

**Report on the Review of  
The Annual Funding Arrangement for Support of the Projects of  
the Himalayan Trust in Solu Khumbu, Nepal**

**New Zealand NGO Strategic Relationships Programme**

**Mike Bird  
NZAID Development Programme Manager – Civil Society**

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## **1. Background Information**

The current Annual Funding Arrangement, in place since the Financial Year 2003/04, was set up by ministerial decision in April 2003. NZAID agreed to provide NZ\$290,000 per year to the Himalayan Trust to support its work “to assist Nepalese people with the building and upkeep of schools and hospitals in remote areas, with a focus on the Solu Khumbu region.”

The current Funding Arrangement builds on a long history of NZ ODA support for the work of the Himalayan Trust, which was set up by Sir Edmund Hillary in 1965. Through its Education Programme, the Trust is now supporting the work of 63 schools with a total of over 6,500 students. Through its Health Programme the Trust supports Kunde Hospital and its seven satellite clinics. Between them, the hospital and clinics treated 16,327 patients in the year 2006/07. The Trust also provides support to Phaplu Hospital.

The Himalayan Trust submits to NZAID an annual list of priority projects for funding. The education projects include the supply of text books and stationery to schools, incentive payments for teachers in remote schools, scholarships for students, teacher training and womens’ literacy classes. The health projects include the provision of medical supplies and the upkeep of infrastructure to enable the hospitals and clinics to continue to function.

The main stakeholders in the Funding Arrangement are the people in Solu Khumbu who benefit from the services provided through the arrangement as well as the staff of the schools and hospitals, through which the services are provided, and the Himalayan Trust. Other stakeholders include the Government of Nepal, NZAID and the New Zealand Government Ministers who set up the arrangement.

## **2. Purpose of the Review**

The ministerial decision establishing the Annual Funding Arrangement states that: “it would be appropriate for officials to undertake a low key ‘stock-take’ of the work of the Trust, including outcomes achieved and any issues, and to report findings and any recommendations to Ministers.”

The intention was that this review will serve as a learning exercise for the Himalayan Trust and NZAID as much as a verification that the projects funded have been an effective use of the Official Development Assistance (ODA) budget.

As such the reviewer presented a draft of this report to the Himalayan Trust at its AGM in November 2007 as part of the review process for the report.

## **3. Findings of the Review**

The review was undertaken by Mike Bird, Development Programme Manager, Civil Society, with NZAID. The main component of the review was a visit to Solu Khumbu between 1 and 9 October 2007 to see the work of the Trust at first hand and to meet both some of the people involved in delivering the services supported by the Trust,

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and also some of those whose lives have been affected by the delivery of these services over 46 years.

The visit confirmed that the Trust has been carrying out those activities agreed under the funding arrangement with NZAID, and that these activities have had a positive impact on the lives of the population of Solu Khumbu. This impact was summed up in the words of a member of the advisory board of the Trust, and owner of a lodge in Lukla, who said: "Everything that we are today, it's because of the Trust".

Conversely, where problems remain in the Solu Khumbu region in the sectors in which the Trust has been providing support – education, health care and environmental conservation – it is often hard to see how these problems might be mitigated by the actions of the Trust. Mostly, the challenges that remain are a function of Solu Khumbu's remoteness, small population and fragile environment, which is under increasing stress due to the growth in numbers of tourists. Other problems are linked to the general poverty of Nepal. The Trust cannot be expected to be all things to all people, nor to solve all the problems of Nepal; indeed, one of the main strengths of the work of the Trust is that it has tried constantly to help the people of Solu Khumbu to help themselves, rather than importing ready-made solutions from elsewhere. However, the Trust occupies a position of influence in Solu Khumbu and where one organisation occupies such a position of credibility and respect there is a great opportunity, as well as a certain responsibility, to ensure that it strives to accomplish all that it can, and to the highest possible standards of quality, while continuing to leave the development agenda in the hands of the people of Solu Khumbu themselves.

It is in this spirit that I present my observations and recommendations, recognising that these are based on two weeks' experience of Nepal, and that the Trust has the experience of the lifetimes of dozens of people there.

### **School supplies**

The provision of school supplies by the Trust is seen by teachers as an essential form of support. One teacher in Lukla primary school said that there is insufficient funding from the government to provide all that is necessary to run the schools in Solu Khumbu, so the continuing support of the Trust is very important.

The system in place for identifying the numbers of students in each grade of each of the 63 schools and conveying this information to the Trust in Kathmandu in order for supplies to be ordered is well established and works well. Supplies are procured in Kathmandu and as far as possible are made in Nepal, including special print runs of exercise books that are clearly identified as being provided by the Trust.

The Trust is no longer called upon to build classrooms. This is partly because there are now sufficient classrooms for the numbers of children in Solu Khumbu, which are unlikely to grow further in the future based on current population trends. It is also because other organisations have also been active in recent years in supporting classroom building. This has enabled the Trust to focus on continuing to provide a predictable and reliable source of support for teaching materials and stationary. It is this constancy of support that is particularly recognised and valued by the people of Solu Khumbu.

The enrollment of girls and boys in the schools of Solu Khumbu is roughly equivalent throughout all grades and there is no evidence of exclusion of girls from education. There was ample evidence that girls were enjoying the benefits of the school supplies provided by the Trust as much as are the boys in the schools.

*Recommendation: The Trust should continue to provide this support and keep the district education offices and the ministry informed of its activities. The Trust might also consider whether some items of stationary could be paid for at cost by those students who can afford to pay, in order to stretch the Trust's funds further in the future if necessary.*

### **School governance**

It is Nepalese government policy that schools will set up School Management Committees and the committees of the schools I visited in Solu Khumbu are generally very active and encouraging of the active participation of parents and the local community in the life of the school. In Namche, a community meeting two years ago decided that parents would pay fees to enable the hiring of three additional teachers from Namche itself so that the school could offer the government's English language medium syllabus. Fees are not charged to those parents who cannot afford to pay and this arrangement was reported to be working well. In Thamo the committee gained the agreement of parents that there would be a 50NPR fine for each day that a child was kept off school for an avoidable reason. This ruling was put into effect to counteract the habit of families taking their younger children with them when they moved around with their animals during the grazing season. In both Thame and Thamo, as well as many other schools, the committees are active in organising fundraising activities, sometimes on a yearly basis, so that additional teachers can be retained in small schools in order to offer a full range of grades.

Most committees mentioned finding it difficult to find people to take on roles on the committee. In most schools the chair was re-elected unopposed at least once for a new two or three year term. The women teachers at Thame school suggested that women in the local community should be particularly encouraged to participate as committee members since women represented a resource for the committee that had not yet been tapped.

*Recommendation: The Trust might consider using its influence to endorse and further encourage the work of School Management Committees in promoting the engagement of parents in the life of their schools. The Trust might also encourage wider participation in the committees by promoting the notion that any and all parents can get involved and take their turn.*

### **School staffing**

The Association of Teachers in Nepal has estimated that there is a national shortage of 62,000 teachers in schools. The problem is not that there are insufficient teachers in Nepal, but that the Ministry of Education does not have the funds to pay them. This is why most schools are finding ways to raise additional funds to employ more teachers. Thame school has been teaching grades 6 and 7 despite not being formally recognised as a lower secondary school by the government. The school has petitioned the District Education Officer (DEO) to give this recognition in order to have a chance of receiving government funding for the salaries of the additional teachers. However, in his recent visit the DEO said that there are schools lower down

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the valley that have been running grades 6 and 7 with funds they have raised themselves for the past twenty years, and they have more students. Given that the DEO must give higher priority to the bigger schools further down the valley, there is a solid justification, on grounds of equity of access, for the Trust to continue to focus on the Solu Khumbu region.

Due to the national shortage of teachers in schools and the remoteness of Solu Khumbu it seems wise to encourage Sherpas to stay and work as teachers in their home areas and there are indications that this is happening. Many schools have used locally-raised funds to pay for local teachers and roughly half of the teachers I met were Sherpas. However, I was also told that many Sherpas, if given the choice, are choosing to move away in order to find better-paying jobs.

I was told at Khumjung High School that the improving living conditions in the village have encouraged teachers, both local Sherpas and teachers who have moved in to Khumjung, to stay on at the school.

Another frequent response to the shortage of teaching posts and the declining number of students has been to introduce multi-grade classes. I visited such classes in Thame and Namche.

*Recommendation: The Trust might lend its support and encouragement to initiatives to retain Sherpa teachers in Solu Khumbu. The Trust should also consider encouraging the trend towards multi-grade classes as a practical step to provide adequate numbers of teachers to small numbers of students close to their homes, especially in primary schools.*

### **Teacher training**

The Trust recognised in the mid-90s that though the challenge of ensuring access to education for the children of Solu Khumbu had been met, there still remained a need to address the quality of the education available. In 1997 the Trust embarked on six years of teacher training, during which around 200 teachers from 63 schools were trained. Since then, the Trust has continued to employ two teacher trainers who conduct year round in-service training to teachers in the region. Traveling from school to school, these teacher trainers also provide an important link between the schools and the District Education Office, and between the schools and the Trust. This in-service training resource is reported by teachers to be a valued source of professional support and is another reason why teachers choose to stay in the region.

The programme of teacher training that the Trust designed and implemented in Solu Khumbu is now being used as a model for good practice elsewhere in Nepal. The teacher trainers who worked for the Trust have set up an organisation in Kathmandu called Rural Education and Environment Development, which is used as a resource in teacher training programmes undertaken by the Ministry of Education in partnership with UNICEF, World Education and Save the Children.

One area that may merit extra attention is the training of teachers to teach multi-grade classes and/or other initiatives to provide education services to small populations in remote areas, such as home schooling backed up by distance education.

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*Recommendation: The Trust should certainly continue to support in-service training and might also consider extending this service to provide additional support for appropriate interventions such as multi-grade, home schooling and distance education. Given the expertise that New Zealand has in these areas, this would seem to be a good fit for the Trust.*

### **Hospital governance and financing**

The hospital at Kunde has clearly had a very positive impact over the years. There would almost certainly be no health service available to the people of Solu Khumbu had the hospital not been built and supported by the Trust.

Challenges remain and these are set out clearly and concisely by the doctor in charge of Kunde Hospital, Dr Kami Sherpa, in his annual report. I talked to Dr Kami particularly about the possibility for involving the local population in the management of the hospital through a board and he confirmed that he has this very much in mind, but is keen to wait until the local government structure of the Village Development Committee is functioning again before broaching the idea. The health post at Monjo is currently in need of repair and refurbishment and rather than providing the necessary materials out of the hospital's budget, Dr Kami encouraged Monjo to set up its own committee to find the necessary materials, which has now been done. A similar approach should be possible in other villages in the future as well.

Dr Kami is also conscious that one factor in ensuring the long-term sustainability of the services offered through the hospital at Kunde will be increasing the revenue generated locally for the hospital. This might be done through increasing the charges levied on those who can afford to pay for medicines, tests or services; or through a local insurance scheme; or some other fundraising initiatives such as those run by many of the schools in Solu Khumbu. As new services have been introduced by the hospital there has been requirement that they are paid for at cost by users. However Dr Kami intends that any further changes should be made gradually and only once a management board can be put in place to oversee them.

As and when charges are introduced it will also be necessary to maintain a fund to enable the treatment of those people who are unable to pay, especially when the expense of referral to Kathmandu is required.

Another factor in the long-term sustainability of the services provided is the ability of the hospital to recruit and retain a second doctor. Dr Kami is confident that as more Sherpas complete medical training it will become easier to fill posts at Kunde. By way of example he cited the experience of recruiting nursing staff: some years ago there would have been very little response to advertisements for medical officers to be based at the medical centres supported by Kunde. This was simply due to the small number of Sherpa people qualified. However, when the Trust sought applications for these positions in the past year, there were more than enough applicants and the positions under the jurisdiction of the Trust have all been filled. This is a strong practical endorsement of the Trust's policy of providing educational opportunities for the Sherpa people.

*Recommendation: Dr Kami clearly has a long-term vision for the hospital at Kunde and the Trust should continue to support him in working towards implementing his*

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*plans for increased participation in the management of the hospital by local representatives, cost recovery or alternative revenue generation where possible and subsidised care where it is impossible.*

### **Environmental conservation**

In this area as well it is clear that the Trust has had a positive impact over the years. Hillside that had been denuded of trees are being reforested and a previously skeptical population is increasingly active in the work of the national park.

The plans are already in place for phasing out the Trust's direct support for reforestation work as this is handed over to user groups set up and running under the buffer zone support project of the Sagarmatha National Park. However, the Trust still has an opportunity to continue to encourage the positive and proactive engagement of the local population in the user groups and the other activities of the national park.

There is also a need to deal with the growing numbers of people coming into the national park and the impact this is having on the natural resource base. It may well be that Sagarmatha National Park could follow the example of other national parks around the world and start charging higher fees for tourists to come into the park. This should have the effect of keeping a steady income, while reducing the cost to the environment by limiting numbers.

*Recommendation: The Trust should continue to support the plans for the hand-over of the reforestation project over time and meanwhile consider how it might play a positive role in developing plans for the long-term sustainability of the region.*

### **Networking**

The Trust has a good relationship with the Social Welfare Council and received a positive report from the council after three of its staff members visited Solu Khumbu to look at the work of the Trust in May 2007. Further visits are planned for the future in order to assess how the Trust is delivering on the commitments it has agreed with the council.

Ang Rita, the Chief Administrative Officer of the Trust in Nepal, and I visited Save the Children Norway and learnt of the NGO contact group on education. Save the Children Norway is the chair of this contact group and represents the NGOs in education sector meetings with the Ministry of Education and its international donor partners. The staff of Save the Children Norway were interested to learn more about the work of the Trust, about which they already had some knowledge. They also indicated that they would be happy to make the resource materials they produce for teachers available for distribution by the Trust to the schools in Solu Khumbu.

*Recommendation: There may well be considerable value in the Trust exploring closer links with other organisations providing support to the education sector in Nepal. The Trust has much to teach others and there is a ready-made mechanism for ensuring that good practice is shared amongst key decision-makers and practitioners. The Trust may also be able to tap into useful information and resources for the teachers in Solu Khumbu.*

### **Looking to the future**

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The track record of the Trust is impressive. A lot has been achieved through the consistent and long-term support which has been offered and the appropriate ways in which it has been delivered over the years. The Trust has adapted successfully to changing needs and circumstances over the years, seeing the need for teacher training in the 90s, supporting additional schools in order to ensure that no children in Solu Khumbu are missing out on a decent quality of education and playing a key role in the establishment of Sagamartha National Park in the early 70s.

The Trust is now facing the challenge of finding and developing a new generation of leaders for both the fundraising and the implementation sides of its work. The Trust must place itself such that it can continue to plan for the future and adapt to changes as they happen.

The current members of the Advisory Board of the Trust in Nepal grew up knowing that they were the first generation to benefit from an expansion of opportunities. The new generation cannot remember a time when there were no schools or hospitals and may not feel the same sense of commitment to the work of the Trust. Similarly the generation of mountaineers who first experienced the extraordinary generosity of the Sherpa people and committed themselves to repaying it in kind is also growing older.

Who will lead the work of the Trust in the future? Where will decisions be made and by what mechanism?

*My final recommendation is that these questions should be further considered and debated by the Trust in order to ensure that its work continues to go from strength to strength.*

#### **4. Notes on Methodology**

The recommendations in this review are based on a two week visit to Nepal. During that time I met with a variety of people connected with the work of the Trust in Kathmandu and spent ten days in Solu Khumbu seeing at first hand the work of the Trust and talking to people involved in this work. I spoke to the men and women who work in the schools and health centres supported by the Trust, I also spoke to the men and women, girls and boys, who use these services. I did not undertake formal interviews or workshops but had access to a wide range of people and was able to speak both to groups of people and individuals at reasonable length and in good detail.

I was accompanied by Ang Rita Sherpa, the Chief Administrative Officer of the Trust in Nepal, and he acted as interpreter on the occasions when this was necessary. Ang Rita was responsible for setting up the itinerary for my visit, but I suggested several of the interviewees myself and had a number of meetings on my own, so I am confident in the objectivity of the findings of the review.



## **APPENDIX**

### **Terms of Reference for a Review of The Annual Funding Arrangement for Support of the Projects of the Himalayan Trust in Solu Khumbu, Nepal**

#### **Background Information**

The current Annual Funding Arrangement, in place since the Financial Year 2003/04, was set up by ministerial decision in April 2003. NZAID agreed to provide NZ\$290,000 per year to the Himalayan Trust to support its work “to assist Nepalese people with the building and upkeep of schools and hospitals in remote areas, with a focus on the Solu Khumbu region.”

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The Himalayan Trust submits to NZAID an annual list of priority projects for funding. The education projects include the supply of text books and stationery to schools, incentive payments for teachers in remote schools, scholarships for students, teacher training and womens’ literacy classes. The health projects include the provision of medical supplies and the upkeep of infrastructure to enable the hospitals and clinics to continue to function.

The main stakeholders in the Funding Arrangement are the people in Solu Khumbu who benefit from the services provided through the arrangement as well as the Himalayan Trust, NZAID and the Ministers who set up the arrangement.

#### **Purpose of the Review**

The ministerial decision establishing the Annual Funding Arrangement states that: “it would be appropriate for officials to undertake a low key ‘stock-take’ of the work of the Trust, including outcomes achieved and any issues, and to report findings and any recommendations to Ministers.”

The intention is that this review will be a learning exercise for the Himalayan Trust and NZAID as much as it is a verification that the projects funded have been an effective use of the Official Development Assistance (ODA) budget.

As such the reviewer will report back to the Himalayan Trust at its AGM in November 2007 as well as to NZAID and Ministers.

#### **Scope of the Review**

The review will take stock of the achievements of the Himalayan Trust since the Annual Funding Arrangement commenced in 2003/04. It will consider both the Education and Health Programmes in Solu Khumbu District. The review will also consider the wider Nepalese context, within which the work of the Trust is carried out.

### **Overall Objectives of the Review**

The review will seek to answer the following questions:

- How effectively are the health and education projects of the Trust felt to be meeting the needs of their target populations?
- How is the work of the Trust perceived by the Government and other health and education service providers in Nepal?
- Are there any changes in approach that the Trust could consider making in order to build on its successes to date?
- What are the lessons that others might learn from the work of the Trust in Nepal?
- Conversely, what are the lessons that the Trust might take from the work of others?

### **Review Methodology**

The review will consist of the following steps:

1. A review of the annual reports of the Trust for the past three years.
2. A two week trip to visit the projects of the Trust in Solu Khumbu District. The trip will allow time to talk to the women and men, girls and boys who benefit from the projects of the Trust as well as the health and education staff involved in the delivery of the projects and local government officials.
3. Meetings with the representatives of other NGOs and UN agencies involved in support to the health and education systems in Nepal.

### **Management of the Review**

The review will be undertaken by Mike Bird, Civil Society Development Programme Manager in NZAID's Global Group. The project visit will be coordinated by Ang Rita Sherpa of the Himalayan Trust's Kathmandu office.

### **Reporting Requirements**

Mike Bird will present findings from the review to the AGM of the Himalayan Trust in Auckland on 2 November 2007, where they will be discussed and any recommendations agreed.

The presentation will form the basis for a written report on the findings of the review for the Himalayan Trust and NZAID. The report, including recommendations to ministers, will also be sent to those ministers concerned, as per the ministerial decision establishing the Annual Funding Arrangement.

A trip report will also be produced for the Communications Team of NZAID, which is interested in show-casing the work of the Himalayan Trust through NZAID's in-house publications.

### **Review Follow-Up**

The findings of the review will form the basis for recommendations to ministers on the future of the Annual Funding Arrangement. The process of the review, including the trip to Solu Khumbu and reporting back to the Trust's AGM, will also serve to strengthen the relationship between NZAID and the Himalayan Trust and allow for a more informed discussion of the work of the Trust.

A summary of the review report may be published on the NZAID website and may also be distributed by both the Himalayan Trust and NZAID.