



**Knowledge hub**  
-  
**Collection of best practices**

**Summary of the best practice**

1. Title of the best practice (e.g. name of policy, programme, project, etc.) \*

EQUITY INDEX FOR SCHOOL FUNDING

2. Country or countries where the practice is implemented \*

Nepal

3. Please select the **most relevant** Action Track(s) the best practice applies to \*

- Action Track 1. Inclusive, equitable, safe, and healthy schools
- Action Track 2. Learning and skills for life, work, and sustainable development
- Action Track 3. Teachers, teaching and the teaching profession
- Action Track 4. Digital learning and transformation
- Action Track 5. Financing of education

4. Implementation lead/partner organization(s) \*

Ministry o Education , Nepal

5. Key words (5-15 words): Please add key descriptive words around aims, modalities, target groups etc. \*

equity, school funding, equity index, vulnerable children

6. What makes it a best practice? \*

It can be applied across different action tracks especially 1,2,3 and 5

## Description of the best practice

### 7. Introduction (350-400 words)

This section should ideally provide the context of, and justification for, the practice and address the following issues:

- i) Which population was affected?
- ii) What was the problem that needed to be addressed?
- iii) Which approach was taken and what objectives were achieved? \*

This is an initiative that supports additional targeting by ensuring that the data used to calculate supplementary funding is accurate and up to date. It uses data to rank the prevalence of disparities in educational outcomes, access, and participation. This allows for analysis and evidence-based planning against the drivers of disparities to ensure that public resources are allocated according to need in order to reduce these inequities.

While Nepal experienced significant success in the period leading up to 2016, the government identified remaining disparities that continue to limit the ability of some children to access quality education.

In response Nepal created the Consolidated Equity Strategy for the School Education Sector in Nepal, adopted in 2014, which now underpins its policies and interventions. A core tool of the equity strategy is the equity index, which was designed to operationalize the equity strategy, by measuring deprivation across districts. The equity index was launched in 2017.

Nepal's equity index is an innovative tool designed to capture data related to disparities across the education sector. The index enables the Ministry of Education to use data to rank prevalence of disparities in education outcomes (disparities in access, participation and learning outcomes).

This allows for analysis and evidence-based planning against the drivers of disparities to ensure that public resources are allocated according to need in order to reduce these disparities. It also ensures that activities are undertaken to respond to the needs of children facing barriers to access and/or stay in school, identify these barriers, and ensures funds get to where they are most needed.

## 8. Implementation (350-450 words)

Please describe the implementation modalities or processes, where possible in relation to:

- i) What are the main activities carried out?
- ii) When and where the activities were carried out (including the start date and whether it is ongoing)?
- iii) Who were the key implementation actors and collaborators? (civil society organizations, private sector, foundations, coalitions, networks etc.)?
- iv) What were the resources needed (budget and sources) for the implementation?

\*

Data collected, analyzed and shared to impact resource allocation.

The equity index was developed by the Ministry of Education with support from UNICEF Headquarters, South Asia Regional Office and Nepal Country Office (through the "Data Must Speak" Initiative), the World Bank and GPE. It uses the disparity-based formula known as the Human Opportunity Index (HOI) and draws on both household and school-based census capturing data on gender, geography, socio-economic status, ethnicity and caste, and disability. The data are analyzed and converted into an equity score by district. This creates a picture of the intensity of inequity by district across the country. The data are then used by education planners and policy-makers to rank districts according to their composite index score and inform resource allocation and equity-focused sector analysis and strategy formulation.

Strengthening need-based planning and reducing disparities.

The equity indexes and the 'unpacked' data that allow stakeholders to understand their score are computed and shared at all levels of the education sector. They are reflected in school, municipal and local and provincial education profiles that are made available to education stakeholders, including parents and guardians.

The Ministry of Education is using the data to rank districts and allocate additional budget for targeted interventions in the least equitable districts (from 5 out of 75 in 2016, to 15 in 2019). The interventions are proposed by the district stakeholders, and so far included communication campaigns and community mobilization for out-of-school children.

## 9. Results – outputs and outcomes (250-350 words)

To the extent possible, please reply to the questions below:

- i) How was the practice identified as transformative? (e.g., impact on policies, impact on management processes, impact on delivery arrangements or education monitoring, impact on teachers, learners and beneficiary communities etc.);
- ii) What were the concrete results achieved with regard to outputs and outcomes?
- iii) Has an assessment of the practice been carried out? If yes, what were the results? \*

More children in school and learning.

The targeted interventions that were undertaken in 2017 as part of the regular enrollment cycle in the 5 districts that experience the highest disparities were done based on a household level census that verified the number of out-of-school children and their characteristics. Through these interventions, the government was able to enroll 24,090 children (22% of the total out-of-school children in these 5 districts, of which 61% are girls). An independent verification was done to ensure the children enrolled were the ones previously identified through the mapping exercise in these districts.

Strengthening of local governments in using both the additional resources that have been made available for districts recognized as having the highest disparities in education, but also other resources available in a more targeted manner.

## 10. Lessons learnt (300 words)

To the extent possible, please reply to the following questions:

- i) What were the key triggers for transformation?
- ii) What worked really well – what facilitated this?
- iii) What did not work – why did it not work? \*

Across Nepal, a school's budget is calculated using a per capita formula. This allocation is the same for all students across the country, so each school receives its budget based on the number of children enrolled, without taking any other factors into account.

However, each school has different needs. For example, a very remote school may need to provide food for the students at lunchtime. In an area in which incomes are low or unpredictable, the local community may not be able to provide additional supplies or resources for teaching and learning, and the school may need to finance these.

To address these problems, additional funding can be provided to supplement the basic budget for schools that need it most.

## 11. Conclusions (250 words)

Please describe why may this intervention be considered a “best practice”. What recommendations can be made for those intending to adopt the documented “best practice” or how can it help people working on the same issue(s)? \*

Nepal's equity index is an innovative tool covering the whole education sector and allows for analysis and evidence-based planning against the drivers of disparities to ensure that public resources are allocated according to need in order to reduce these disparities. Its a good practice because it can be applied in other sectors such as health. Although the equity index remains quite new, it is hoped that its success in the first five districts can be gradually replicated to improve school attendance and learning among children all over the country. The equity index can be used to support additional targeting, by ensuring that the data used to calculate additional funding is accurate and up to date.

## 12. Further reading

Please provide a list and URLs of key reference documents for additional information on the “best practice” for those who may be interested in knowing how the results benefited the beneficiary group/s. \*

Nepal's equity index: innovations in financing to reach the children most in need.  
<https://www.globalpartnership.org/blog/nepals-equity-index-innovations-financing-reach-children-most-need>