



What Works Hub
for Global Education

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Nepal's Education Equity Index

Case Study

Authors:

Veerangna Kohli
Shiba Kumar Sapkota
Ramesh Ghimire



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Executive summary

Nepal's Education Equity Index (EI) was created to address a government policy priority and practical problem: national progress can look strong while many smaller pockets of disadvantage remain. This matters in a federal system where local governments make key decisions on education planning and delivery, but disparities vary sharply by place and group.

The SESP 2022–2032 results framework suggests that equity scores have increased by 5 percentage points since the index was introduced. Over the past decade, the EI has moved from a strategy idea into an operational tool. It is now embedded within EMIS and linked to sector planning and targeted support under the School Education Sector Plan (SESP). This makes the EI harder to ignore and easier to institutionalise, because it is not a standalone 'project indicator' but part of routine system processes and resourcing decisions.

The next challenge is making the EI consistently usable for decisions, especially at local level. Evidence from interviews, evaluation findings, and field notes points to three constraints: (1) many local governments know the EI exists but cannot interpret it well enough to plan; (2) key drivers of learning equity – teacher availability, instructional support, and classroom readiness – often sit upstream of local control; and (3) local spending and accountability rules can create hesitation unless guidance is clear and system-authorised.

This case study summarises why the EI emerged, how it works as a governance instrument today, what it looks like on the ground, what is missing, and what could strengthen the next phase of its implementation.

Why the Equity Index exists

The EI emerged in a context where equity and inclusion became central policy priorities. Government colleagues describe Nepal's trajectory as one where access improved substantially, but marginalised groups continued to be left behind. This created the need for an equity-focused instrument around 2015 (operationalised from 2017 onward). The policy conversation has since shifted further toward quality and learning, especially up to Grade 8.

A second motivation was the need for a shared and defensible basis for targeting. Nepal has many indicators and ways to analyse them, which can create contestation over which areas are 'most deprived.' A common metric can reduce narrative cherry-picking and provide a more stable reference point for planning and financing.

Federalisation raised the stakes. Local governments are responsible for education planning, and inequities can be highly localised. A shared index makes it easier to compare needs across municipalities and keep equity visible in national planning and budgeting discussions.

Embedding equity in the system

The EI did not start as a standalone technical exercise. It grew out of the Equity Strategy, which aimed to reduce disparities in access, participation and learning, and to make equity planning more systematic at the local level. The EI became the measurement backbone for this approach.

The EI is designed around three outcome domains – access, participation/retention and learning – while incorporating disparity considerations where data permit. The key idea is not to publish another average. It is to ensure that areas with high internal gaps do not appear to be doing well simply because their overall mean looks acceptable. A major operational choice was to anchor EI computation in EMIS rather than rely only on infrequent household or census sources. EMIS-based computation allows regular updating and closer linkage to routine planning and financing cycles. Several stakeholders also note a system benefit: when EMIS data are used for high-stakes decisions, anomalies become visible and data quality improves over time.

How the EI is operationalised today

The EI is embedded in the School Education Sector Plan (SESP) results framework and linked to targeted support through a staged approach: embedding the updated EI in EMIS, confirming baselines, confirming additional resources for selected local governments, and tracking improvement over time. This embeds the EI into the system's accountability architecture.

Operationally, the EI depends on a functioning data pipeline. Recent system documentation notes restructuring of EMIS to enable Grade 8 data entry and computation of EI using access, retention and learning indicators (including Grade 8 exam data). It also reflects practical arrangements where many local governments entered data online while the remainder required manual entry support at the centre. This matters because the EI is only as reliable as the completeness and quality of the data feeding it.

The EI is also linked to targeted financing and support, sometimes referred to as an EI 'top-up.' Stakeholder accounts describe this as an intentionally modest instrument in early phases, designed to stimulate local discussion and to keep equity visible in planning rather than to fund stand-alone programmes.

In addition to the EI top-up and planning processes, the government suggests that there are ongoing targeted interventions and grant mechanisms aimed at improving enrolment and continuity in education for children identified as being most at risk of exclusion. These include efforts focused on out-of-school children, marginalised groups, and children with disabilities.

A known design sensitivity is the incentive and threshold effect that comes with any targeted allocation mechanism. If support is tied tightly to ranking cut-offs, it can generate disputes near the threshold and may create hesitation if actors perceive that improving could reduce eligibility. This is not an argument against targeting, but an argument for careful transition design.

What it looks like on the ground

National-level prioritisation does not automatically translate into local-level use. Field notes from meetings with local government officials and district/provincial actors show strong variation in how EI-related data are understood and used.

The clearest contrast is between a large metropolitan municipality and a rural municipality. The metropolitan local government reported having a stronger grip on their numbers and being able to use data for concrete decisions such as scholarships and support to special needs schooling. They also noted that certain forms of disability (eg intellectual disability) are recognised in practice but not well captured in formal data systems yet. The rural municipality, by contrast, raised basic definitional questions: what 'headcount' means, which students count toward the numbers tied to resources, and whether the relevant number is those enrolled, those attending, those sitting exams, or those receiving services. This difference matters because the EI assumes a baseline ability to interpret administrative indicators, which is uneven across LG types.

Local officials also described the workload and fragility of EMIS entry. In some LGs, a single person may be responsible for entering, verifying and troubleshooting data. Where capacity is low, the quality of data and the ability to act on it both suffer. Local officials also stressed that equity action is not only about resource allocation. Community-facing work – such as awareness campaigns to reach marginalised groups – matters for equity outcomes but is not easily reflected in 'hard' EMIS indicators. Officials wanted the EI to feed not only into allocations but also into local mobilisation and problem-solving approaches.

Finally, local officials described how out-of-school children (OOSC) dynamics can shift quickly and how bringing children back can depend on rapid support from

Civil Society Organisations/partners, which may not always be accessible through central channels. This points to the importance of flexible local implementation pathways alongside national targeting.

Government counterparts emphasised a consistent message: generating data is not enough; how data are used is the real bottleneck. They linked the future of EI use to the Local Education Plan (LEP) agenda, noting that implementation lies with local governments and that 300+ local governments have already approved plans. They also highlighted an important question still being worked through: whether LEPs will function mainly as academic policy documents or as operational plans that guide implementation and spending. This matters because the government intends for budgeting to increasingly draw on LEPs, so the EI will be most valuable where it is embedded in those planning and budgeting routines in a practical way.

Areas to be built on

The EI surfaces disparities, but it does not automatically fix the conditions that produce them. Several systemic gaps limit its impact.

First, interpretability and planning usability remain weak at local level.

Awareness of the EI is not the same as being able to diagnose what drives the score and what actions would change it. Without a clear 'bridge' from score → diagnosis → resourced plan → implementation → monitoring, the EI risks becoming a ranking label rather than a planning tool.

Second, 'capacity' is not just technical; authorisation and risk matter too.

Interviews and field notes show local governments can hesitate to spend because of audit fear, unclear eligible spending rules, and the risk of retrospective scrutiny when leadership changes. This makes system-authorised guidance crucial, not optional.

Third, the EI exposes upstream constraints that limit learning equity improvements.

Evaluation findings highlight a 'supply–demand and survival' tension: enrolment gains can be followed by weaker survival rates when schools are not ready to retain and support newly enrolled cohorts. Teacher deployment, instructional support, and classroom readiness are major determinants, and many levers sit above municipal control.

Fourth, EMIS has limitations. Some equity drivers are household-based, and some vulnerability categories lack consolidated data. Expanding administrative reporting also increases burden on schools and teachers, so improvements must balance data ambition with operational feasibility.

Priorities for the next phase

The next phase should focus on moving from measurement to management, while building on reforms that government is already pursuing, especially around Local Education Plans (LEPs), EMIS strengthening, and results-based planning.

Priority 1: Make the EI easier to use as a diagnostic tool for local planning. Local officials need to understand what is driving their score in plain terms: which domain (access, participation, learning), which disparity driver is most binding, and where problems are concentrated. This can be done without making the EI more technical; the goal is to make it more actionable. It also aligns with the government's emphasis that 'data generation is one thing, but how that data is used is key,' and that EI should feed into planning and monitoring, not only into resource allocation.

Priority 2: Connect the EI more explicitly to the LEP agenda that is already underway. Government counterparts described LEPs as the main vehicle for local implementation and noted that over 300 local governments have approved plans, with a broader push to expand coverage across all 753. In the next phase, EI should be positioned as a core input into LEPs, while the LEP format and guidance should make it feasible for local governments to translate EI findings into prioritised activities, costs, and monitoring indicators.

Priority 3: Strengthen the link between LEPs and budgeting in a way that reduces ambiguity for local governments. Government counterparts noted an intention for future budgets to be increasingly based on LEPs, and for issues raised in LEPs to feed into federal planning and budgeting. For EI to support this transition, local governments will need system-authorized guidance on eligible spending categories and clear templates that connect EI-related needs to budget lines and implementation responsibilities. This is particularly important in lower-capacity rural municipalities, where uncertainty about definitions and eligibility can lead to hesitation and under-spend.

Priority 4: Strengthen stewardship of the EI inside EMIS. Embedding computation is a major milestone, but sustainability requires documented procedures, routine quality assurance, and capacity transfer so the system does not depend on a small number of individuals. Government counterparts highlighted the need to strengthen EMIS data accuracy through training and continued technical support, and to build capacity at both federal and local levels. This should remain a central workstream because the EI's credibility depends on the reliability of the underlying data.

Priority 5: The next phase should keep the EI adaptive without making it unstable. Government counterparts highlighted the need to review indicators in a timely and continuous manner. This can be approached in a phased way: strengthening current components and usability first and then considering expansion (such as

disability and other drivers) when data quality and interpretability are strong enough to support meaningful use.

Conclusion

Nepal's Education Equity Index reflects a serious and sustained effort to institutionalise equity within the education system. It has moved beyond a policy statement into an operational tool that is embedded in routine systems and linked to planning and targeted support. That is a meaningful achievement, particularly in a federal context where disparities are localised and decision-making is distributed across levels.

The next phase is not about restarting or reinventing the EI. It is about deepening the conditions that make it useful: clear diagnostic usability for local governments, stronger system-authorised guidance to reduce uncertainty and risk, stronger institutional stewardship within EMIS, and a practical operational bridge through Local Education Plans as government strengthens the LEP–budget link. If these steps are taken, the EI can continue to evolve from a credible measure of disparities into a stronger driver of equity-focused action – supporting not only access, but sustained participation and learning for the children and communities the education system has historically struggled to serve.