts</i>					
SN	Goals/Activities	Institution	Indicators	MOV	Assumptions & Risks
1.1.1	Establish E&S unit within the implementing organization	UGC	An E&S Unit is formed within UGC, with expertshired as consultants. Focal person assigned for both E and S components	Team formed by August2021	Experts will be willing to participate in the team, butmay be unavailable at the needed time
1.1.2	Provide adequate technical and managerial assistance to relevant workers and contractors	UGC	A secretariat is established at UGC that providethe needed assistance	Secretariat (Reform Unit) established at UGC by August2021	Lack of adequate and qualifiedmanpower at UGC
<i>Objective 2: Develop a plan for improved labor and working conditions at the beneficiary HEIs</i>					
SN	Goals/Activities	Institution	Indicators	MOV	Assumptions & risks
2.1.1	Develop a labor management procedure for the HEIs	UGC, team of E&S Experts, and concerned HEIs	Every beneficiary HEI has a LMP developed	LMP practiced at each HEI	Staff and employees not fullyaware of LMP and its importance
2.1.2	Develop and implement occupational, health and safety (OHS) regulations/protocols	UGC and concerned HEIs	Every beneficiary HEI has an OHS protocoldeveloped	OHS protocol implementedat each beneficiary HEI	Staff and employees not fullyaware of OHS protocols
<i>Objective 3: Develop a plan for resource efficiency and pollution prevention and management</i>					
SN	Goals/Activities	Institution	Indicators	MOV	Assumptions & risks
3.1.1	Develop standard operating procedures for management ofwaste generated by the Projectduring its lifetime	UGC, and HEIs	Every beneficiary HEI has a Solid Waste andhazardous material management unit formed	Every beneficiary HEI hasan e-waste management plan	HEIs may lack the dedicated team of experts in the field or less prioritize the work
3.1.2	Develop SOP for waste and hazardous materials management	UGC and HEI	Waste and hazardous materials management in place	HEI records, waste and hahardous material management in place	
3.1.3	Provide orientation and trainingon e-waste, solid waste and hazardous material management	UGC and Experts	Training provided to number of HEIs and theiremployees	UGC records, HEI employees trained with waste management skills and Knowledge	Experts not available, HEIs donot fully participate



3.1.4	Develop plan for segregation of wastes at HEIs, and encourage 3R principle (Reduce, Reuse, Recycle) of waste handling	Concerned HEIs	Increased segregation practices of wastes at HEIs	Every beneficiary HEI is adopting the 3R principle (Reduce, Reuse and Recycle) and is implementing solid waste segregation	HEIs may be lacking incapacity and resources
3.1.5	Promote use of ecofriendly bags (made of biodegradable materials like paper, clothes, etc.) instead of plastics bags	UGC and concerned HEIs	Increase in use of eco-friendly bags	HEI records on distribution of bags to students, staff and faculties	Eco-friendly bags may be costly (in the short run)
3.1.6	Develop a manual for eco-friendly, efficient and cost-effective management of all kinds of waste produced the HEIs	Concerned HEIs	Easy to understand manuals, posters and pamphlets produced	HEI records	Documents produced are not easy to understand, costly
3.1.7	Document and prepare record keeping forms for listing potentially hazardous wastes sources and develop safety datasheets (SDS) to keep at the storage location for those waste	UGC and concerned HEIs	HEIs have developed record keeping forms to document the generation of hazardous wastes	HEI documents and registers	Prepared documents are not user friendly
3.1.8	Organize programs to raise awareness and build capacities of students, staff and faculties for developing knowhow on solid and liquid waste management	UGC and concerned HEIs	Multiple number of capacity building programs organized	Program schedule and HEI records	
<b>Objective 4: Develop a plan for Community and Healthy Safety Measures for the beneficiary HEIs</b>					
4.1.1	Develop and implement COVID19 specific Community and Health Specific Procedures	UGC and concerned HEIs	Every beneficiary HEI has a COVID 19 specific Community and Health Specific Procedures developed	Every HEI is implementing COVID 19 specific Community and Health Specific Procedures	HEIs lack in capacity for developing and implementing the health specific procedures
4.1.2	Develop and implement Code of Conduct for UGC/HEIs on community and safety issues	UGC and concerned HEIs	Code of Conduct prepared at UGC/HEIs	Record of Code of Conduct implementation	-
4.1.3	Develop mechanisms to address and reduce cases of sexual abuse and sexual harassment across all HEIs	UGC/ Team of Experts	SEA/SH related guidelines and policies made by the HEIs	SEA/SH guideline is implemented in all the beneficiary HEIs	Understanding of SEA/SH varies sharply across different groups/ cultures etc., difficult to change behavior even after understanding the concept



4.1.4	Organize several sensitization and awareness raising programs regarding SEA/SH all the employees, including top management of beneficiary HEIs	UGC, experts on SEA/ SH behavior	HEIs participate in SEA/SH sensitization and awareness raising programs	HEI records	
4.1.5	Develop and implement grievance redressal mechanisms	UGC and concerned HEIs	HEIs have grievance redressal mechanisms in place	HEIs records	HEIs do not have capacity to address grievance redressal mechanisms
<b>Objective 5: Develop a plan for stakeholder engagement and information disclosure</b>					
5.1.1	Update and implement the stakeholder engagement plan (SEP) for building and maintaining a constructive relationship with the HEIs	UGC	A systematic approach to stakeholder engagement with the beneficiary HEIs is Established.	Beneficiary HEIs are engaged with UGC in a regular manner for updating and implementing the project goals.	
5.1.2	Develop an information sharing mechanism on environmental and social risks and impacts to HEIs	UGC	Appropriate project information on environmental and social risks and impacts is disclosed to the HEIs in a timely, accessible and appropriate manner and format	HEI/UGC records	
5.1.3	Develop/strengthen a grievance redressal mechanism for the HEIs	UGC/HEIs	Every beneficiary HEI has a unit formed as part of grievance redressal mechanism	Employees of the HEIs are able to submit their grievances to the designated unit	There are institutional delays in forming the GRM at the HEIs



### Annex-11: Budget allocation of IPF Component

IPF Budget for UGC: NPR 265,500,000.00

IPF Budget for Subsidiary implementing agency: NPR 88,500,000.00\*

**Total Budget: NPR 354,000,000.00**

#### Allocation of UGC IPF component (amount NPR in '000)

SN	Activities	Indicative Cost (UGC)	Budget Head	Allocation for UGC	Remarks
1	Hiring of technical specialist, assistants and staff under Non-Consulting Services	80,000	Salary (21111)	25,000	Salary for project/program staff and assistants
			Allowance (21119)	2,500	Meeting Allowances and Other allowances
			Consultancy and Services (22411)	40,000	Remuneration and consultancy fees for Technical specialists
			Monitoring and Evaluation (22611)	11,000	Monitoring and Evaluation, and Inspection, and the cost for the Evaluation and the Daily Travel Allowance.
			Newspaper, Printing and Advertisement (22315)	1500	Expense for public notice publication, tender as well as printing cost.
2	Recruitment of an Independent Verification Agency	59,000	Consultancy and Services (22411)	59,000	Consultancy fees for IVA
3	Purchase of goods and services for the operation of the UGC secretariat and TU Central Office	42,500	Office Expenses (22311)	5,000	This includes Bank fee, stationeries and other office goods lasting less than one year
			Vehicle (29411)	13,000	This includes expenses of current nature for the regular Repair & Maintenance, and painting of office building
			Newspaper, Printing and Advertisement (22315)	1,000	Expense for public notice publication, tender as well as printing cost.
			Contract Services (22413)	2,000	This includes the periodic or time to time payment of service fee of contract for maintaining office security, cleaning, garden maintenance, office letter delivery/Messenger Service.
			Information System and Software Operation (22412)	500	It includes renewal cost of information system and software operation, consultancy service cost, and regular improvement cost
			Miscellaneous Expenses (22711)	2,000	This includes the refreshment, expenses related to the Security, expenses on reception of the guest and hospitality and Miscellaneous expenses to be
			Furniture & Fixtures (31123)	9,000	It includes in respect of furniture, furnishing and fixtures for the use of Government office (a) purchase price and (b) related transportation cost,



SN	Activities	Indicative Cost (UGC)	Budget Head	Allocation for UGC	Remarks
			Office Machinery and Equipment (31122)	10,000	This includes the expenses incurred in the purchase of Machine and machinery implements except transport vehicle exceeding one year of life.
4	Survey, Evaluation, Studies and need assessment	42,000	Consultancy and Services (22411)	20,000	Remuneration and consultancy fees for Technical specialists for Survey, Evaluation, Studies and need Assessment
			Monitoring and Evaluation (22611)	20,000	Monitoring and Evaluation, and Inspection, and the cost for the Evaluation and the Daily Travel Allowance.
			Miscellaneous Expenses (22711)	2,000	This includes the refreshment, expenses related to the Security, expenses on reception of the guest and hospitality and Miscellaneous expenses to be made but not mentioned in any other Head.
5	Knowledge Sharing, regional and International Exposures	42,000	Program Expenditure (22522)	20,000	Cost of organizing the workshop, seminar for knowledge Sharing
			Program Travel expenses (22612)	15,000	This includes transportation cost, Daily Allowance, Lodging Charge, Insurance Cost provided on the visit to the interior of the country and foreign countries in the course of implementation of the program
			Employees training exp. (22511)	2,000	This includes the expenses for training given to staff for their career and capacity development, seminar, workshop conduction as well as daily travel allowance for participation and allowance for instructor, resource person.
			Consultancy and Services (22411)	2,000	Remuneration and consultancy fees for Technical experts for knowledge sharing program
			Miscellaneous Expenses (22711)	1,000	This includes the refreshment, expenses related to the Security, expenses on reception of the guest and hospitality and Miscellaneous expenses to be made but not mentioned in any other Head.
			Other Rent (22122)	2,000	This includes vehicle rent for travel

\* Under the provision of this operational manual framework subsidiary implementing agency will breakdown its IPF budget in the university level sub-manual.



## Annex-12: Templates for Financial Reporting and Statement of Expenditure

**Table-A 12.1: Template of the Interim Unaudited Financial Report (IUFR)**

### Interim Unaudited Financial Report - Sources and Uses of Fund

**Period:**

**Fiscal Year:**

Description	Notes to A/c	Cumulative up to Previous Fiscal Year	Reporting FY				Cumulative to Date
			1st Quadri- ester	2nd Quadri- mester	3rd Quadri- mester	Total	
<b>Budget Allocation</b>							
<b>A) Sources of Fund (Receipts)</b>							
GON Fund	1						
GON Reimbursable Fund	1						
IDA Credit No. _____	2						
<b>Total Funds Received</b>							
<b>B) Uses of Funds</b>	3						
B. University Teacher/Staff salary and Remuneration (Code:26412)							
B. Recurring conditional grant other than salary and remuneration (Code:26412): Universities/HEIs/Others							
C. Recurring conditional grant (Code:26412): UGC							
D. Capital conditional grant for Program (Code:26422): UGC							
E. Capital conditional grant for Program other than infrastructures and equipment (Code:26422): Universities/HEIs/Others							
F. Capital conditional grant for infrastructures and equipment (Code:26422): Universities/HEIs/Others							
G. Component 2: Capacity Development, Management, M & E (Code:26422)							
<b>Total Uses of Funds</b>							
<b>Total Fund Balance (1-2)</b>							

Prepared by  
 Name  
 Date

UGC Finance Chief  
 Name  
 Date

Secretary, UGC  
 Name  
 Date



**Table-A12.2: The Template of the Audited Project Financial Statement (APFS)**

.....Project  
**Statements of Sources and Uses of Funds**

FY ..... B.S. (.....A.D.)

Period: DD/MM/YYYY to DD/MM/YYYY

*Amount in NPR*

Description		Schedule No.	Cumulative up to FY	Reporting Fiscal Year-	Cumulative to Date
<b>Budget Allocation</b>					
<b>A. Opening Cash/Bank Balance</b>					
I	Cash balance of Previous Trimester	1			
<b>B. Receipts</b>					
I	Beneficiary Contribution/ NGO's/ INGO's Contribution	1			
II	DDC/ Municipality/ VDC/ Road Board Nepal ect. Contribution	1			
III	GON Fund	1			
IV	Reimbursable (1st Doner Name)	1			
V	Reimbursable (2nd Doner Name)	1			
VI	Cash Grant/ Loan (1st Doner Name)	1			
VII	Cash Grant/ Loan (2nd Doner Name)	1			
VIII	Transfer to Treasury and Direct Payment from Designated Account (yet to be documented)	1			
IX	..... Fund (1st Doner Name)	1			
	..... Fund (2nd Doner Name)	1			
X	UN Advanced	1			
<b>C. Total Available Fund (A+B)</b>					
<b>Uses of Funds</b>					
I	Category name	3A			
II	Category name	3A			
III	Category name	3A			
IV	Category name	3A			
V	Category name	3A			
VI	Expenses as per UN Agreement	3A			
<b>D. Total Uses of Funds</b>					
<b>E. Unspent balance at the end of FY .....</b>					
<b>F. Total (D+E)</b>					
<b>G. Closing Cash Balance (C-F)</b>					

**Statement of Designated /Imprest Account**

S. N	Description	Schedule no	Cumulative up to Last FY.....	Year to Date	Cumulative to date
1	Opening Cash Balance				
2	Add :- Fund received from donor.....	4			
3	<b>Total Cash available (1+2)</b>				
4	Less : Transfer to GON Treasury from Designated Account	6			
5	Less : Payment from Designated Account	6			
6	Foreign Exchange Gain/ Loss (+/-) Bank Adjustment	7			
7	<b>Closing balance (3-4-5+6)</b>				
<b>Opening Cummulative Exchange Gain/ Loss</b>					
Foreign Exchange Gain/ Loss (+/-) Advance Vs Documented					
8	Foreign Exchange Gain/ Loss (+/-) Bank Adjustment				
	<b>Total Exch.Gain/ Loss (NRB Adjustment &amp; Advance vs Docu.</b>	7			
9	<b>Actual Closing Advance Balance (7-8)</b>				

(.....)  
 Name.....  
 Account Officer  
 PCT/PCU  
 Project Name

(.....)  
 Name.....  
 Project Coordinator  
 PCT/PCU  
 Project Name

(.....)  
 Name.....  
 Director General  
 Name of Department

(.....)  
 Name.....  
 Secretary General  
 Name of Ministry

(.....)  
 Name.....  
 Financial Comptroller General  
 FCGO

(.....)  
 Name.....  
 Deputy Audit General  
 Office of Audit General



**Table-A12.3: Audit Arrears Resolving Action Plan**

..... Ministry/Secretariat/Commission

**Central record of irregularities**

Fiscal year:

Name of Office:

**Revenue/Current/Capital/Deposit**

Para no	Central folio no	Balance Irregularity			Settled amount					Outstanding Irregularities				Remarks
		Irregularity	Advance	Total	Ledger folio no	Regularized	Recovery	Advance settled	Total	To be regularized	To be recovered	Advance	Total	
	Total													

Prepared by: \_\_\_\_\_ Approved by: \_\_\_\_\_



**Table-A12.4: Template of Statement of Expenditure (SOE)**

..... University, ..... Province, , Nepal  
**Statement of Expenditures for Categories**

Payment made during the period from  to

IDA Credit	#
Category	#
Page	#

The following expenditures have been incurred during the retroactive financing period (please tick)

Yes/No

The following expenditures have been incurred during before the closing date of the financing (please tick)

Yes/No

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Item No.	Service Provider / Supplier / Payee's Name	Brief Description of the Expenditure	Prior Review Contract? (Y/N)	Contract # (Client Connection # for Prior Review contracts)	Contract Currency and Amount (Original + Amendment)	Invoice No.	Date of Payment	Total Amount of Invoice Covered by Application (Net of Retention)	% Financed by the Bank	Expenditure Amount Eligible for Financing and other than claim relating to international open or limited competition or direct selection referred to in clause I(i) of DFIL	Amount other than claim relating to international open or limited competition or direct selection referred to in clause I(i) of DFIL paid by Recipient (not to be claimed)	Date of Payment	Amount Paid and Claimed (Which should be equal to #11)
<b>TOTAL</b>													

Supporting documents for this SOE are retained at....., .... Province

Prepared by :  
 Account officer  
 Name  
 Date

Approved by  
 Project's Coordinator  
 Name  
 Date

*Note: A separate form should be used for each category.*