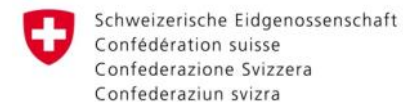


# Local Governments Financing in TVET: A Study of Gandaki Province of Nepal

Mahesh Nath Parajuli, Prakash C Bhattarai, Suresh Gautam,  
Prakash Kumar Paudel, Anup Bhurtel

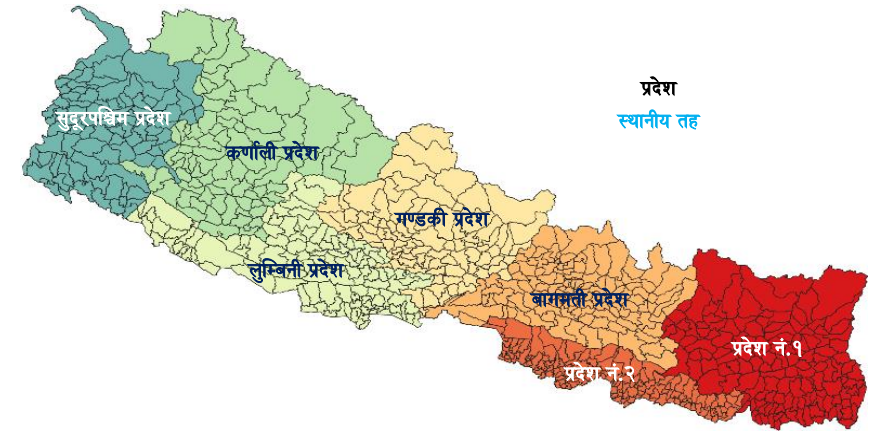
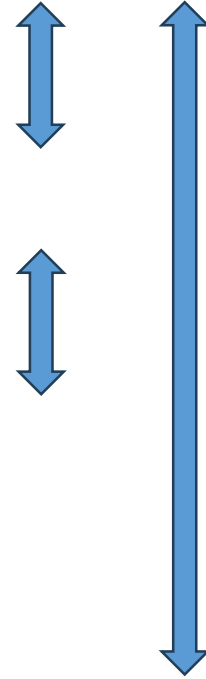
05-04-2024



Swiss Agency for Development  
and Cooperation SDC

# Federal Nepal

- One Federal Government
- Seven Provincial Governments
- 753 Local Governments
  - Six Metropolitan Cities
  - 11 Sub-metropolitan Cities
  - 276 Municipalities
  - 460 Rural Municipalities



- साझा भूगोल, साझा नागरिक
- एकल तथा साझा जिम्मेवारी



# Roles and Responsibilities among the governments on Governing TVET



## Federal Government

- Policies at national level and overall regulation
- National education policy, Law and standard
- TVET national policy, national Qualification and curriculum framework, Qualification standard and regulation

## Provincial Governments

- Policies at provincial level and regulation
- Provincial Law Provincial curriculum design and regulation

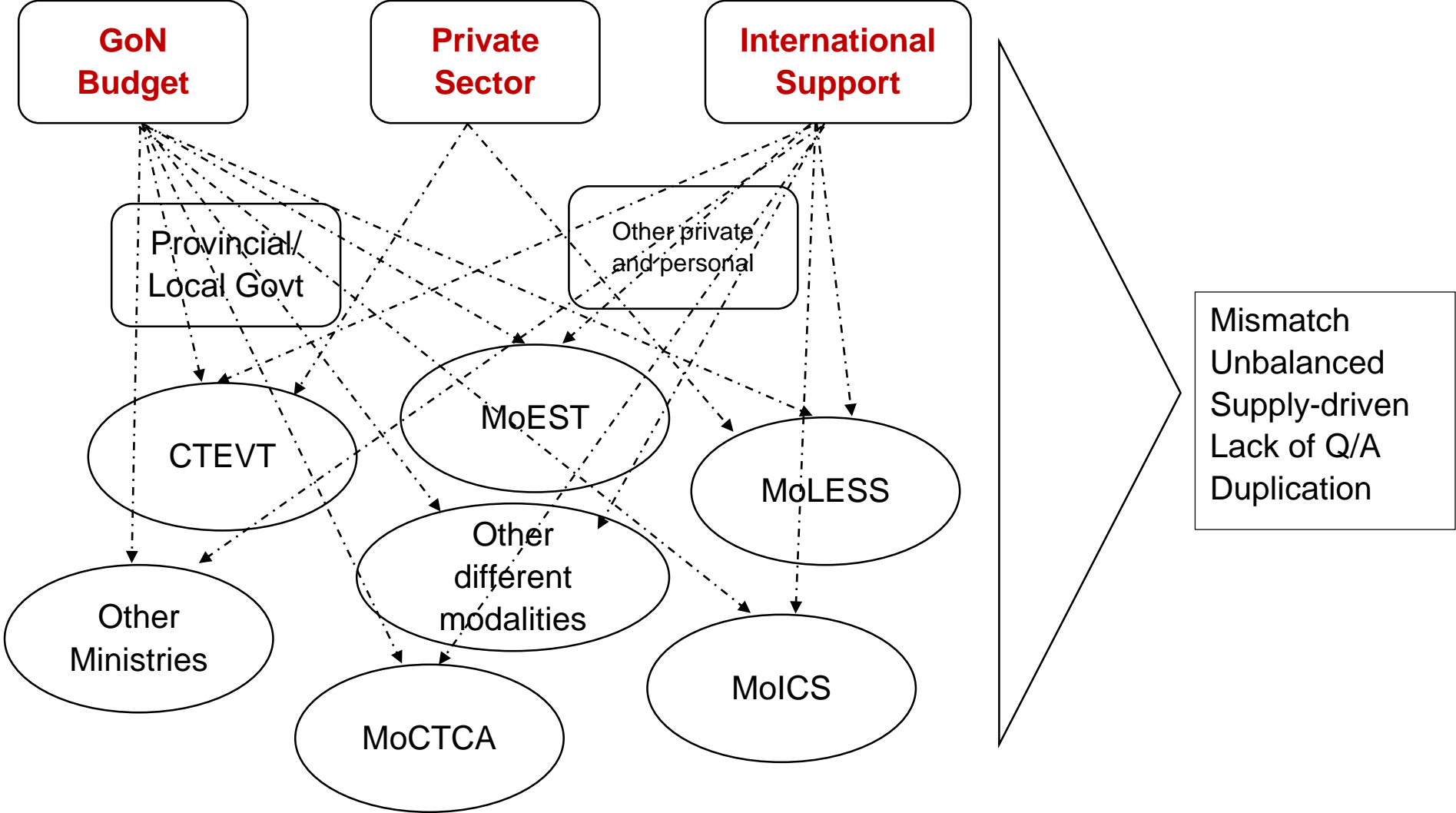
## Local Governments

- Scope up to basic and secondary level
- Design, Implement, and Regulate up to secondary level education including TVET at local level

# Financing TVET

- The public sector and households largely finance TVET in Nepal (Kushyiat, 2022)
- There is a lack of a well coordinated system among different government agencies and among different tiers of governments (Bhattarai, et al., 2021)
- Contribution from other various sources varies
- This often creates the problems of lack of fund and inconsistencies in understanding and practices in TVET
- The financing also shows the commitment of stakeholders for development (Busemeyer & Trampusch, 2011)

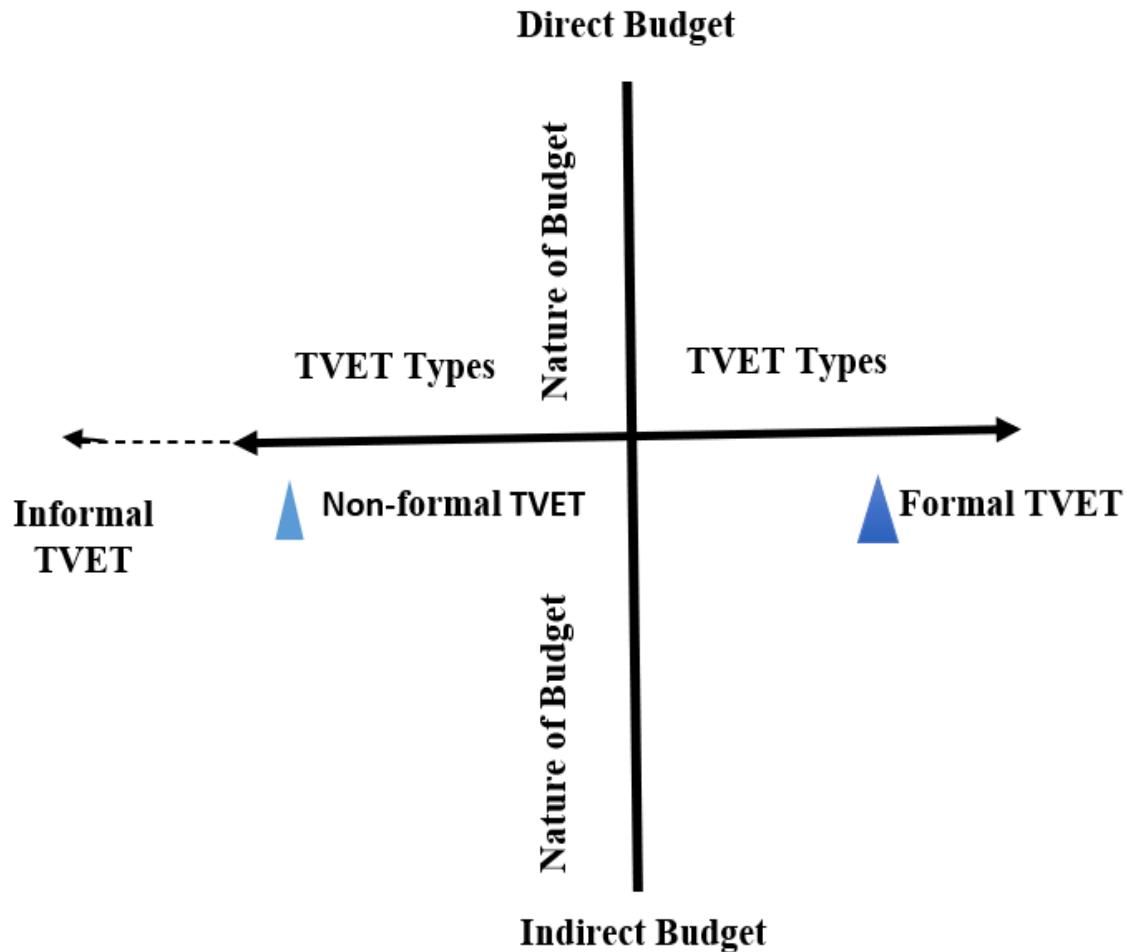
# TVET Financing is in Federalizing process in Nepal



# Purpose and Significance

- Assess the allocation in TVET by local governments
- Explore the areas of their investment in TVET and sources of funding
- Significance: For understanding the priority the local governments have given to the TVET sector

# Methodology: Categorizing TVET Budget



**Direct Budget:** Training, Skill, Lumpsum budget allocated for all types TVET institutions for TEVT-related programs, training equipment, institutions etc.

**Indirect Budget:** Loan, equipment, infrastructure, self-employment, upskilling but does not explicitly mention the formal and non-formal programme/training

**Formal TVET:** Formal education (CTEVT programmes, CEHRD); structured, academic degree

**Non-formal /Informal:** Less structured curriculum, and organized training, generally leads to certification, Invisible curriculum, learning occurs intentionally or spontaneously while working

**Exclude:** Awareness/ Orientation/ Discussion-related training, General education-related training program

# Methodology

- Assessed red book of 85 local governments in Gandaki Province
- Redbook of local government is their yearly planning
- We covered three-years (2019-21)
- In this study, TVET budget refers to the various sectors of TVET which can directly enhance or indirectly support skill development, employment opportunity, and earning among people.
- The information obtained from secondary sources (SUTRA – a financial management system being managed by the government of Nepal)



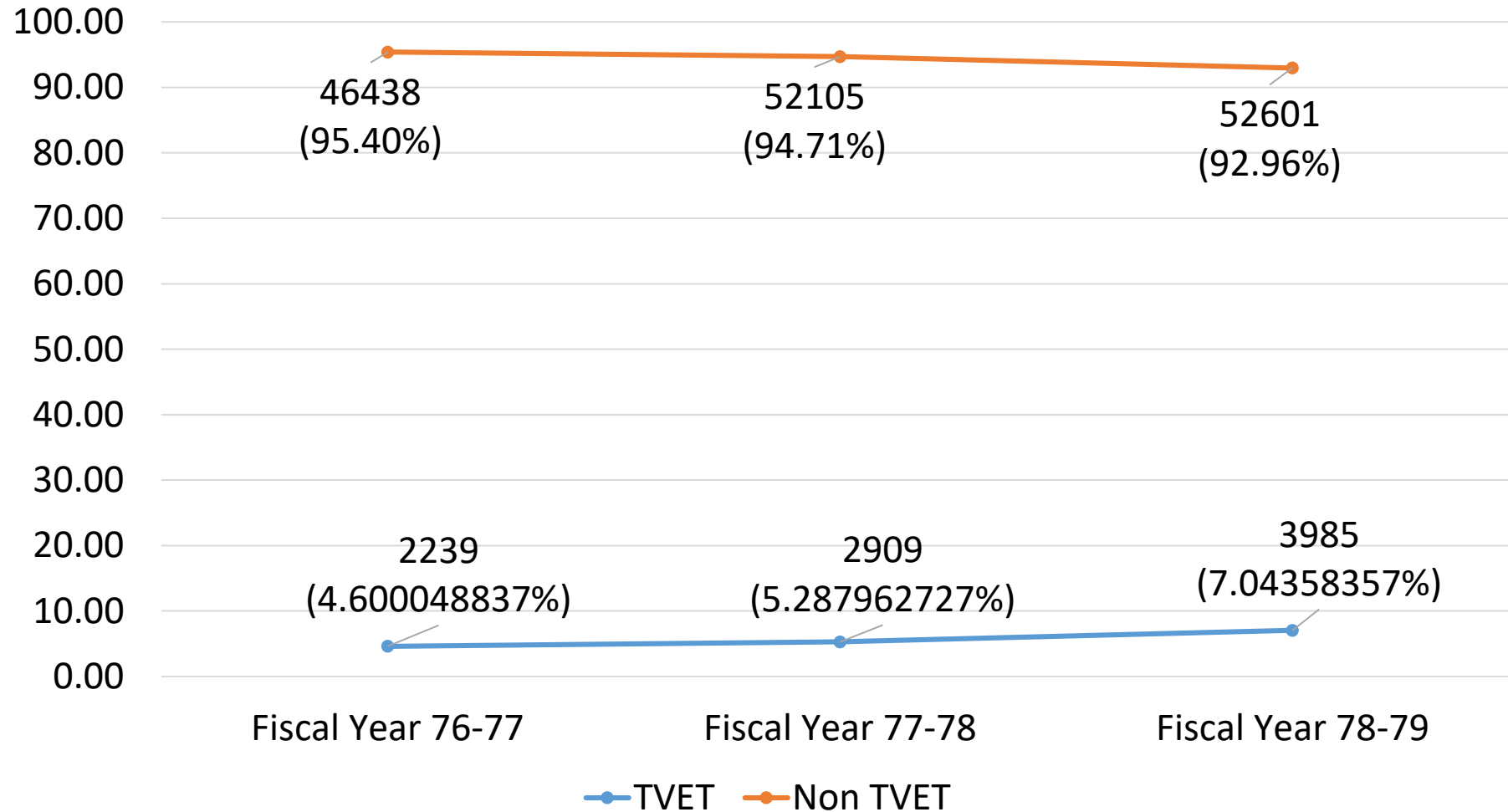
## Research: Areas Allocated

- Five Areas allocated:
  - Forest, Environment & Crisis Management
  - Economic Development
  - Infrastructure Development
  - Governance and Institutional Development
  - Social Development

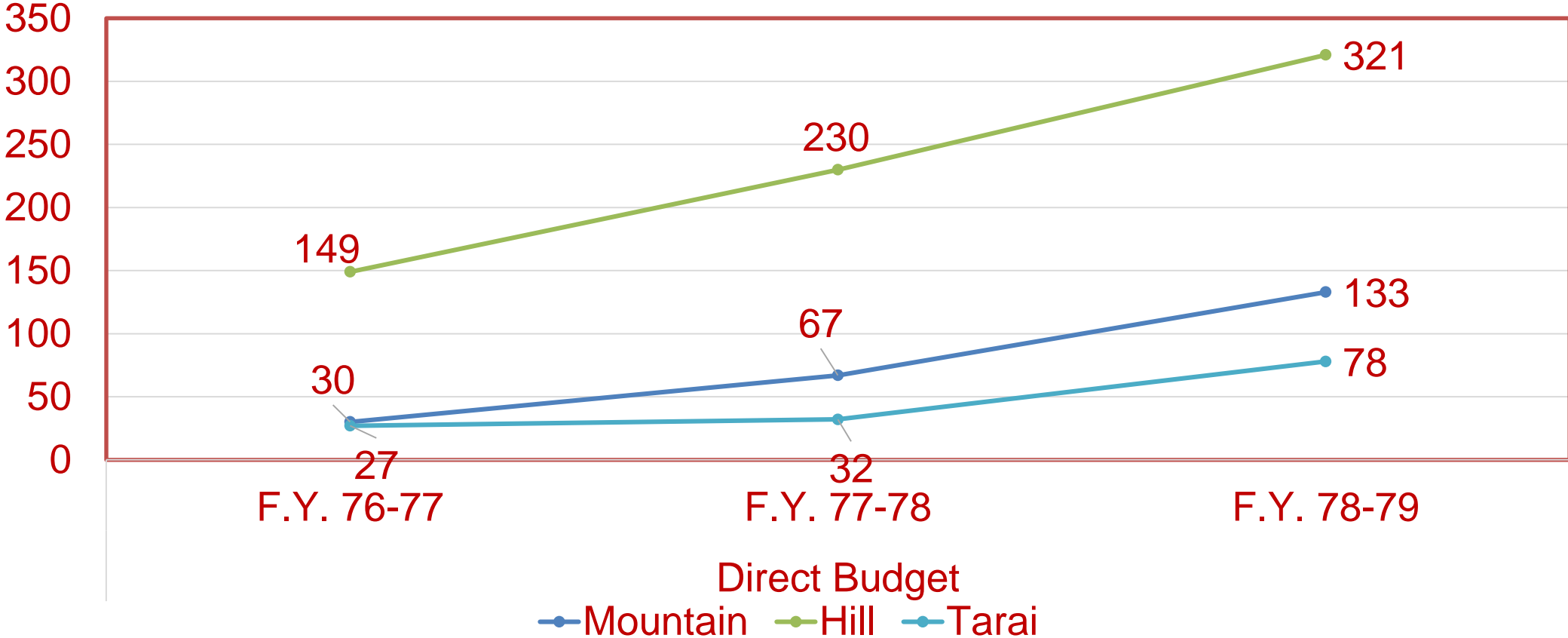
## Sources of Budget

- Conditional Grant
- Equalization Grant
- Revenue Sharing
- Internal Source
- Special Grant
- Complementary Grant
- Other Grants

# Share of TVET budget in Total Budgets (in Million)



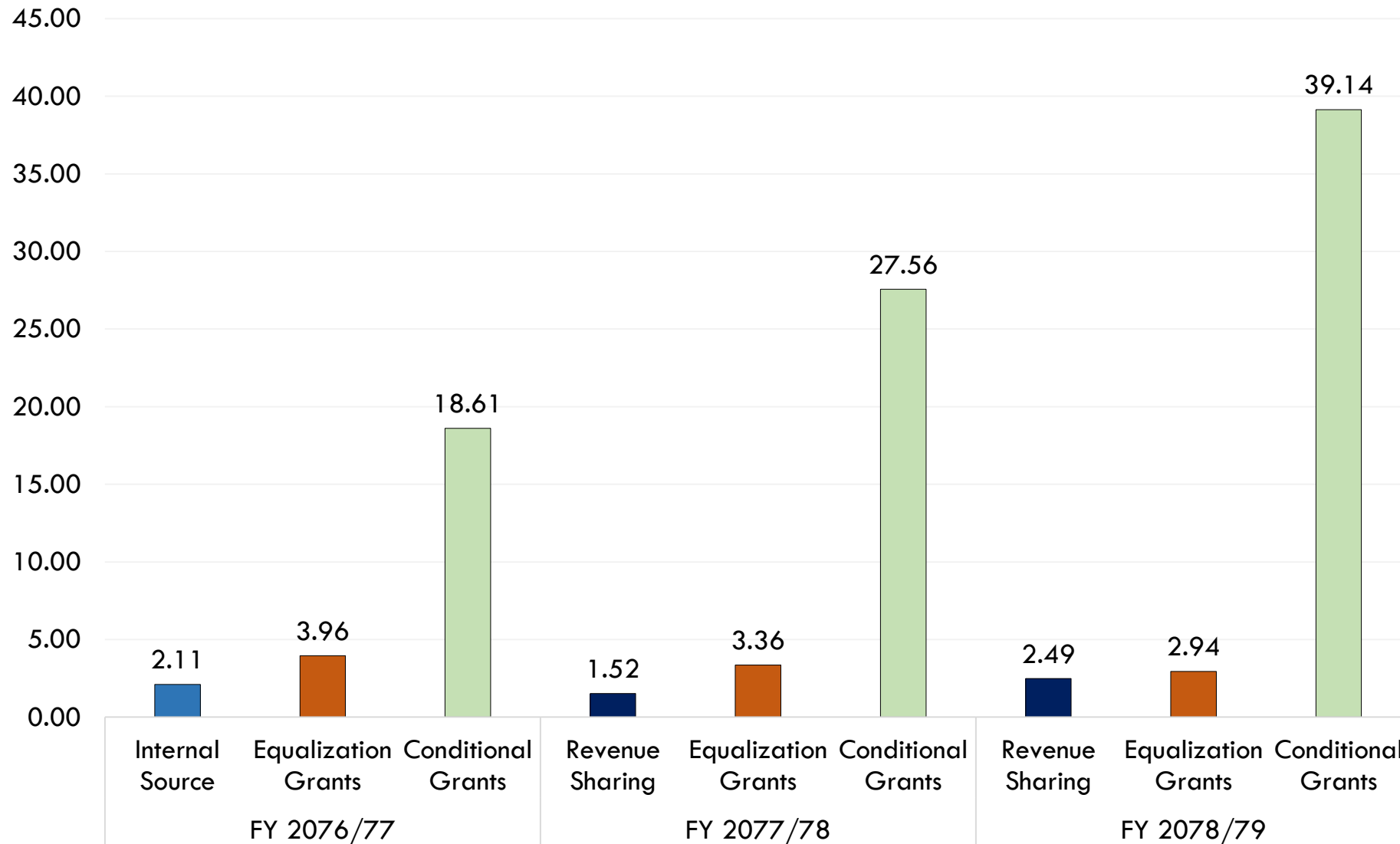
# Direct Budget of TVET across Geographical Regions (in Million)



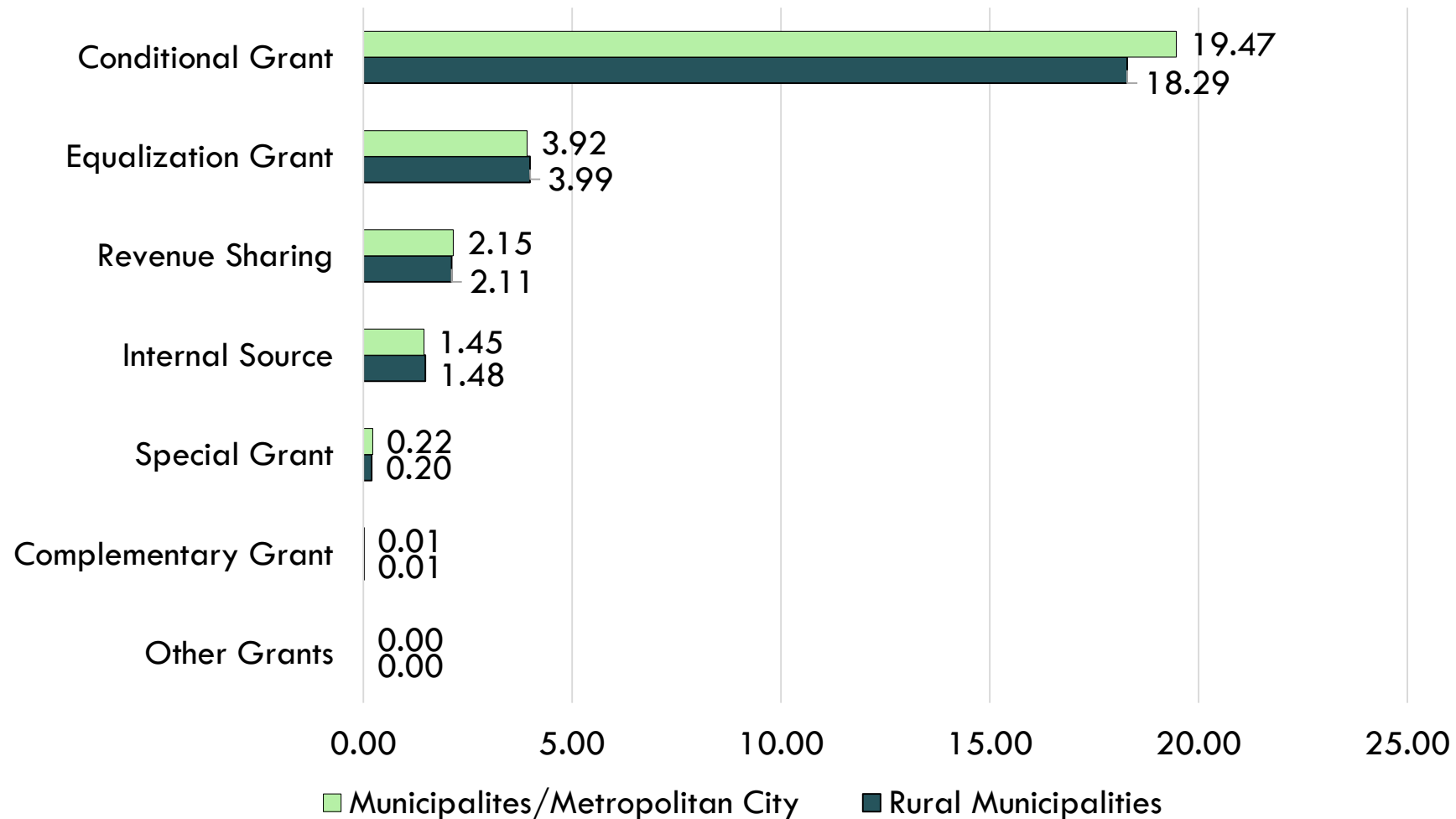
# TVET Financing: Current Practices

Channel → Means ↓	FY 2076/77				FY 2077/78				FY 2078/79			
	DBA	I-BA	Total	Percent	DBA	I-BA	Total	Percent	DBA	I-BA	Total	Percent
	NRs	NRs	NRs		NRs	NRs	NRs		NRs	NRs	NRs	
Formal	0.63	8.44	9.07	34.41%	0.54	8.64	9.18	28.55%	2.82	12.85	15.67	42.44%
Non-Formal/ Informal	1.80	15.22	17.29	<b>65.59%</b>	3.35	21.62	24.97	<b>72.43%</b>	3.45	27.85	31.30	<b>57.75%</b>
<b>Total</b>	2.43	<b>23.93</b>	26.36	100.00%	3.89	<b>30.27</b>	34.16	100%	6.27	<b>40.69</b>	46.97	100%

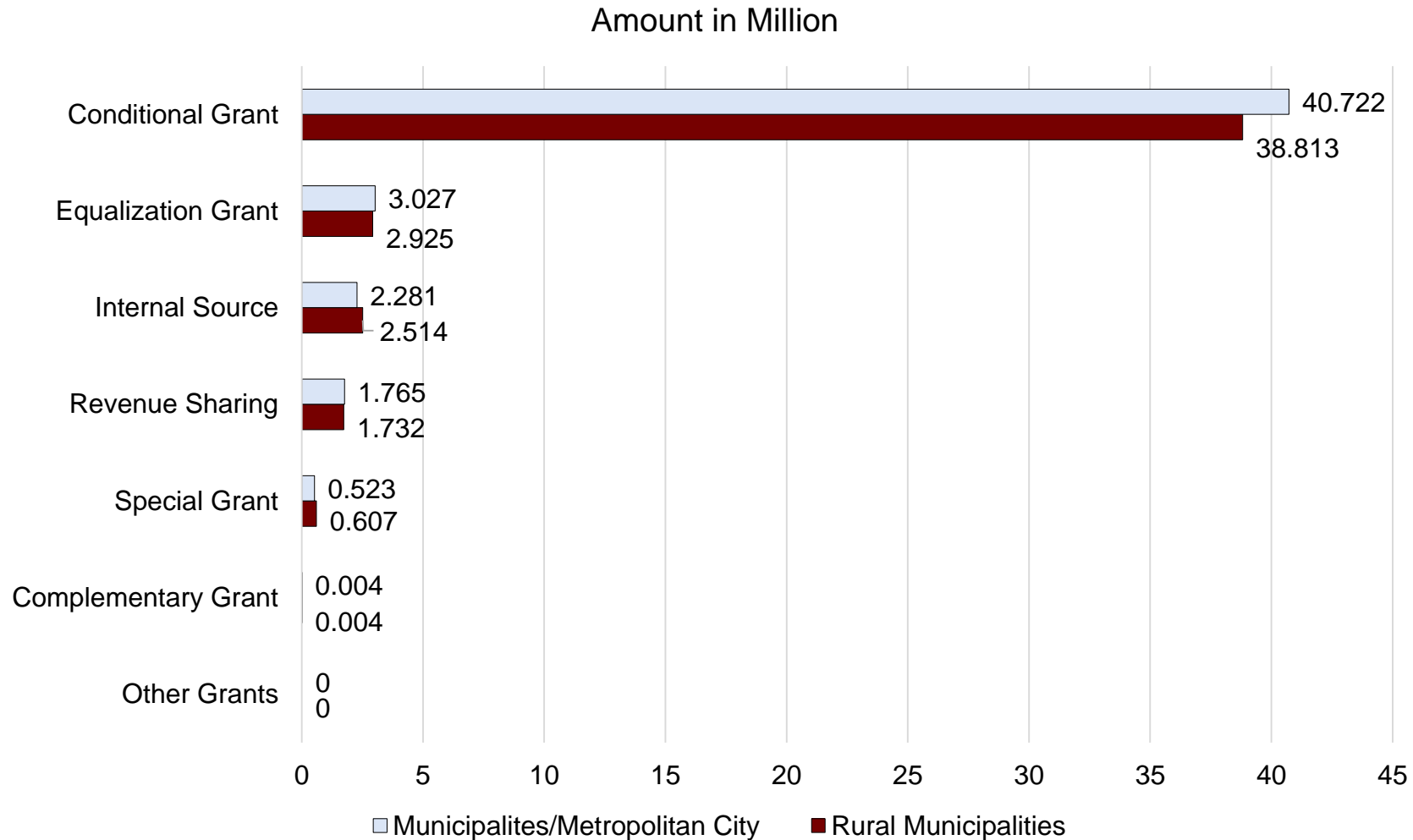
# Sources of Budget



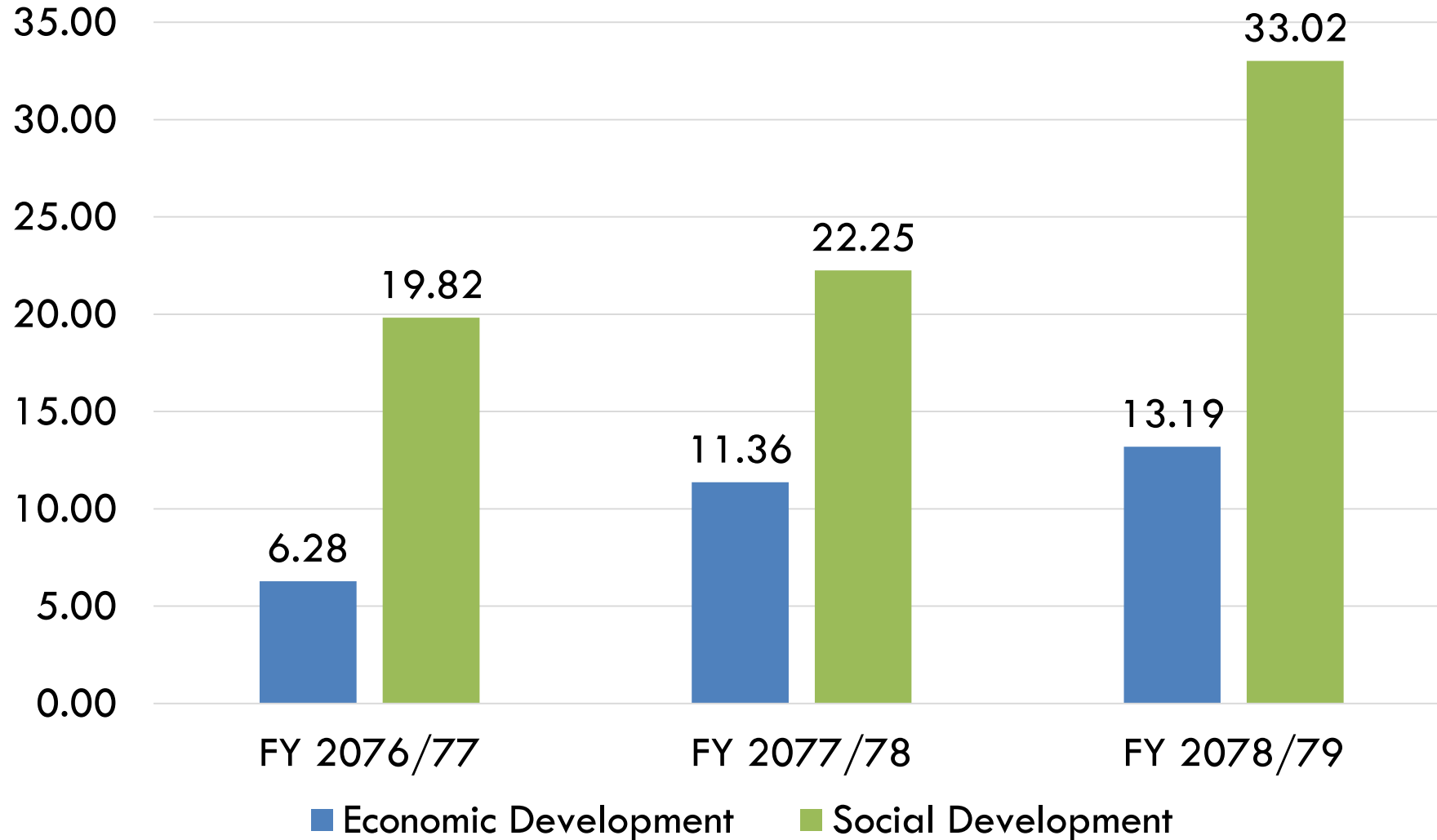
# Source of Budget in rural/urban setting (in Million)



# Rural municipalities vs Municipalities

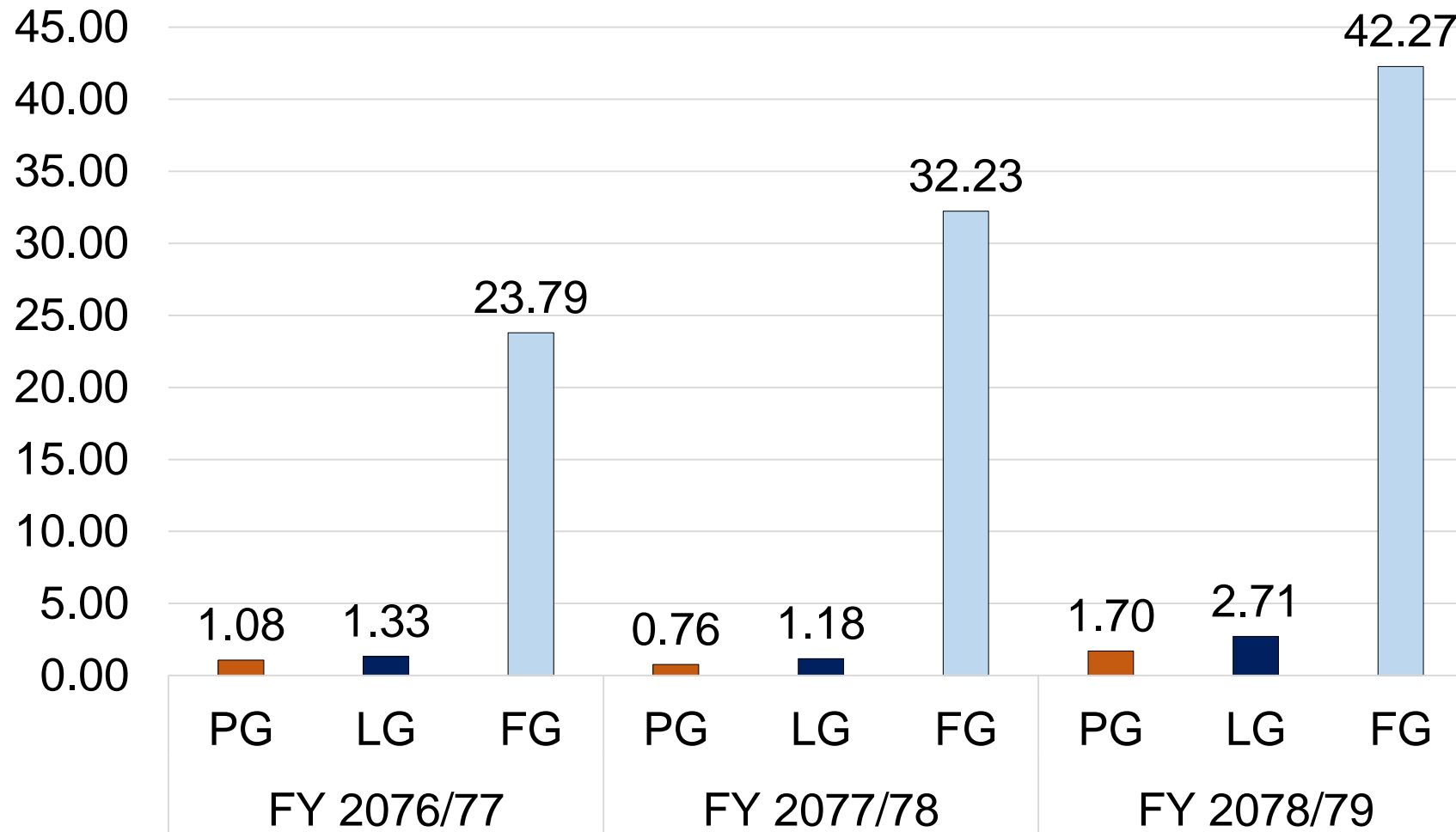


## Key Areas Receiving TVET Budget ( in million)





# Source of Budget and Level of Government (in Million)



# Conclusion

- TVET budget is steadily increasing
- TVET is largely financed with external sources
- Informal/Non-Formal TVET was found area of priority
- Local governments yet to give a priority attention to take role on financing of TVET

**Thank you**