

**Nepal Portfolio Performance Review (NPPR)
Action Plan – 2012**

Theme/Sector	Key Result Areas	Challenges	Agreed Actions	Performance Indicators	Responsible Agencies	Target Date	Progress achieved until Second Review (July)	Progress until Third Review (July- Oct, 2013)
1.Public Financial Management Champion: Mr. Dr. Mukti Narayan Poudel, Joint FCG, FCGO Assist: Mr. Baburam Subedi, Deputy FCG, FCGO	<ul style="list-style-type: none"> • Medium term Budgetary Framework (MTBF) 	<ul style="list-style-type: none"> • Budget variance is rising, especially from Capital Budget Expending • Budget ceilings not adhered to • No linkage between budget financing and Programs 	<ul style="list-style-type: none"> • Develop MTBF Annual Work Plan (AWP) and online web-based AWP for greater transparency and to monitor budget implementation (to be piloted in MOE) 	<ul style="list-style-type: none"> • MTBF Annual Work Plan available at NPC/MoF website • Online AWP piloted in MOE • List of prioritized Programs/projects based on MTBF 	MOF(BAP D)and NPCS MOF(BA PD)/MOE MOF(BA PD)/MOE	November, 2013 Nov, 2013 Nov, 2013	<ul style="list-style-type: none"> • Framework prepared : software for digitization of the programs prepared with the support of WB • Due (but will be completed by Mid August) • Due (will be completed by mid September) 	<ul style="list-style-type: none"> • Software for digitization of the programs/activities is prepared . Procurement of server is under process, will be completed within a month. • 85 % of the activities /contents of MOE digitized. 3. Not yet due. Will be published in the new server within a month.
	<ul style="list-style-type: none"> • TSA System 	<ul style="list-style-type: none"> • Treasury Single Account System (TSA) is not fully rolled out in all districts for effective cash management 	<ul style="list-style-type: none"> • TSA rolled out in all (75) districts with provision of performance-based Incentive System 	<ul style="list-style-type: none"> • TSA System rolled out in all (75) districts • Revenue and expenditure information regularly updated in FCGO website • GON decision to implement performance based incentive system in TSA districts 	FCGO(Lead) DTCOs MoF (BAPD)	July, 2013 August, 2013 April, 2013	<ul style="list-style-type: none"> • TSA rolled out in all 75 districts from July 16 (13717 accounts are closed and only about 300 accounts maintained) • Such monthly Information is published in FCGO website since March 2013 • An Incentive (50% of the salary) was provided in FY2012/13) 	<ul style="list-style-type: none"> • TSA roll out completed. 13717 accounts closed. Real time budget data available. Credibility of treasury increased. • Information monthly published in FCGO website: www.fcgo.gov.np • An incentive (50% of the salary) was provided in FY 2011/12,2012/13). Proposal under consideration in OPMCM for 2013/14.
	<ul style="list-style-type: none"> • PEFA Assessment 	<ul style="list-style-type: none"> • PFM assessment at the national level based on PEFA 	<ul style="list-style-type: none"> • Carry out the Repeater PEFA Assessment (process to be started 	<ul style="list-style-type: none"> • National PEFA Assessment concept note and Action Plan prepared 	PFEA Secretariat (Lead) MoF (with	July, 2013 November 2013	<ul style="list-style-type: none"> • PEFA Repeater Assessment Concept Note Prepared and shared with WB for comments 	<ul style="list-style-type: none"> • Concept note is being jointly finalized this week. There is a VC today. Team formation ready..

		Indicators outdated (last assessment based on FY2005/06 data)	immediately to aim to deliver in 2014)	<ul style="list-style-type: none"> Train and associate the champions for PEFA Assessment 	support from DPs)		<ul style="list-style-type: none"> Action Plan proposed. Basic training is provided for the potential assessors(10 days,30 participants) An interaction program is conducted with the past PEFA assessors Working Committee meeting is held to scale up the assessment process 	First draft within March, advance draft within July, Dissemination within September, 2014. <ul style="list-style-type: none"> General Training provided for 20 people. Teams prepared. Assessment workshop is scheduled just after the election, within November .
	<ul style="list-style-type: none"> Internal Audit System 	<ul style="list-style-type: none"> Weak structure and performance of Internal Audit system; 	<ul style="list-style-type: none"> Complete study and prepare a comprehensive proposal for reform of IA Consultation with stakeholders on findings Approval of the proposal by the GON. 	<ul style="list-style-type: none"> Proposal on internal audit reform prepared and approved by GON. Consultation meeting held Proposal approved 	FCGO(Lead) OAG MoF FCGO OMPCM, MOF,FCG O	<p>April, 2013</p> <p>Aug, 2013</p> <p>Nov, 2013</p>	<ul style="list-style-type: none"> A study report is prepared (consolidated from the 3 study reports) Consultation is proposed in August Within Deadline 	<ul style="list-style-type: none"> Three step model proposed by FCGO: Delink same staff from budget release and IA, Separate Audit Cadre or Departmentalization. Consultation will be held in November. (delayed due to the change of chief of IA section ,new one is in place now) Proposal will be submitted after the consultation. Options: <ul style="list-style-type: none"> Delink Treasury function and IA Separate IA cadre Departmentalization
<p>2.Public Procurement</p> <p>Champion:</p> <p>Mr Naresh Kumar Chapagain, Joint Secretary</p>	Procurement Process	<ul style="list-style-type: none"> Delayed Procurement Performance 	<ul style="list-style-type: none"> Expedite procurement process through preparation of comprehensive and consolidated procurement plan and tied 	<ul style="list-style-type: none"> Targeted 10 PEs have Master and Annual Procurement Plan (DOR, DOLIDAR, DOI, DUDBC, DWSS, Nepal 	PPMO(Lead)/Public entities (PEs)/NPC/ MOF	July 2013	APP will be completed by Nov, 2013 for the following agencies: DOR - APP,MPP DOLIDAR - APP DOI - APP DUDBC - APP DWSS - APP Nepal Army - APP	<ul style="list-style-type: none"> DOR - APP, MPP DOLIDAR - APP DOI - APP DUDBC - APP DWSS - APP Nepal Army - APP Nepal Police - APP APF - APP, MPP NEA - APP

Assist: Mr. Keshab Prasad Acharya, Under Secretary, PPMO			with the budget preparation and implementation, monitoring and reporting	Army, Nepal Police, APF, NEA, MOHP/DOHS) <ul style="list-style-type: none"> Targeted 10 public entities will completed procurement activities as planed (30 % of procurement activities as assumed from whole procurement) 50 central level PEs will have 2 trained personnel in Procurement unit (450 staff in public procurement and 135 staff in e-GP trained) 	PPMO(Lead)/Public entities (PEs)/NPC/MOF	July 2013	Nepal Police - APP APF - APP, MPP NEA - APP DOHS/MOHP <ul style="list-style-type: none"> Will be completed by Nov. 	DOHS/MOHP – APP, will be completed in November. <ul style="list-style-type: none"> Will be completed by November 2013.
	Compliance	➤ Low compliance with procurement law and regulation	<ul style="list-style-type: none"> Bid evaluation committee members trained and prospective bidders oriented. Accreditation of procurement professionals Undertake Compliance and Performance studies Undertake procurement audit system 	<ul style="list-style-type: none"> Accreditation framework prepared and started CPI assessment initiated based on OECD/DAC benchmark Procurement audit guidelines prepared and Procurement Audit started in one entity 24 no. of Bids evaluation committee members trained and 40 no. of prospective 	PPMO (Lead)/DOR /PEs/MOF/ DPS	July 2013 Nov. 2013 Sep. 2013 July 2013	<ul style="list-style-type: none"> Concept has been introduced and can be achieved if budget is allocated. Budget is allocated. Work in progress. Out sourcing process failed due to single response and shortage of time. By the end of November, the task will be completed. 	<ul style="list-style-type: none"> Concept has been introduced and further work is in process. Budget allocated, Work is in progress. First round Out sourcing process failed due to shortage of time. Now second round work is in process. Work is in process.

	Transparency	➤ Inadequate fairness competitive bidding	<ul style="list-style-type: none"> • e-GP phase I rolled out for e-Bidding • e-GP phase II development initiated • Issuance of procurement guidelines 	<ul style="list-style-type: none"> • All procurement activities in targeted PEs use e-bidding and online e-GP system as per GON policy/PPMO directives • Procurement guidelines issued • 3 SBDs will be translated in Nepali 	<p>PPMO(Lead)/MOF</p> <p>PPMO</p> <p>PPMO</p>	<p>July 2013</p> <p>July 2013</p> <p>June 2013</p>	<ul style="list-style-type: none"> • e-GP Pilot testing completed in two PEs • Work in progress, Action Plan is prepared. • Out sourcing contract done but task not completed. 	<ul style="list-style-type: none"> • In two department e-GP Pilot testing is completed. • Work in progress, Action Plan is prepared. • Consultants mobilized to translate the SBDs but consultant did not complete the task yet.
	Procurement Capacity Development	➤ Inadequate competency of PPMO	<ul style="list-style-type: none"> • Institutional capacity development • Professional expert hired 	<ul style="list-style-type: none"> • Capacity building of PPMO staff (national 5 no. and international 6 no. trainings and observation studies 7 no.) with necessary incentives and logistic supports (2 vehicle) • Required outsourcing for 2 monitoring experts and 2 e-GP experts with budgetary support 	<p>PPMO (Lead) /PEs /MOF/MOG A/ DPs</p> <p>PPMO(Lead)/PEs /MOF/MOG A/ DPs</p>	<p>July/Dec. 2013</p> <p>July/Dec. 2013</p>	<ul style="list-style-type: none"> • 80 % of capacity building target achieved. Incentives received. Budget for one vehicle is allocated. • Due to Lack of Budget, Outsourcing cannot be initiated. 	<ol style="list-style-type: none"> 80 % of capacity building target achieved. Incentives received for only July 15, 2013. Purchase of two vehicles (target achieved) <ul style="list-style-type: none"> • Due to Lack of Budget, Outsourcing cannot be initiated.

<p>3.Human Resource Management</p> <p>Champion: Mr. Mahendra Prasad Guragain</p> <p>Joint Secretary, MOGA</p> <p>Assist: Mr. Kalpana Shrestha, Under Secretary, MOGA</p>	<p>Key Staff Transfer</p>	<ul style="list-style-type: none"> • Frequent transfer of project staff 	<ul style="list-style-type: none"> • Complete personnel database system covering (i) transfer, (ii) vacancy, (iii) scholarship/trainings; and (iv) disciplinary actions related information of all government staff • Implementation of PIS data analysis framework • Management audit of development projects (focusing transfer of staff) • Implementation of staff transfer guidelines by concerned ministries 	<ul style="list-style-type: none"> • Aggregate data updated covering (i) frequency of staff transfer, and (ii) number of vacant position at the district level • PIS software upgraded through next FY AWP • Management audit report published and uploaded in MOGA website • Decrease in frequency of staff transfer (baseline: 9,719 as of July, 2012) • Number of staff transferred with less than 2 years tenure reported 	<p>MOGA</p> <p>MOGA/DO CPR</p> <p>MOGA</p> <p>MOGA/DO CPR, Concerned Ministries</p> <p>MOGA/DO CPR, Concerned ministries</p>	<p>June 2013</p> <p>Nov, 2013</p> <p>July, 2013</p> <p>Each review meeting</p> <p>Each review meeting</p>	<ul style="list-style-type: none"> • Progress of Complete PIS update of employee as Jan 2013: 73,613 • Progress of Complete PIS update of employee as 15th July 2013: 75,379, <u>increased by 1766</u> • Progress of Training Data entry of employee as on 3rd Jan 2013: 14166 • Progress of Training Data entry of employee as 15th July 2013: 14299, <u>increased by 133</u> • Progress of Transfer entry of employee as 15 Aug 2012: 12301 Progress of Transfer entry of employee as 1st August 2012 to 31st July 2013 : 4593, <u>Decreased by 7708</u> • Progress of disciplinary actions entry as on on3rd Jan : 2237 No data is received till date. <u>PIS data analysis framework</u> • Budget of feasibility study, research, analysis and prepare report for Enterprise Level of Architect of PIS is addressed by PREPARE Project 	<ul style="list-style-type: none"> • Progress of Complete PIS update of employee as 17th Oct. 2013: 75816 • Progress of Complete PIS update of employee during 16th July to 17th October 2013 : 437 • Progress of Training Data entry of employee as 17th Oct. 2013: 14559 • Progress of Training Data entry of employee during 16th July to 17th October 2013 : 260 • Progress of Transfer entry of employee as 1st August 2012 to 17th October 2013: 4682 (Decreased by 5037 as per baseline) • Progress of Transfer entry of employee during 1st August 2013 to 17th Oct. 2013: 89 • Progress of disciplinary actions entry as on 3rd January 2013: 2237 • No more disciplinary action has been reported during this period. • PIS data analysis framework • Budget of feasibility study, research,
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	Staff Capacity Development	<ul style="list-style-type: none"> • Incoherent capacity development programs 	<ul style="list-style-type: none"> • Prepare and approve Human Resource Plan • 'Training for All' policy prepared 	<ul style="list-style-type: none"> • HR plan prepared and approved • TFA policy prepared 	MOGA	Oct 2013	<ul style="list-style-type: none"> • Preliminary draft of TFA has been prepared. A working committee has been formed to formulate the directive for the implementation of training for all programs. 	<ul style="list-style-type: none"> • Final draft of training policy has been prepared & it is on the process of approval. • Draft of TFA directive has been formulated. MOGA has been consulting with different training institutions to execute training for all programs. • Budget has allocated for TFA program
	Staff Motivation	<ul style="list-style-type: none"> • Low motivation and incentive for government staff in remote districts 	<ul style="list-style-type: none"> • Assess and develop incentive plan for government staff 	<ul style="list-style-type: none"> • Incentive Plan prepared 	MOGA(lead)/MOF	Oct 2013	<ul style="list-style-type: none"> • A task committee is formed for incentive plan and some meetings are held. 	<ul style="list-style-type: none"> • Preliminary draft of incentive plan has been prepared. • Given priority to the personnel working in the remote districts (ka & kha region) while distributing scholarship for study and training in foreign countries.
4.Managing for Development	<ul style="list-style-type: none"> • Improving result- based planning and 	<ul style="list-style-type: none"> • Institutionalization of MfDR 	<ul style="list-style-type: none"> • Make upcoming 13th plan Result Based. 	<ul style="list-style-type: none"> • Results framework of at least 10 sectors 	NPCS (lead) and Line	Oct., 2013	<ul style="list-style-type: none"> • NPC has decided to formulate results framework of 	<ul style="list-style-type: none"> • Results frameworks of Education, Health, Irrigation,

Results(MfD R) and M&E Champion: Mr. Teertha Dhakal, Joint Secretary, NPCS Assist: Mr. Shyam Prasad Bhandari, Program Director, NPCS	M&E system	<ul style="list-style-type: none"> Weak linkage of Result- based planning and budgeting 		incorporated in the plan document	Ministries		<p>Education, Health, Irrigation, Agriculture, Physical Infrastructure, Local Development, Energy, Environment, Forestry and Urban Development sectors.</p> <ul style="list-style-type: none"> The recently approved Approach Paper of the 13th plan and new M&E guidelines have provided basis to prepare the results framework. 	<p>Agriculture, Physical Infrastructure, Local Development, Energy, Environment, Forestry and Urban Development sectors are under preparation.</p> <ul style="list-style-type: none"> First round of interaction programs on Results Framework have already been conducted on respective 10 sectors/ministries. The Approach Paper of the 13th plan, perspective and the business plans of the concern sector and the new national M&E guidelines have provided basis to prepare the results frameworks.
			<ul style="list-style-type: none"> Institutionalize result- based MTEF and link with annual budget. 	<ul style="list-style-type: none"> Result –based MTEF prepared and implemented. 	NPCS (lead) , MOF and Line Ministries	July, 2013	<ul style="list-style-type: none"> Respected line ministries have already submitted the sectoral papers for the MTEF. NPCS has started to draft the integrated version of the MTEF document. 	<ul style="list-style-type: none"> Respective line ministries have already submitted the sectoral papers for the MTEF. NPCS has already drafted the integrated version of the MTEF document and is in the process of finalizing it.
		<ul style="list-style-type: none"> Weak M&E System 	<ul style="list-style-type: none"> Finalize and disseminate integrated M&E guidelines. 	<ul style="list-style-type: none"> Integrated M&E guidelines disseminated. 	NPCS	April, 2013	<ul style="list-style-type: none"> Integrated National M&E guidelines (Nepali version) has been finalized and disseminated. English version is expected to publish within 3 weeks. 	<ul style="list-style-type: none"> Integrated National M&E guidelines (Nepali and English version) has been finalized and disseminated.
		<ul style="list-style-type: none"> Conduct third party evaluation 	<ul style="list-style-type: none"> Evaluation reports received 	NPCS	Nov 2013	<ul style="list-style-type: none"> Independent agencies selected to evaluate 	<ul style="list-style-type: none"> Independent evaluators have 	

			of three Programs/Projects.	and disseminated.			Poverty Alleviation Fund (PAF), National Literacy Campaign and Mid-Hill Highway (eastern part) has already completed the field survey and has started to draft the report.	already submitted the draft report of National Literacy Campaign and Mid-Hill Highway (eastern part) project. They have already made the presentation of the draft report in the presence of vice chairman and officials of NPC and representatives of OPMCM, MOF and concerned line agencies. They are in the process of finalizing the reports incorporating the inputs of the above agencies. <ul style="list-style-type: none"> In regards to the evaluation of the PAF the evaluator is in the process of finalizing the draft report.
			<ul style="list-style-type: none"> Institutionalize annual survey. 	<ul style="list-style-type: none"> Annual survey conducted. 	NPCS/CBS	Nov, 2013	<ul style="list-style-type: none"> Data collections of 199 primary sample units (PSUs) out of 200 and data entry at the field level have already been completed. 	<ul style="list-style-type: none"> Data collections of 199 primary sample units (PSUs) out of 200 and data entry at the field level have already been completed. CBS is in the process of entering and processing the data.
		Capacity issues of MfDR and M&E	<ul style="list-style-type: none"> Capacity building on MfDR and M&E. 	150 government officials trained.	NPCS and Line Ministries	July, 2013	<ul style="list-style-type: none"> District level Result based M&E trainings in Kavrepalanchok, Dolkha, Ramechhap and Sindhuli districts completed. Regional level RBM&E trainings for the officials of MOPIT conducted in Biratnagar, 	<ul style="list-style-type: none"> District level Result based M&E trainings in Kavrepalanchok, Dolkha, Ramechhap, Sindhupalchwok and Sindhuli districts completed. Regional level RBM&E trainings for the officials of MOPIT conducted in

							<p>Kathmandu, Pokhara and Nepalgunj.</p> <ul style="list-style-type: none"> Ministry level RBM&E trainings are conducted in MOE, MOFSC and MoFALD. Altogether 279 government officials are trained on MfDR/M&E. 	<p>Biratnagar, Kathmandu, Pokhara and Nepalgunj.</p> <ul style="list-style-type: none"> Ministry level RBM&E trainings are conducted in MOE, MOFSC and MoFALD. Altogether 279 government officials are trained on MfDR/M&E.
<p>5. Mutual Accountability</p> <p>Champion: Mr. Bhuban Karki, Under Secretary, IECCD, MOF</p>	Aid Transparency	AMP reporting requirements about transparency are not met. (Baseline: Oct 11: 35%)	<ul style="list-style-type: none"> DPs report indicative planned disbursements for next 3 Fiscal Years into AMP DPs report actual disbursements trimesterly into AMP 	<ul style="list-style-type: none"> 80% reported 80% reported 	DPs DPs	<p>March 2013</p> <p>Trimesterly</p>	<ul style="list-style-type: none"> 83% more than actual disbursement. Complied 	<ul style="list-style-type: none"> 70% planned disbursement reported 43% actual disbursement reported
	Aid Predictability	Aid is less predictable (Baseline: 25 % gap between planned and actual disbursements)	<ul style="list-style-type: none"> Reduce gap between planned and actual DP disbursement by end of FY 	<ul style="list-style-type: none"> Gap between planned and actual disbursement reporting will be reduced to 20% or less MOF submits full annual budget for following year before the end of FY 2013 Line ministries and NPC issue budget authorization for DP funded projects within 45 days of annual GoN budget approval 	DPs/GON MOF Line agencies/NPC CS	<p>Continuou s 2013</p> <p>July 2013</p> <p>Aug/Sept 2013</p>	<ul style="list-style-type: none"> 83% more than actual disbursement. Complied. Full budget is announced. MOF has issued authorization on the first day of FY and necessary instruction is given to line ministries to get approval from NPC and issue authorization within 15 	<ul style="list-style-type: none"> 82% more than actual disbursement. Complied. Full budget is announced. MOF has issued authorization on the first day of FY and necessary instruction is given to line ministries to get approval from NPC and issue

							of Shrawan (July 30,2013)	authorization within 15 of Shrawan (July 30,2013)
	Use of National Budget System	Use of the national budget system Baseline: 45% of total external aid through treasury.	<ul style="list-style-type: none"> • Increased use of external aid using the treasury, national procurement and audit system • Existing oversight of government system will be made more vigilant in the absence of Parliament • Clarification of Aid Policy on use of government systems and non - government systems 	<ul style="list-style-type: none"> • Use of national systems will be increased using the national treasury, procurement and audit system (DPs to provide written explanation if national systems is not used). • Improved oversight of GON system • Clear articulation of GoN draft Aid policy on use of government and non-government systems and shared to DPs 	DPs/ GON MOF MOF(IECC D)	Continuou s Continuou s Nov 2013	<ul style="list-style-type: none"> • MOF, IECCD is continuously monitoring the situation (off budget 23%, on budget 77%, on treasury 58%, off treasury 19% FY 2011-2012. Source: DCR) • Heads of CIAA and OAG are appointed. • Work in progress 	<ul style="list-style-type: none"> • 47 % through national treasury system. • Heads of CIAA and OAG are appointed. • Work in progress

	<p>Busan Aid Effectiveness follow-up</p>	<p><u>Implementation of Busan agreements</u> Integrating new approaches and development to deliver development results</p>	<ul style="list-style-type: none"> • Integration of Busan commitments into aid policy • Recognition of new and non-traditional development partners, including private sector actors in aid policy and fora. Joint development of a risk management approach to the use of government systems • Integration of gender, climate change and disaster risk reduction into all programmes • Increase in support for sectoral programmes based on clear sectoral policies plans and budgets 	<ul style="list-style-type: none"> • Consultation on the draft FAP with DPs to agree on shared principles of Busan • Draft Aid policy includes Busan commitments and other related matters such as, measures for including new and non-traditional partners, commitment to develop a joint risk management plan for use of government based on next PEFA assessments, inclusion of gender, climate change and DRR in appropriate aid projects, Commitment to sector capacity building programmes, based on common assessments and development of joint sectoral capacity building plans (where they do not already exist) 	<p>DPs/ IECCD</p> <p>MOF (IECCD)</p>	<p>Aug 2013</p> <p>Nov 2013</p>	<ul style="list-style-type: none"> • First round of consultation is done in Local donor's meeting on April 30, 2013. Draft FAP will be circulated in the next LDM. • Work in progress (Busan Monitoring Survey on Global Partnership is being carried out by IECCD. UN is assigned as focal DP. The report needs to be submitted to UNDP/OECD Joint support team by 13 September, 2013) 	<ul style="list-style-type: none"> • First round of consultation is done in Local donor's meeting on April 30, 2013. Second round in the LDM. • Work in progress (Busan Monitoring Survey on Global Partnership is being carried out by IECCD. UN is assigned as focal DP. The report already submitted to UNDP/OECD Joint support team.
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	Aid Fragmentation	Prevalence of Aid Fragmentation	Move towards Sector Wide Approach	<ul style="list-style-type: none"> Joint Consultation meetings held to prepare SWAP implementation modalities, including identification of lead donor and GON agency in each sector (Agriculture, Roads, WASH, Alternate Energy) 	GON/DPs (concerned sector ministries supported by related DPs)	Nov, 2013	<ul style="list-style-type: none"> Planned for second half of 2013. <p>Meeting will be called inviting core DPs and concerned line ministries to select lead DP and focal person of the concerned ministry to develop a strategy of SWAP within September, 2013.</p>	<ul style="list-style-type: none"> Planned for second half of 2013. <p>Meeting will be called inviting core DPs and concerned line ministries to select lead DP and focal person of the concerned ministry to develop a strategy of SWAP within September, 2013.</p>
<p>6. Local Governance</p> <p>Champion: Mr. Dinesh Kumar Thapaliya, Joint Secretary, MoFALD, Assist: Ms. Indu Ghimire, Under Secretary, MoFALD</p>	Enhancing Accountability	<ul style="list-style-type: none"> Activate and institutionalize various committees for oversight functions <p>• Action and follow-up on</p>	<ul style="list-style-type: none"> Introducing performance measures in VDCs as a part of budget allocation based on MCPM Results Making Integrated Planning and Formulation committee responsible for allocation of resources Piloting Downward accountability through independent citizen feedback 	<ul style="list-style-type: none"> Minimum Conditions and Performance Measures (MCPM) introduced in 100 VDCs Revised Resource Manual issued Public hearing will be done in at least 50 districts Checklist developed 	MOFALD MOFALD MOFALD	<ul style="list-style-type: none"> Nov. 2013 Feb. 2013 Nov. 2013 	<ul style="list-style-type: none"> Performance indicators for VDC prepared (13 indicators). It is planned to introduce Performance Measures in VDCs from 2013/14. Complied. MoFALD has prepared public hearing, public audit and social audit guidelines. More than 100 staff of municipalities trained on public hearing, public audit and social audit in 2012/13. 	<ul style="list-style-type: none"> Performance indicators (13) for VDC prepared and piloted in 150 VDCs. 2 Local Body Resource Mobilization & Management Guidelines (LBRMMG) with clear roles & responsibilities of IPFC approved by the cabinet (2 Jan '13). LBs staff oriented (399) on LBRMMG. Monitoring and Facilitation Committee at user's level made responsible for supervision of project activities at local level. CSOs (133) conducted i) public hearing & compliance monitoring, ii) local

		the findings of monitoring team.	<ul style="list-style-type: none"> Intensive Monitoring of all DDC and Municipalities from MoFALD Develop and Introduce Fiduciary Risk Reduction Action Plan (FRRAP) in LBs 	<ul style="list-style-type: none"> Monitoring of checklist compliance reported FRRAP developed and introduced in selected DDCs 	MOFALD	<ul style="list-style-type: none"> Nov. 2013 <p>During the review meeting</p>	<ul style="list-style-type: none"> Monitoring visits are carried out by MOFALD officials in 42 DDCs and 22 municipalities and reports are submitted. FRRAP document is prepared. It is planned to introduce FRRAP in local bodies from 2013/14. 	<p>body grant expenditure review & community engagement survey and iii) community based monitoring in 75 districts in 2012/13</p> <ul style="list-style-type: none"> Monitoring & evaluation strategy prepared to make monitoring system more effective. Monitoring visits to 42 DDCs & 22 Municipalities conducted in 2012/13. Oriented 120 staff of municipalities on FRRAP. DDC Illam prepared FRRAP. FRRAP roll out and orientations continue in FY 13/14.
Capacity Enhancement	<ul style="list-style-type: none"> Create conducive working environment in LBs in the absence of elected representatives. Act in line with civil service Act/Regulation Create workable accounting system in VDCs. 	<ul style="list-style-type: none"> Targeted Capacity Support to MCPM Failed LBs Fulfill vacant VDC Sec post Minimum Tenure of LDO's and Executive officer ensured as per Civil Service Act/Regulations Accounting software in VDCs 	<ul style="list-style-type: none"> CD measures introduced in Consistently failed DDCs and Municipalities Vacant VDCs secretaries reduced by half At least 80% officials retained in DDC 1000 VDC using 	MOFALD MOFALD MOFALD MOFALD	<ul style="list-style-type: none"> Nov. 2013 Nov. 2013 Nov 2013 Nov 2013 	<ul style="list-style-type: none"> It is planned to carry out capacity development measures in 2013/14 to enhance the capacity of MCPM failed LBs. MoFALD decided to provide capacity development grants to MC failed DDCs and Municipalities. At present only 300 VDC secretary posts are vacant out of 3915 VDC secretary post MoFALD has prepared fund transfer 	<ul style="list-style-type: none"> CD grant to failed LBs will begin under LGCDP II in 2013/14 Only 100 VDC secretary posts vacant Transfer guidelines in line with civil service act & regulation prepared & MoFALD is committed to follow. VDC accounting 	

			Introduced	Accounting Software			<p>guidelines as per the provision of the civil service act and regulation</p> <ul style="list-style-type: none"> • VDC accounting software developed. All the VDC secretaries of 19 districts trained on VDC accounting software. VDC accounting software installed in 475 VDCs in 2012/13 	software developed & installed in 475 VDCs.
Results in Local Bodies	<ul style="list-style-type: none"> • Inadequate material testing laboratory. 	<ul style="list-style-type: none"> • Improve quality of Local infrastructure 	<ul style="list-style-type: none"> • Material testing lab made functional in 70 districts; at least 10% of projects are audited technically 	DOLIDAR	<ul style="list-style-type: none"> • Nov 2013 	<ul style="list-style-type: none"> • It is planned to establish quality lab in 15 districts and make functional existing quality lab in 35 districts in 2013/14 to improve the quality of local infrastructure. Also planned to enhance the capacity of technicians working in LBs in 2013/14 	<ul style="list-style-type: none"> • Existing quality labs in 35 districts will be made functional and enhance capacity of lab technicians in FY 13/14 and establish new quality labs in 15 districts. Decided to make compulsory the provision of 2 technical staff in DDC's organogram and fulfill the post within 2 years in 30 DDCs. 	
	<ul style="list-style-type: none"> • Parliament/Cabinet approve full annual budget in time. 	<ul style="list-style-type: none"> • Provide Budget Ceiling and Release of fund on time 	<ul style="list-style-type: none"> • LBs receive Budget Ceiling on time and budget authorization within 15 days 	MOFALD	<ul style="list-style-type: none"> • Nov 2013 	<ul style="list-style-type: none"> • MoFALD has adopted a policy to provide approved budget ceiling and authorization letter to LBs within a week upon the receipt of the same from the National Planning Commission and Ministry of Finance 	<ul style="list-style-type: none"> • Issued authorization letter to all LBs for 2013/14 on time. Budget ceiling and guidelines will be provided to LBs by the end of 15 November. 	
	<ul style="list-style-type: none"> • Collect reliable data from LBs on time. 	<ul style="list-style-type: none"> • Strengthening database management for RBM 	<ul style="list-style-type: none"> • Web based monitoring developed and implemented in 60 DDC and 58 Municipalities. 	MoFALD	<ul style="list-style-type: none"> • Nov. 2013 	<ul style="list-style-type: none"> • Web- based reporting software developed and planned to introduce in DDCs and Municipalities from 2013/14. • Oriented 30 staff of MoFALD and DDCs 	<ul style="list-style-type: none"> • Web- based reporting software developed and implemented in all DDCs and Municipalities and 155 staff oriented. 	

							on web-based reporting system. Orientation on web-based reporting will continue in the first trimester of 2013/14	• Results Framework of MoFALD prepared in line with Three Year Interim Plan (2070/71-2072/73) of National Planning Commission.
7. Road and Transport Management Champion: Mr. Madhav Karki, Joint Secretary, MOIPT, Asst: Mr. Manish Shakya,	Connectivity (Strategic and Local Roads)	<ul style="list-style-type: none"> • Meeting construction target in stipulated time • Contractor's performance-slow mobilization • Inventory of local roads 	<ul style="list-style-type: none"> • Strengthening contract management • Timely procurement • Preparation of road inventory of local roads 	<ul style="list-style-type: none"> • Monitoring of all donor funded road projects in SRN contracts reported • Procurement planning and monitoring actions reported • Inventory of Local Roads are available including its condition of core district road network 	MoPPWTM / DOR DOR DoLIDAR	During the review meetings During the review meetings Nov 2013	<ul style="list-style-type: none"> • Monitoring is being done at ministry level, departmental level and project level. • The projects are being implemented with approved procurement plans and monitoring action plans. • Inventory of all the seventy five districts have been prepared with the condition of Core road district Road network. In addition to that DTMPs of 19 districts have been prepared with reference to GIS and for remaining are inventories and field works have been completed. In some districts workshop have been also completed and finally all the works are scheduled to be completed by the end Ist Quarter of F.Y. 070/071. 	<ul style="list-style-type: none"> • Monitoring is being done at ministry level, departmental level and project level. • The projects are being implemented with approved procurement plans and monitoring action plans. • Inventory of all the seventy five districts have been prepared with the condition of Core road district Road network. In addition to that DTMPs of 19 districts have been prepared with reference to GIS and for remaining are inventories and field works have been completed. In some districts workshop have been also completed and finally all the works are scheduled to be completed by the end Its Quarter of F.Y. 070/071.
	Quality of Connectivity and	<ul style="list-style-type: none"> • Seasonal access to District HQ/Local 	Upgrading	<ul style="list-style-type: none"> • Districts with all weather road facilities 	DOR	Nov 2013	<ul style="list-style-type: none"> • 61 districts linked with all weather road facilities. 	<ul style="list-style-type: none"> • 61 districts linked with all weather road facilities.

	Employment <ul style="list-style-type: none"> Roads • Generating employment opportunities at the local level 		<ul style="list-style-type: none"> Baseline - 59 DH Target – 61 DH • Additional 500 kms of local roads are upgraded to all weather standards • Employment data of local roads are available 	<ul style="list-style-type: none"> DoLIDAR /DDC DoLIDAR /DDC 	<ul style="list-style-type: none"> July 2013 During the review meetings 	<ul style="list-style-type: none"> • Approximately 750 km. of roads are upgraded with gravel and black top. • Approximately 1.65 million labor day employment is generated. 	
Road rehabilitation and reconstruction	<ul style="list-style-type: none"> • Timely assessment of road condition • Prioritization in resource allocation 	Rehabilitation and reconstruction	<ul style="list-style-type: none"> • Identify length of road that need rehabilitation and reconstruction in SRN/LRN 	DOR/ DoLIDAR	Nov 2013	<ul style="list-style-type: none"> • SRN: 505 Km of roads identified for rehabilitation and 205 Km roads for reconstruction. • LRN: 12000 Km of LRN roads identified for rehabilitation and reconstruction 	<ul style="list-style-type: none"> • SRN : 330.95 km of roads are identified for rehabilitation and reconstruction • (Integrated Annual Road Maintenance Plan FY 70/71)
Bridge construction and maintenance	<ul style="list-style-type: none"> • Resources • Capacity 	<ul style="list-style-type: none"> • Construction and maintenance of bridges 	<ul style="list-style-type: none"> • 20 number of crossings will be bridged (700 mtrs) in SRN • 10 numbers of SRN bridge receives major maintenance (450 mtrs) • 50 Number of crossings will be bridged in LRN • Responsibility of bridges over SRN and LRN are handed over to respective Department 	<ul style="list-style-type: none"> DOR DOR DOR DoLIDAR /DoR 	<ul style="list-style-type: none"> Aug 2013 Aug 2013 Aug 2013 Nov 2013 	<ul style="list-style-type: none"> • 17 bridges have been completed. • Procurement for major maintenance of 23 bridges is done and maintenance work in progress. • 7 bridges have been completed and remaining are under construction and scheduled to be completed within contract Period. • Bridges under 	<ul style="list-style-type: none"> • Total 74 numbers of bridges has been completed in FY 69/70. • In FY 70/71 it is targeted to complete 75 numbers of bridges and 15 bridges will undergo maintenance.

							<p>construction in LRN shall be handed over by DoR to DoLIDAR after completion of construction.</p> <ul style="list-style-type: none"> • Design drawing of bridges which are not in construction process is being handed over to DoLIDAR. 	
Road Maintenance	<ul style="list-style-type: none"> • Resources • Capacity • Institutional strengthening of RBN 	<ul style="list-style-type: none"> • Road network maintained to serviceable condition 	<ul style="list-style-type: none"> • minimum 10% of black topped SRN receives Periodic maintenance reported • all black topped SRN receive routine and recurrent maintenance reported • At least 1000 kms of all weather local road receive routine maintenance 	<p>DOR</p> <p>DOR</p> <p>DoLIDAR</p>	<p>During the review</p> <p>During the review</p> <p>Nov 2013</p>	<ul style="list-style-type: none"> • In this F/Y periodic maintenance on 8% of SRN road completed against target of 10%. • Need based budget is available for Routine and recurrent maintenance of SRN roads and all blacktopped roads received routine and recurrent maintenance. • 1500 km of LRN roads have received both routine and periodic maintenance. 	<ul style="list-style-type: none"> • FY 69/70 • Routine maintenance 7474 km of SRN (DoR Annual Progress Report) FY 70/71 • A total of 3.63 billion is allocated for annual road maintenance. • 8194.21 km of SRN is identified for routine maintenance and • 467.34 km for periodic maintenance. • (Integrated Annual Road Maintenance Plan FY 70/71) 	
Preservation of Road assets	<ul style="list-style-type: none"> • Overloading of Vehicles • Encroachment of RoW 	<ul style="list-style-type: none"> • Formulation of Heavy Vehicles Management Policy 	<ul style="list-style-type: none"> • Draft Act related to HVMP prepared and shared with all stakeholders. • Responsibilities for SRN and LRN are further clarified and enforced 	<p>MoPPWTM,</p> <p>MoPPWTM, MoFALD</p>	<p>Nov 2013</p> <p>Nov. 2013</p>	<ul style="list-style-type: none"> • Preliminary discussion in progress. • List of SRN roads is approved by the cabinet. 	<ul style="list-style-type: none"> • Preliminary discussion in progress. • Budget allocation for various division for enforcing ROW encroachment elimination 	
Management of Road Transport	<ul style="list-style-type: none"> • Safe public transport • Regulation of public transport 	<ul style="list-style-type: none"> • Improvement of licensing system • Enforcement of 	<ul style="list-style-type: none"> • Road Safety Action Plan approved 	<p>MoPPWTM</p>	<p>March 2013</p>	<ul style="list-style-type: none"> • Road safety action plan approved. 	<ul style="list-style-type: none"> • New trail center is established in Transport Management Office 	

			traffic rules					<p>Nepalganj and Pokhara</p> <ul style="list-style-type: none"> • Similarly, in other TMO, establishment of new trial centre is in progress • Traffic awareness related documentary is prepared. • Formulation of Traffic Rule Directive is in progress. • Traffic sign and signals are under construction
<p>8. Agriculture</p> <p>Champion: Mr. Ram Prasad Pulami, Joint Secretary, MOAD Asst: Mr. Mahendranath Poudel, Senior Agriculture Economist, MOAD</p>	Productivity	<ul style="list-style-type: none"> • Low production level of cereals, milk and meat 	<ul style="list-style-type: none"> • Strengthening quality input supply (Seed, Saplings, Fertilizers, irrigation, breed, fodder and forage) and technical services • Cereals Seed Replacement Rate will be increased from 10 to 12 percent 	<ul style="list-style-type: none"> • Increased production of cereals from 9246000 mt to 9585000 mt (Increased by 4%) and milk - 1556510 mt to 1884000 mt (increased by 21 %) and meat – 277625 mt to 302000 mt (Increased by 9%) • Rate increased from 10 to 12 percent 	MOAD (lead) NPC, DOA/DLS, NARC	Nov 2013	<ul style="list-style-type: none"> • Cereal production 68, 19,157 mt . Production of wheat not included(standing crop) • SRR of major cereal crops for F.Y 2068/69 increased up to <p>Paddy: 10.22 Maize: 11.3 Wheat: 10.3</p> <ul style="list-style-type: none"> • Seed production and distribution programs for this fiscal year are being launched in districts to increase SRR. 	<ul style="list-style-type: none"> • Cereal production 87,01,377 mt . <ul style="list-style-type: none"> ▪ Milk Production: 1681093 mt. ▪ Meat Production: 295486 mt. ▪ Eggs production (in 000) : 838940 • SRR for major cereal crops for F.Y 2069/70 is in collection • 373 mt. improved seed distributed for seed production programme under 771 ha.
			<ul style="list-style-type: none"> • Encourage private sector to establish organic fertilizers industries 	<ul style="list-style-type: none"> • Five (One in each Development Regions) Organic fertilizer industries will be established through private sector 	MOAD, DOA and Private Sector	Nov 2013	<ul style="list-style-type: none"> • EDR, CDR and WDR has already established. One in FWDR and MWDR is approved on FY 069/70. • MOAD has drafted working guidelines for PPP model. • Ongoing of regular program 	<ul style="list-style-type: none"> • EDR, CDR and WDR has already established. one in FWDR and MWDR is already approved in FY 069/70. • MOAD has drafted working guidelines for PPP model.

			<ul style="list-style-type: none"> Initiation of Revision of Fertilizer Policy 2058 	<ul style="list-style-type: none"> Approval of revised Fertilizer policy 	MOAD, NPC	Nov 2013	<ul style="list-style-type: none"> Studies has been done and reviewing the report 	<ul style="list-style-type: none"> In progress
		<ul style="list-style-type: none"> Inadequate Policy Environment 	<ul style="list-style-type: none"> Initiate Agricultural Development Strategy Introduction of seed policy 	<ul style="list-style-type: none"> Approval of Agricultural Development Strategy Seed Vision 2025 approved and in place 	OPMCM, NPC, MOAD, MOF OPMCM, NPC, MOA D	Nov 2013 Nov, 2013	<ul style="list-style-type: none"> ADS TA Team submitted final document to MoAD. MoAD is reviewing document. Seed Vision 2025 approved. Publication of Seed Regulation 2069 in Rajpatra (Falgun 14, 2069) 	<ul style="list-style-type: none"> Final Report has been received from TA Team. Government has formed a Technical Team to review the final report and recommend the suggestions to Advisory Committee. Seed Vision 2025 approved. Publication of Seed Regulation 2069 in Rajpatra (Falgun 14, 2069)
		<ul style="list-style-type: none"> Low investment in Agriculture Sector 	<ul style="list-style-type: none"> Increase public sector investment in agriculture 	<ul style="list-style-type: none"> Increased annual budget in agriculture (aid and internal) from current 3.27% to 6.5% of national budget. 	MOAD, MOF, NPC, DPs	August, 2013	<ul style="list-style-type: none"> Increased annual Budget in agriculture from 3.27 to 4.14%. 	<ul style="list-style-type: none"> Budget share is increased by 4.14% in this Fiscal Year
	Research and Extension Linkage	<ul style="list-style-type: none"> Inadequate climate resilient , disease pest resistant and high yielding varieties and breeds 	<ul style="list-style-type: none"> Identification/d evelopment of stress tolerant/resistant breeds and high yielding hybrids varieties 	<ul style="list-style-type: none"> 1 hybrid and 3 improved varieties identified/developed/released and recommended 	NARC	Nov 2013	Varieties released: <ul style="list-style-type: none"> Maize- Rampur Hybrid- 2 Wheat – Gaura & Dhaulagiri Tori-Morang Tori 2 	<ul style="list-style-type: none"> Varieties released: <ul style="list-style-type: none"> Wheat – two wheat varieties are under yet to be plante in winter season for testing Rice-Two rice varieties are under field testing stage
		<ul style="list-style-type: none"> Poor co-ordination among key Stakeholders 	<ul style="list-style-type: none"> Effective co-ordination be realized through sharing and feedback 	<ul style="list-style-type: none"> 1 National and 3 Regional Agricultural Technical Working Group meetings organized 	MOAD	Nov 2013	<ul style="list-style-type: none"> RATWG meetings held 2 times in each development region 	<ul style="list-style-type: none"> RATWG meetings held 2 times in each development region
	Food Security	<ul style="list-style-type: none"> Low coverage 	<ul style="list-style-type: none"> Establish 10 	<ul style="list-style-type: none"> Regional labs 	MOAD, DFTQC	Oct, 2013	<ul style="list-style-type: none"> Training on 	<ul style="list-style-type: none"> O & M Survey

		of food inspection and awareness programme on food quality and nutrition	additional Divisions Offices of DFTQC (Currently 5 Regional Food Lab) <ul style="list-style-type: none"> • Increase the training, educational activities 	increased from 5 to 15 <ul style="list-style-type: none"> • The risk based inspections will be increased from current 20 to 50 districts • At least 500 clients be trained/aware on food quality and hygiene 	MOAD, DFTQC MOAD, DFTQC	Oct, 2013	educational activities in progress. <ul style="list-style-type: none"> • O & M Survey Report already submitted to MoGA & MoF for their consent. 	Report already submitted to MoGA & MoF and it is in the process of approval <ul style="list-style-type: none"> • Inspection conducted in 45 districts with the existing offices and human resources <ul style="list-style-type: none"> ▪ Information, educational and communication materials disseminated 1000 times through mass media ▪ 1000 students were made aware on food safety, Quality and nutrition ▪ 100 potential entrepreneurs trained on various aspects of processing and export requirements of agricultural commodities. ▪ 200 hotels/restaurants made aware on food safety.
		<ul style="list-style-type: none"> • Lack of Food and Nutrition Security Action Plan 	<ul style="list-style-type: none"> • Introduction of Food and Nutrition Security Action Plan 	<ul style="list-style-type: none"> • Food and Nutrition Security Action Plan approved 	OPMCM, MOAD, NP C	Nov, 2013	<ul style="list-style-type: none"> • MoAD has received final document and is in process of approval 	<ul style="list-style-type: none"> • In progress

<p>9. Energy</p> <p>Champion: Mr. Keshav Dhoj Adhikari, Joint Secretary, MOEN, Asst: Mr. Ram Gopal Lageju, Senior Divisional Engineer, MOEN Asst: Mr. Raju Maharjan, Senior Divisional Engineer, MOEN</p>	<p>Energy infrastructure</p>	<ul style="list-style-type: none"> • Inadequate and timely development of energy infrastructure. 	<ul style="list-style-type: none"> • Increased public sector investment and Public Private Partnerships (PPP) in energy generation, transmission and distribution by specifically addressing barriers relating to the development of priority projects. 	<ul style="list-style-type: none"> • 40 MW of generation added to INPS; and 4 MW of generation plants added through off-grid. • 10 distribution areas to be operated under PPP/community electrification; Access to grid electricity increased by one percentage point and 250000 households having access to different types of renewable energy • All the new public sector projects on average making 25% contract awards within six months after approval of the fund. • Average bid evaluation period of public projects reduced to 2 months 	<p>NEA (lead) Independent power purchasers(IPPs) AEPC</p> <p>NEA(lead) -IPPs, AEPC</p> <p>NEA(lead), DPs</p> <p>NEA(lead) DPs</p>	<p>Nov 2013</p> <p>Nov 2013</p> <p>Nov 2013</p>	<ul style="list-style-type: none"> • 42.8 MW (Grid connected)MW Micro Hydro (Off Grid) • 5 areas handed over to community; 269,291 households connected, access to grid electricity increased by 1.5% •projectshouseholde served • Not yet due as no new fund approved. • (previously 4 Contracts awarded) • NEA management has instructed its Business Heads to shorten the evaluation period to 1 month. 	<ul style="list-style-type: none"> • 3.00 MW (Grid connected); 1.6 MW Off Grid • 13 distribution areas handed over to community • Access increased by 2.5% • 273,580 households (Grid connected); 278,810 Off Grid • Not yet due as no new fund approved. • NEA management has instructed to shorten the evaluation period to 1 month.
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	Energy Efficiency	Inefficient use of existing facilities.	<ul style="list-style-type: none"> • Reduce System loss. • Accelerate implementation of INPS system loss reduction plan and demand side management of electricity. 	<ul style="list-style-type: none"> • System losses reduced by 2 percentage points • Energy audits conducted for top 50 electricity consumers • Incentive mechanism developed for energy saving industries 	<p>NEA(lead) MOHA, MoEn</p> <p>MOEn, NEA</p> <p>NEA (lead),MoEn</p>	<p>Nov 2013</p> <p>Nov2013</p> <p>Nov2013</p>	is calculated only once a year after the completion of F.Y. Not yet due.	<ul style="list-style-type: none"> • System loss reduced by 1.94% points. • Energy Audit conducted for 23 energy intensive consumers. • Tariff encourages to go for energy efficiency
	Financial Sustainability	Ineffective implementation of financial restructuring of NEA.	<ul style="list-style-type: none"> • Effective implementation of financial restructuring of NEA. 	<ul style="list-style-type: none"> • Reducing gap between cost of service and avg. tariff by 2%. 	NEA (lead), MoEn, MOF, ETFC	Nov2013	<ul style="list-style-type: none"> • Within deadline (It is calculated only once a year after the completion of F.Y.) 	<ul style="list-style-type: none"> • The gap between cost of service and avg. tariff has come down to Rs 1.78 from Rs 3.66