



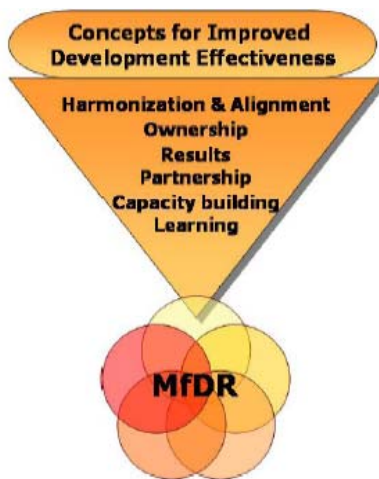
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National Planning Commission Secretariat
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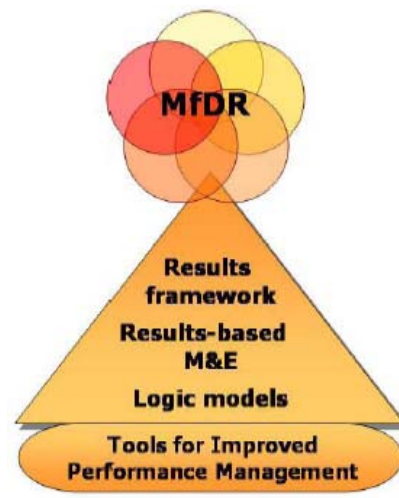
Asian Development Bank
 Nepal Resident Mission
 Srikunj, Kamaladi, Kathmandu

FINAL REPORT **(Main Volume)**

ADB TA 7158 – NEP:
Strengthening Capacity for Managing for Development Results



Development Effectiveness



Performance Management

August, 2011

Submitted by:



MULTI Disciplinary Consultants (P) Ltd.

in association with



Centre for Policy Research and Analysis

Abbreviation and Acronyms

APP	:	Agriculture Perspective Plan
BOT/BOOT	:	Built Operate and Transfer / Built Own Operate and Transfer
CA	:	Constitution Assembly
CDC	:	Curriculum Development Committee
CMU	:	Change Management Unit
CSP	:	Country Strategy and Program
CeDRE	:	Centre for Development & Research in Evaluation International
CSSP	:	Community School Support Program
CTEVT	:	Council of Technical Education and Vocational Training
DEO	:	District Education Office
DDF	:	District Development Fund
DDG	:	Deputy Director General
DADO	:	District Agriculture Development Office
DIFID	:	Department for International Development
DoA	:	Department of Agriculture
DoLIDAR	:	Department of Local Infrastructure Development and Agricultural Roads
DoTM	:	Department of Transport Management
DPMAS	:	District Poverty Monitoring Analysis System
DUDBC	:	Department of Urban Development Building Construction
DWSS	:	Department of Water Supply and Sewerage
EFA	:	Education for All
GoN	:	Government of Nepal
IPP	:	Independent Power Producer
JEMDC	:	Janak Education Material Development Committee
KMC	:	Kathmandu Metropolitan City
LDO	:	Local Development Officer
LSMC	:	Lalitpur Sub-Metropolitan City
LSGA	:	Local Self Governance Act
LSGR	:	Local Self Governance Regulation
MDAC	:	Ministerial Level Decision Action Committee
MDGs	:	Millennium Development Goals
MfDR	:	Managing for Development Results
MMD	:	Municipality Management Division
MoAC	:	Ministry of Agriculture and Cooperative

MoE	:	Ministry of Education
MoEn	:	Ministry of Energy
MoF	:	Ministry of Finance
MoLD	:	Ministry of Local Development
MoPPW	:	Ministry of Physical Planning and Works
MoWR	:	Ministry of Water Resources
MTPD	:	Metropolitan Traffic Police Division
MTEF	:	Medium Term Expenditure Framework
NEA	:	Nepal Electricity Authority
NEB	:	National Education Board
NPC/S	:	National Planning Commission/Secretariat
NARC	:	National Agriculture Research council
NASC	:	Nepal Administrative Staff College
NCED	:	National Center for Educational Development
NFEC	:	Non-formal Education Center
NARDF	:	National Agriculture Research Development Fund
OCE	:	Office of the Controller of Examination
PMD	:	Poverty Monitoring Division
PDF	:	Power Development Fund
PPA	:	Power Purchase Agreement
PMAS	:	Poverty Monitoring and Analysis System
PMEU	:	Poverty Monitoring and Evaluation Unit
PMIS	:	Poverty Monitoring Information System
PRSP	:	Poverty Reduction Strategy Paper
PSMP	:	Public Sector Management Program
RBB	:	Result Based Budgeting
RED	:	Regional Educational Directorate
ROR	:	Run of the River
SRN	:	Strategic Road Network
SESP	:	Secondary Education Support Program
SSRP	:	School Sector Reform Plan
SWAP	:	Sector Wide Approach
TEP	:	Teacher Education Program
TYIP	:	Three Year Interim Plan
TYP	:	Three Year Plan
UGC	:	University Grant Commission
VDC	:	Village Development Committee
WECS	:	Water and Energy Secretariat

KNOWLEDGE SUMMARY

“Managing for Development Results, as defined in the MfDR Source Book, is a shared understanding of the need to think about results, and ways to achieve them, from the beginning of any initiative, enterprise, or project—and then to monitor progress and continue shaping the effort so that the desired results are actually achieved”. Results, in the context of MfDR, is defined as sustainable improvements in country outcomes. In other words, if the intervention is successful, what will be ‘the difference’ for the primary target group? This follows that the ‘ART’ of ‘Managing for Results’ is contingent on defining outcomes that are (i) meaningful to both provider and client/ consumer, (ii) measurable in a credible way, and (iii) used in decision making.

This technical assistance i.e. ADB TA 7158-NEP is in continuation of process initiated by ADB in 2004 to support Nepal strengthen planning and programming along with capacity enhancement on MfDR for better results in its development endeavor. The TA intends to deepen the MfDR process in the three previously operationalized ministries namely; MoEd, MoPPW, MoLD by cascading it down to the department level and expand the coverage in two more ministries namely; MoAC and MoEn. The TA also intends to streamline the MfDR principles in the project entry and supervision systems of NPCS and to prepare Result Based Budgeting (RBB) in two government units namely DoTM and MTPD, in close coordination with the Ministry of Finance.

Under the leadership of Joint Secretary level officer (Focal Point), a focal working group or unit has been constituted in each of the thirteen pilot agencies. The members of focal units were provided adequate opportunities to enhance their capacity on various aspects of MfDR operations. In this regard, several intensive and comprehensive MfDR trainings, both internal and external, along with TOT have been organized under the TA. Besides, sufficient opportunities for transfer of technology were provided through on-the-job application of MfDR tools such as readiness assessment, performance gap analysis, development of results framework, preparation of business plan formats and results based monitoring. The TA team also conducted a series of workshops and interaction programs, participated by non focal group members of the pilot organizations as well. Such trainings and interaction workshops were organized in the pretext of disseminating MfDR approaches, tools and products and thereby extending and enhancing the critical mass for propagating the MfDR culture. It is expected that such endeavors will ultimately lead to positive mind set within the governance system.

The land mark directive of NPC to (a) produce business plans mandatorily for budget discussion, (b) policy directive in the TYP to extend MfDR practices all across the GoN system and (c) adoption of NPC Guidelines for Results Based Monitoring and Evaluation need to be lauded. Moreover, exemplary commitments, hard work, zeal and enthusiasm manifested by the focal units of almost all the pilot agencies have resulted in deliverance of tedious preparatory works. Some of the major achievements of the TA include instituting enhanced conceptual clarity among the participant GoN officers on results and management chains, process of business plan preparation and appreciation of its dynamic and rolling character, to be effectively achieved through continuity of results based monitoring and evaluation. Finally, production of a comprehensive training manual together with guidelines for mainstreaming MfDR in Nepal will go a long way in facilitating the expansion of MfDR approach all across the GoN system.

ADB TA 7158 NEP: Strengthening Capacity for Managing for Development Results

FINAL REPORT

Abbreviation and Acronyms Knowledge Summary

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Annexe - 2 Business Plans of Pilot Ministries and Subordinate Agencies – Nepali Version – (2.1 to 2.11)	11 Volumes (Annex 2.1 to 2.11: MoLD, MMD, MoPPW, DOR, DWSS, MOEd., HSEB, MoAC, DoA, MoEn., and DoED respectively)
Annexe - 3 RBB Modules and Business Plans of MTPD & DOTM – English and Nepali (3.1 to 3.4)	Versions - 4 Volumes
Annexe - 4 Readiness Assessments and Status Reports – 3 Volumes (4.1 to 4.3)	
Annexe - 5 Baseline and Monitoring Survey Reports on Implementation of RBB in MTPD and DoTM – 2 Volumes (5.1 to 5.2)	
Annexe - 6 Results Based Project Screening System for NPC	
Annexe - 7 MfDR Training Manual for GoN Officers - English and Nepali Version - (7.1 to 7.2)	2 Volumes
Annexe - 8 Report on Training Need Assessment and Training Impacts	
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I. INTRODUCTION

1. This report has been prepared to comply with the contractual requirements for the technical assistance on Strengthening Capacity for the Managing for Development Results¹. It presents in brief the tasks carried out during the contract period i.e. July 22 2009 and July 21 2011 towards meeting the TA objectives, particularly outputs and outcomes accomplished with respect to that prescribed in the design and monitoring framework of the TA. It notes the problems encountered and challenges addressed and consequently lessons learned by way of so doing. Moreover, feedbacks for shaping the planned road map for internalization of MfDR approaches in the governance system are outlined for way forward.
2. ADB has been supporting GoN to internalize the process of MfDR by cascading it down to the Ministries and Departments in its planning, budgeting and monitoring exercises. The concept of MfDR was initiated by ADB in Nepal in 2004 as a mechanism to strengthen planning and programming along with capacity enhancement for better results in its development endeavor. The introduction of MfDR approach in Country Assistance Program of ADB in 2004 and selection of Nepal in its regional level MfDR studies in 2006 were beginning of the implementation of the concept at the sectoral level. Subsequently, with other technical assistance support to the GoN in 2006-07, the MfDR approaches were altogether operationalized in the National Planning Commission Secretariat, Ministry of Education (MoE), Ministry of Physical Planning and Works (MoPPW) and the Ministry of Local Development (MoLD). In addition to these two ADB technical assistance supports² that directly focused on MfDR, ADB also supported MfDR objectives through Governance Reform Program. This Program helped support the implementation of the PRSP by focusing more on the strengthening the government's resource position, and to establish a results-based and people-oriented and gender responsive civil service. Furthermore, in line with ADB's RB-CSP, all ADB funded projects/programs in Nepal have an MfDR focus with a built-in design and monitoring framework (DMF) to guide implementation and M&E.
3. This technical assistance i.e. ADB TA 7158-NEP is in continuation to that process and intends to deepen the MfDR process in the three operationalized ministries by cascading it down to the department level and expand coverage of the operationalization of MfDR in two more ministries namely, Ministry of Agriculture and Cooperatives and Ministry of Energy. The TA also intends to streamline the MfDR principles in the project entry and supervision systems of NPCS and to prepare Result Based Budgeting (RBB) in two government units namely DoTM and MTPD in close coordination with the Ministry of Finance.
4. Following the implementation arrangements outlined in the Technical Assistance Report¹, the Government established a Steering Committee on BS 2066.05.09 (25 Aug. 2009) under the leadership of NPC – Vice Chairperson. The NPC Member Secretary along with secretaries of MoF, MOEd., MoLD, MoPPW, MoAC and MoEn.

¹ ADB. October, 2008. "Technical Assistance Report for Project Number 39476 (ADB TA 7158-NEP), to the Government of Nepal: Strengthening Capacity for Managing for Development Results". The TA was approved by the ADB President in 22 October 2008 and the Consultant's Team commenced its work from 22 July, 2009. NPCS/GoN is the EA

² ADB. 2006. *Technical Assistance to the Government of Nepal for Operationalizing of Managing for Development Results*. Manila (TA 4765-NEP, approved on 13 February, 2006); and ADB RETA 6306 (2006). *Technical Assistance for Mainstreaming Managing for Development Results in Support of Poverty Reduction in South Asia*. Manila (approved on 27 January).

were the members of the Steering Committee. The Joint Secretary of NPCCS - Poverty Monitoring Division performed the function of the Member Secretary of the Committee.

5. The Steering Committee endorsed the introduction of two new ministries namely MoAC and MoEn for operationalization of MfDR, and decided to include Department of Transport Management (DoTM) and the Metropolitan Traffic Police Division (MTPD)³ as the two pilot agencies for introducing Results Based Budgeting. Similarly, to deepen the process of internalization and cascading the MfDR approaches to public agencies within the five pilot ministries, the Steering Committee directed to pilot MfDR approaches in Municipality Management Division (MMD) of MoLD, Higher Secondary Education Board (HSEB) under MOEd, Department of Road (DoR) and the Department of Water Supply and Sewerage (DWSS) under MoPPW along with Department of Agriculture (DOA) and Department of Electricity Development (DOED) of the two newly selected ministries namely MoAC and MoEn respectively. The list of public agencies selected for MfDR operationalization and internalization under this TA is provided in Box 1.

Box 1: GON AGENCIES SELECTED UNDER ADB TA 7158-NEP

(I) Agencies where MfDR was Operationalized under the Previous ADB Technical Assistance

- (a) **NPC:** Streamlining the MfDR principles in its project entry and supervision systems.
- (b) **MoLD:** Updating the works done by previous TA and operationalizing this project in the municipality division
- (c) **MoE:** Updating the works done by previous TA and operationalizing this project in the 10+2 Level.
- (d) **MoPPW:** Updating the works done by previous TA in DOR and DWSS and moving forward with the process of internalization in these two entities.

(II) Agencies where MfDR is to be Operationalized under this ADB Technical Assistance

- (e) **MoAC:** Develop macro level planning strategy at the ministry level and introduce this program in Department of Agriculture (DoA).
- (f) **MoEn:** Develop macro level planning strategy at the ministry level and introduce this program in DoED.

(III) Agencies for Piloting RBB under this ADB Technical Assistance

With regards to implementing Result Based Budgeting under MoF, it is decided to include Department of Transport Management (**DoTM**) and Valley Transport Police Office (**VTPO/MTPD**) as the two pilot agencies.

6. The main challenge in operationalizing results-based management is the mind-set or behavioral change required. Instead of starting with the planned inputs and actions, results-based managers focus first on the desired outcomes and impacts and then identify the outputs, inputs and actions needed to achieve them. Establishment of management chains is must for operationalizing MfDR. Operationalizing MfDR cannot be a bottom-up exercise; expected outcomes and outputs must be clearly defined by the most senior levels and the necessary inputs (policy reforms, programs, projects

³ The Metropolitan Traffic Police Division (MTPD) has been earlier referred to as the Valley Traffic Police Office (VTPO).

and budgetary appropriations) assessed with the help of diagnostic analysis. Responsibility and accountability for each step from strategic planning to implementation, monitoring and final assessment must be clearly assigned. Further, the necessary human resources and skill levels must be enhanced and performance based evaluation and incentive system need to be institutionalized.

7. The establishment of effective focal groups (units) for each selected agencies assumes significant importance as they are the vehicle for implementation of MfDR approaches in their respective organizations. Under the leadership of Joint Secretary level officer (Focal Point), a focal working group or unit has been constituted in each of the thirteen pilot agencies to execute regular MfDR activities in close consultations with the TA Consultant team. The focal units, in most cases consist of one Under Secretary and two Section Officer level officers. The list of focal points and focal group members is presented in Appendix 1.
8. The members of focal units were provided adequate opportunities to enhance their capacity on various aspects of MfDR operations. In this regard, several orientation and interaction workshops (Appendix 2), intensive and comprehensive MfDR trainings, both internal⁴ and external⁵, along with TOT have been organized under the TA. Sufficient opportunities were provided through on-the-job progress review meetings in the course of application of MfDR tools such as readiness assessment, performance gap analysis, development of results framework, preparation of business plan formats and results based monitoring. The TA team also conducted a series of workshops and interaction programs, participated by non focal group members of the pilot organizations as well. Such trainings and interaction workshops were organized in the pretext of disseminating MfDR approaches, tools and products and thereby extending and enhancing the critical mass for propagating the MfDR culture. It is expected that such endeavors will ultimately lead to positive mind set within the governance system in the short as well long run.
9. Frequent transfer of staffs, low priority to institutionalize changes required for effective MfDR internalization, instability of governments and undue influence of concurrent transitional political scenario were the major challenges faced towards realizing the holistic outputs and outcomes envisaged by the TA design. Nevertheless, the landmark directive of NPC to produce business plans mandatorily for budget discussion, policy directive in the TYP to extend MfDR practices all across the GoN system, and adoption of NPC Guidelines for Results Based Monitoring and Evaluation need to be lauded. Moreover, exemplary commitments, hard work, zeal and enthusiasm manifested by the focal units of almost all the pilot agencies have resulted in deliverance of voluminous ground works. Some of the major achievements of the TA include instituting enhanced conceptual clarity among the participant GoN officers on results and management chains, process of business plan preparation and appreciation of its dynamic character through adoption of results based monitoring and evaluation. Production of a comprehensive training manual and guidelines for mainstreaming MfDR in Nepal will go a long way in facilitating the expansion of MfDR approach in the GoN system.

⁴ Two internal MfDR Trainings were organized through Nepal Administrative Staff College between August 1-11, 2010 and June 12-16, 2011 for 28 and 31 GoN officials respectively. Apart from focal group members of the pilot agencies, officers of non-pilot agencies/ministries were also included.

⁵ The sole external training for 22 mid-level officers were organized through CeDRE International Kuala Lumpur (Malaysia) between October 20-30, 2011

II. THE TECHNICAL ASSISTANCE - ADB TA 7158 NEP

10. ADB TA 7158, Strengthening Capacity for Managing for Development Results is a small-scale TA (\$447,000) designed for a two-year period. A contract agreement was signed between the Asian Development Bank and MULTI Disciplinary Consultants (P) Ltd. in association with Center for Policy Research and Analysis on July 20, 2009 to provide services under the contract. As stipulated in the Technical Assistance Report¹, the National Planning Commission is the Executing Agency. The Steering Committee lead by Hon. Vice Chairperson⁶ provides overall guidance to the TA implementation, and the Joint Secretary of Poverty Monitoring Division of NPCS has been designated the Project Director⁷ for the TA. The ADB oversight and the technical guidance for the TA implementation has been provided by the Programs Implementation Officer⁸ and Assistant Program Implementation Officer⁹, acting on behalf of the Country Director¹⁰ of its Nepal Resident Mission.
11. The TA Team consists of three domestic experts (for a combined 50 person-months) as follows;
 - (i) Mr. Prithvi Raj Ligal - Team Leader/MfDR Expert – 20 person months,
 - (ii) Mr. Kishore Kumar Jha - MfDR Specialist (MoPPW, MoLD and MoEd) – 18 person months, and
 - (iii) Mr. Khalil Miyan - MfDR Specialist (MoAC and MoEn)- 12 person-month.
12. The objectives of the TA include the following:
 - To help internalize MfDR approaches in NPC, MPPW, MLD, and MOES, building on the achievements of previous support;
 - To help operationalize MfDR approaches in the Ministry of Agriculture and Cooperatives (MOAC) and Ministry of Water Resources (MOWR);
 - To develop a results-based budgeting system in two public sector agencies; and
 - To help build capacity on MfDR
13. The Design and Monitoring Framework and accompanying activities with milestones along with status of accomplishment in brief are shown in Table 1 below. A detailed account of TA activities and outputs are elaborated in subsequent sections.

⁶ In addition to incumbent Hon'ble'. Vice Chairperson Dr. Dinesh C. Devkota, Dr. Yuba Raj Khatiwada and Dr. Jagdish C. Pokhrel also led the NPC during the tenure of the TA. Mr. Yuba Raj Bhusal is the incumbent Member Secretary of the NPC.

⁷ Project Director Mr. Dhruva P Dahal- Joint Secretary of PMD was assisted by the Program Director Mr. Ganga Ram Gelal and the Under Secretary Mr. Ramjee Lal Shrestha.

⁸ Mr. Barry J. Hitchcock, Country Director, ADB Nepal Resident Mission.

⁹ Mr. Shahid Parwez, Programs/Projects Implementation Officer, ADB Nepal Resident Mission

¹⁰ Ms. Shreejana Rajbhandari, Assistant Project Implementation Officer, ADB Nepal Resident Mission.

Table 1: Design and Monitoring Framework for TA 7158

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>Impact Improved development effectiveness and poverty reduction through adoption of MfDR approaches</p>	<ul style="list-style-type: none"> • Better achievements of development results by government projects and programs • Enhanced MfDR capacity and accountability for results in government agencies • Improved public service delivery 	<ul style="list-style-type: none"> • Annual progress reports on TYIDP • Annual reports of line ministries • Household income and expenditure survey • Joint review reports (donors and the Government) • ADB evaluation mission 	<p>Assumptions</p> <ul style="list-style-type: none"> • The Government's commitment to adopt MfDR approaches in public sector management • Commitment from leadership of NPC and line ministries to enhance capacity on MfDR and improve performance <p>Risks</p> <ul style="list-style-type: none"> • Government's commitment on MfDR falters • Political instability negates development agenda Ineffective resource use, or inability to make use of resources, by line ministries
<p>Outcome MfDR approaches and practices operationalized in selected public sector agencies</p>	<ul style="list-style-type: none"> • Provision made for Government directives on MfDR • Improved results orientation in planning, budgeting, and monitoring systems of five ministries • Increase in projects screened and approved using results criteria by NPC • Better links between NPC, MOF, and line ministries on results management 	<ul style="list-style-type: none"> • Government circulars and notifications • NPC/MOF's directive on results based planning and budgeting • Approved results frameworks, business plans, and indicators • TA review progress • Steering committee meeting minutes • Survey reports on service delivery 	<p>Assumptions</p> <ul style="list-style-type: none"> • NPC and line ministries remain committed to adoption of MfDR • Line ministries try to absorb and apply the capacity development Outcomes • Close guidance and supervision provided by the steering committee • Regular ADB review <p>Risks</p> <ul style="list-style-type: none"> • Weak support from leadership of line ministries • Ineffective resource use, or inability to make use of resources, by line ministries • Slow response to issues arising in the process of MfDR implementation

<p>Outputs</p> <p>1. MPPW, MLD, MOES, and NPC implement an MfDR approach in planning, budgeting, and monitoring their mandated responsibilities.</p>	<ul style="list-style-type: none"> • MPPW, MLD, and MOES : (i) FY2010 annual plans and budget with detailed results indicators; (ii) result-based monitoring systems established by June 2010 • NPC's revised project entry and supervision system with results criteria implemented in FY2010 	<ul style="list-style-type: none"> • Progress reports of consultants on TA activities • Government directives • Steering committee reviews of TA activities • ADB review mission and reports • Reports/proposals of pilot agencies • Workshop and seminar proceeding and feedback • Public opinion surveys on service delivery • Post training report 	<p>Assumptions</p> <ul style="list-style-type: none"> • NPC and line ministries' commitment on changes required for operationalizing MfDR • Active mobilization and participation of counterpart Government staff • Adequate resources provided towards priority programs <p>Risks</p> <ul style="list-style-type: none"> • Limited capacity of staff to contribute effectively • Frequent transfer of staff • Low level of participation
<p>2. Results framework, indicators, and business plans implemented in MOAC and MOWR Operations.</p>	<ul style="list-style-type: none"> • MOAC and MOWR: business plans, results framework, and results indicators developed and approved, and implemented during FY2011 planning and budgeting cycle. 		
<p>3. Results-based budgets implemented by two public agencies</p>	<ul style="list-style-type: none"> • RBB readiness assessment of two agencies by June 2009 (Nov., 2009)³ • RBB modules implemented in two public agencies in FY2010 • Public dissemination of results on improvements in service delivery from RBB pilots by September 2010 		
<p>4. Capacity of staff in selected agencies to apply MfDR approaches enhanced</p>	<ul style="list-style-type: none"> • Comprehensive training need assessment report (including baseline data on capacity) and fully-costed capacity development program submitted to NPC by June 2009 (Dec., 2009)³ • Increase in number of staff showing improved competence in applying core MfDR skills by December 2010. 		

Activities and Milestones	Status of Accomplishment
<p>Output 1: MPPW, MLD, MOE and NPC implement an MfDR approach in Planning, Budgeting and monitoring their mandated responsibilities</p>	
<p>1.1 Help establish steering committee, focal points, and groups, by March 2009 (Sep, 2009)¹¹.</p> <p>1.2 Support the ministries to integrate their business plans and results frameworks into the planning, budgeting, and monitoring systems, projects, and programs</p>	<p>1.1 <i>Steering Committee established on 25 Aug. 2009. Focal groups formed by Nov. 15, 2009.</i></p> <p>1.2 The ministries have been supported to integrate business plans into the planning, budgeting and monitoring system through GoN (NPC & MoF) guidelines for budget formulation (FY 2010/11) and Results Based M&E guidelines as</p>

¹¹ The Design Framework is based on commencement of Consultant's service from Feb. 2009, but has been actually delayed by 6 months. The milestones dates have been revised accordingly.

Activities and Milestones	Status of Accomplishment
<p>1.3 Review and revise the results frameworks, business plans, and other MfDR initiatives in line with TYIDP and emerging priorities of the Government.</p> <p>1.4 Help NPC to streamline results criteria in its project screening system in close consultation with line ministries and MOF.</p>	<p>well as preparation of TYP.</p> <p>1.3 Sectoral results frameworks and business plans were revised and updated by the concerned focal units for road, water supply, education and local development sectors alongside the finalization of TYP (2010/11 to 2012/13). Supported development of separate business plans for DOR, DWSS, HSEB and MMD as well.</p> <p>1.4 Proposal for streamlining results criteria in the existing project screening system of NPC was prepared in close consultation with the line ministries and NPC/MOF and submitted.</p>
<p>Output 2: Results frameworks, indicators, and business plans implemented in MOAC and MOEn operations</p>	
<p>2.1 Assess status of MfDR practices in the two ministries, including review of their mandates, vision, mission, and goals.</p> <p>2.2 Help the ministries to develop result frameworks, performance indicators, and business plans in line with the sectoral results framework of the TYIDP and development priorities of the Government, in close consultation with NPC and relevant stakeholders.</p> <p>2.3 Support the ministries to integrate business plans and results frameworks into the annual planning, budgeting, and monitoring systems, projects, and programs.</p>	<p>2.1 The status of MfDR practice was assessed in the two ministries using RA tool and their mandates, vision, mission, and goals were reviewed. The MfDR Status Reports of two ministries including for DOA and DOED submitted.</p> <p>2.2 The ministries were supported to develop sectoral results frameworks including performance indicators for energy and agriculture. Accordingly business plans for MoAC, DOA, MoEn and DOED were prepared alongside the formulation and finalization of TYP (2010/11 to 2012/13).</p> <p>2.3 The ministries were supported to integrate business plans into the planning, budgeting and monitoring system through GoN (NPC & MoF) guidelines for budget formulation (FY 2010/11) and Results Based M&E guidelines as well as for preparation of TYP.</p>
<p>Output 3: Results-based budgets implemented by two public agencies</p>	
<p>3.1 Assess the readiness of agencies for RBB using ADB's MfDR readiness tool.</p> <p>3.2 Develop RBB modules for two agencies, with performance indicators on delivery of effective and efficient services.</p> <p>3.3 Support, guide, and monitor the implementation of RBB, and report regularly to MOF and NPC.</p> <p>3.4 Design and conduct a survey to assess the impact of pilots on service delivery improvements, and organize dissemination programs.</p>	<p>3.1 ADB's MfDR readiness tool applied to assess the readiness of two public agencies namely DOTM and MTPD for RBB. Status Reports were submitted.</p> <p>3.2 RBB modules for two agencies (DOTM & MTPD), with performance indicators on delivery of effective and efficient services were developed.</p> <p>3.3 Supported, guided and monitored the implementation of RBB. Orientation training workshop on RBB organized for MoF and NPCS officials in August 2010.</p> <p>3.4 The baseline and monitoring surveys to assess the impacts of RBB pilots on service delivery were designed and conducted. The baseline and monitoring study reports have been submitted. The findings of surveys were disseminated through several workshops including through an exclusive workshop organized for the media persons.</p>

Activities and Milestones	Status of Accomplishment
Output 4: Capacity of staff in selected agencies to apply MfDR approaches enhanced	
<p>4.1 Assess MfDR capacity in NPC and pilot ministries and establish baseline data on capacity.</p> <p>4.2 Specify training needs of institutions (including scope/content of external training), and design capacity-development programs and training materials.</p>	<p>4.1 Baseline data on MfDR capacity collected (refer Annex 2 of the Manual).</p> <p>4.2 Training needs of institutions (including scope/content of external training) specified, and capacity-development programs and training materials developed.</p>
<p>4.3 Organize capacity-development programs for strategic managers and for the operational level, and training-of-trainers programs.</p>	<p>4.3 Organized comprehensive capacity development training programs as follows;</p> <ul style="list-style-type: none"> • 10-days MfDR Training thru NASC between Aug. 1 to 11, 2010 for 28 nos. GoN officers. • 2-days residential orientation training workshop on RBB, participated by 36 officials. • 9-days external MfDR training at Kuala Lumpur, Malaysia for 22 GoN officials between Oct. 21 to Oct. 30, 2010. • 5-days residential TOT training for 17 GoN officials (strategic managers) organized in May 27-June 1, 2011. • 5-days MfDR Training thru NASC between June 12-June 16, 2010 for 31 nos. GoN officers. <p>In addition to above, a series of one or half day orientation and dissemination workshops (around 20 no.) and a series of half day working meetings (at least 75 no.) were conducted to enhance the capacity of concerned officials on MfDR aspects.</p>
<p>4.4 Undertake training impact assessment and reflect improvements in competency in applying core MfDR skills</p>	<p>4.4 Action oriented training impact assessments were undertaken in June/July, 2011 by employing the TOT participants to perform as resource persons for the subsequent basic training on MfDR. They were also provided the opportunity to present their respective business plans during interaction and dissemination workshops with individual pilot ministries and RBB agencies. During such workshops, the focal unit members were facilitated to lead their respective agencies to conduct Results Based Monitoring exercise and initiate preparation of the subsequent years rolling business plans.</p>

III. ACTIVITIES AND ACCOMPLISHMENTS

3.1 Milestone TA Activities

14. Since the commencement of services from July 22, 2009, the three member TA team has been coordinating its efforts through the Executing Agency i.e. the Poverty Monitoring Division (PMD) of the NPCCS, and milestone activities accomplished so far include the followings. A list of workshops and trainings organized under the TA along with their expected outcomes are provided in Appendix -2.

- a) Establishment of Project Office and mobilization of support staff
- b) Review of Past ADB Support, pertinent literatures and documents

- c) Formation of Steering Committee and convening of Steering Committee meeting at regular intervals – 3 meetings convened on dates 4 Sep., 2009, 26 Jan., 2010 and 23 Apr., 2010.
- d) Formation of focal units/groups at the ministry/department and agency level – accomplished by 15 Nov., 2009
- e) Consultation meetings with Government Officials, ADB-NRM and some development partners (donors).
- f) Introductory Workshop at NPCCS (date 26 Aug., 2009), and Technical Workshop (date 18 Sep., 2009) at Hotel de l' Annapurna to orient concerned officials on basic concepts and tools of MfDR.
- g) Participated and contributed in the NPMR meeting on MfDR at MoF (date 9 Nov., 2009)
- h) Submission of Inception Report (draft on 7 Sep., 2009 and final on 15 Dec., 2009), including holding of Inception Workshop (date 16 Nov., 2009).
- i) Consultative meeting on budget formation process (date 25 Nov., 2010) at TA office, participated by concerned officials of MoF, Comptroller General Office, and NPCCS (MTEF) and others.
- j) Completion of MfDR Readiness Analysis of all selected line ministries, departments and RBB agencies by end of December, 2009.
- k) Submission of trimester Progress Report-I on 7 Jan., 2010, Progress Report-II on 7 May, 2010, and the Progress Report-III on 7 September, 2010.
- l) Technical Workshop at Hotel de l' Annapurna, participated by all focal unit/group members to share format and to carry out sector and agency wise performance gap analysis, results framework and the business plans (date 28 Jan., 2010).
- m) Several organizational level separate workshops and review meetings to share data and information on the contents of the status report, undertake readiness assessment, performance gap analysis, and to help develop results framework and the business plan.
- n) Participated and contributed in the one day national workshop (date March 7, 2010) organized by NPCCS at Hotel Everest to formulate sectoral strategies for the TYP Approach Paper.
- o) Exclusive workshop at Summit Hotel (date 5 April 2010) for preparing energy sector business plan.
- p) Facilitated issuance of directives from the NPC & MoF to all the ministries under MfDR to produce business plan as the necessary condition for budget discussions of the respective agencies. The directive also indicated Government's commitment for initiating Results Based Budgeting in DoTM and MTPD.
- q) Facilitated review meeting on status of business plan preparation at NPCCS (June 4, 2010) organized by PMD/NPCCS and participated by concerned senior officials/department and division chief including all the MfDR Focal Points.
- r) Facilitated high level interaction program, chaired by VC-NPC and participated by NPC members and concerned senior officials from the Ministry of Finance, NPCCS, Ministry of Home, Ministry of Labor and Transport Management, DOTM and MTPD on June 28, 2010 for advocating incorporation of RBB for DOTM and MTPD in the forthcoming budget (FY 067/68).

- s) Completed the procurement of equipment for new ministries and pilot agencies. The procured equipment has been delivered to almost all the recipient agencies.
- t) A separate section in the NPCCS website has been created to disseminate the MfDR related activities in Nepal. The website could be accessed at www.npc.gov.np/mfdr. All reports submitted under the various technical assistance projects supported by ADB in the past and the reports and documents prepared by this TA so far are posted in the website. The website also provides linkage to other MfDR related activities posted in the community of MfDR hosted by ADB.
- u) Completed 11-days internal training on MfDR from August 1 to August 11, 2010 at Nepal Administrative Staff College, participated by 28 officials belonging to 13 pilot entities and NPCCS.
- v) Participated and contributed in the review meetings and discussions between the Executing Agency i.e. NPCCS, pilot Government agencies and the ADB Review Mission. The ADB Mission was fielded from August 16 to August 23, 2010 to review the implementation status of this TA.
- w) Organized a 2-day Orientation Training Workshop (Aug. 28 & Aug. 29, 2010) on Results Based Budgeting with a focus on updating “Budget Formulation Guideline of MoF” in line with RBB concept. The event was organized at Hotel View Bhrikuti, Godavari and was participated by 44 no. of officials from NPCCS, MoF and pilot agencies under MfDR. The VC-NPC Dr. Jagdish C Pokhrel and Secretary MoF Mr. Rameshwor Khanal expressed GON’s commitment in institutionalizing MfDR approaches across the entire Government institutions. In this regard, it was suggested that TA team shall support the ongoing effort of MoF for updating their ‘Budget Formulation Guidelines’ in line with the Results Based Budgeting approach.
- x) A 9–day comprehensive overseas training on “Integrated Results Based Management & Macro Development Planning” was arranged through CeDRE International Malaysia between October 21 2010 to October 29 2010 at Kuala Lumpur. The participants included 21 senior and mid-level government officers from NPCCS (6 nos.), MoF (3 nos.) and one each from 12 agencies currently being piloted under this TA. Apart from class room orientation on pertinent aspects of IRBM System and its components, the participants had the opportunity to interact with Economic Planning Unit (EPU) and Implementation Coordination Unit (ICU) under Prime Minister’s Department to gain first hand information on Malaysia’s National Mid Term Development Planning as well as performance monitoring & reporting system using MIS (Top Management Decision-Support System).
- y) Organized a half day workshop on Project Screening System for NPC on March 20, 2011 at Hotel Annapurna to solicit opinion of stakeholder ministries and NPCCS on the proposals. Altogether 52 participants belonging to NPCCS as well as different ministries including five pilot ministries and MoH, MoIrg., MoF&SC, MoWCSW, MoEnv., MoT&CA, MoS&T, NTB, MoPR, along with their subordinate departments participated. The workshop provided useful inputs for setting the direction towards improvising the system for NPCCS.
- z) Organized half day workshop on 7 June 2011 at Indreni Palace to undertake institutional survey for monitoring the RBB implementation in DOTM and MTPD.
- aa) As a follow up of previous workshop on March 20, 2011 for Project Screening System, this workshop was organized to seek comments from the participating officers on the proposed project screening system presented by the TA consultant.

The comments and suggestions put forwarded in the workshop were considered an important inputs for the finalization of the document.

- bb) The TA Consultant in consultation with several potential training providers like NASC, KU, TITI organized a 5-day residential TOT between May 27 to June 1, 2011 at Hotel Country Villa, Nagarkot. The 17 participants of the proposed TOT program were selected from a pool of NPC and officials of the pilot ministries who had already undergone internal or external MfDR trainings in the past. The TOT helped enhance training skills of participants so as to enable them deliver MfDR trainings on their own initiatives.
- cc) Similar to the basic MfDR Training organized under 13 (v) as above, another 5-day comprehensive training on MfDR was organized between June 12 to June 16, 2011. The participants were selected from the pilot ministries as well as some other ministries not piloted under this TA. A few of officers trained through TOT training as above were given the opportunity to apply the trainers skill by performing as the resource person for this training.
- dd) Organized interaction and dissemination workshops (residential) at Hotel View Bhrikuti, Godavari with key officials of pilot ministries, its subordinate entities, and RBB pilot agencies separately between July 9-19, 2011 to disseminate MfDR approaches across their organization and undertake group monitoring exercise using the results based monitoring formats proposed in their respective business plans. The necessity of 'rolling' characteristic of the business plan was emphasized and concerned officials were oriented towards updating their business plans for additional one year. A separate orientation training residential workshop for 30 media persons was also organized in collaboration with Society of Economic Journalist of Nepal (SeJON).
- ee) Organized National (Concluding) Dissemination Workshop on July 21, 2011 at Hotel de l' Annapurna to disseminate TA outputs, share experience on MfDR internalization process, and outline measures to carry forward the process. The focal unit members of pilot agencies shared their experiences in the workshop that was presided over by the Member Secretary of NPC.

3.2 Operationalizing MfDR Tools

15. Reference is made to Annexe 9 that provides a comprehensive guidelines developed by the TA Consultant for mainstreaming MfDR in the GoN system. A detailed description of MfDR tools adopted for application in the pilot agencies is provided in Section II of the Annexe 9 Report. The Tools include the followings;
 - Medium Term Expenditure Framework (MTEF)
 - Readiness Assessment
 - Results Matrices
 - Performance Indicator
 - Results Based Monitoring and Evaluation
 - Results Based Budgeting
 - Business Plan
 - Training Manual
16. Medium Term Expenditure Framework (MTEF): Though the process of MTEF seems to be mechanical at firsthand, but it is the foundation of MfDR. Here inputs are linked to outputs, and thus a basis for monitoring is provided. There is no point in monitoring inputs or expenses in isolation. Similarly, there is no point in monitoring outputs alone.

It is the performance of linkages between outputs and inputs that has to be monitored. Thus, MTEF helps performance review and monitoring. Thus, MTEF has medium term focus into resource planning, and helps to plan ahead for changes in policy and expenditure reallocations. It enhances predictability in the flow of resources, nationally, sectoral and at the ministerial /departmental levels. The yearly publication of MTEF based three years expenditure projections for all the sectors published by Ministry of Finance (ref. www.mof.gov.np) was used for TA operations.

17. Readiness Assessment (RA): The readiness assessment tool was used to answer three questions (i) What is the organization supposed to be delivering to its client groups? (ii) Where does the organization fall short in delivery?, and (iii) What are the sources of the performance gaps? A sample format¹² for undertaking analysis of the sources of gaps and presenting the outputs in the form of Spider Maps, is presented in Annexe 9. The Readiness Assessments undertaken for each of the thirteen pilot agencies are presented in Annexe 4. Some of the common findings of the RA analysis are outlined below;
- While there is interest in better understanding MfDR principles and their operationalization, the overall capacity to do is not strong;
 - The incentives for results-based management are weak, both institutionally and individually; there is insufficient encouragement of efficiency and professionalism;
 - Leadership is insufficient and the political situation has complicated the decision-making process;
 - Lacking sufficient leadership and well defined management chains, there is little incentive for monitoring and evaluation and other elements key to MfDR; M&E input to the planning/budget process is limited;
 - Staff vacancies, frequent staff changes and lack of skill levels are serious impediments to mainstreaming and operationalizing MfDR;
 - Diagnostic units are small and poorly staffed, with little expertise in economic evaluation methods;
 - M&E units are poorly staffed, and lack motivation;
 - Management information systems need to be strengthened; internal linkages are poor;
 - Cascading of MfDR responsibilities down from the ministry/central level to the operational level is inadequate;
 - Inter-ministerial and inter-governmental coordination and cooperation are insufficient;
 - Budgetary resources are substantially below required levels needed to achieve expected outputs/outcomes
 - Cost overruns and insufficient provision for recurrent expenditure is systematic;
 - External audits and other accountability measures are sporadic;
 - Basic public expenditure management reform/strengthening should be accompany other activities to operationalize MfDR;
 - Organizational restructuring should also be part of operationalizing MfDR; responsibilities and functions need to be clarified and better demarcated;
 - Extensive capacity building is required.
18. Results Matrices: The Tenth Plan (PRSP) initiated inclusion of results matrices for each sector as Annexes in the document. The Three Year Interim Plan updated these matrices, while maintaining the simplified form adopted for the Tenth Plan. Continued attention is needed to the matrices, both to reflect the new government's priorities but also to better link objectives and goals with expected outputs and outcomes. Further, all Ministries/Agencies should endeavor to advance their result-based matrices beyond

¹² The Readiness Assessment Tool was developed under RETA 6306. The format used for this TA was further contextualized before its application in the pilot agencies.

- the form adopted to date. Since there needs to be some consistency in this advancement, leadership by the National Planning Commission is required. The TA Consultant has further updated the results matrices (Annexe 9), and has recommended NPC for its adoption in the Three Year Plan (2010/11-2012/13) document as well. The results matrices for all the sectors are appended to the business plans of respective pilot agencies in Annexe 1, 2 and 3.
19. Performance Indicators: The NPC, through its publication on PMAS, has identified sector wise output and outcome indicators. But they required to be contextualized and refined to make capable of application. Some of the guidelines included in Annexe 9 for the development of SMART indicators include the followings;
 - Be clear about the purpose of the indicators;
 - Ownership is important; external imposition of performance indicators (by a central agency or donor) is unlikely to be effective; stakeholders must participate in the design of the indicators;
 - Indicators need to be designed as simply as possible, while relating to the development/program approach;
 - They should provide 'information for management action' and contribute to operational learning;
 - As much as possible, the indicators should be quantifiable; if baseline data is not available for some of the desired indicators, small-scale surveys can be helpful; medium to long-term trends in the baseline data should be noted; qualitative indicators are useful supplements;
 - Attribution of cause and effect is difficult; desired outcomes (e.g., poverty reduction) are normally the result of a wide range of factors, many which may be outside the influence of the concerned ministry, agency, or local body; focus on outputs is more useful and operational;
 - Distinguish between short, median and long-term indicators; short-term indicators provide some measure of momentum and help in adjusting program strategies and objectives;
 - Ensure that performance indicators related to outputs, outcomes and impact are complimented by input and process performance indicators;
 - Performance indicators (input, output, outcome or impact), must be tailored to the organizational level; an output performance indicator for one level of the organization may be an outcome performance indicator for another level of the same organization;
 - Select performance indicators that tie-in with the government's strategic objectives, incentives and information systems;
 20. Results Based Monitoring and Evaluation: With the objective to ensure accomplishment of adopted plans, policies, programs and projects within the prescribed time, quantity, quality standards and investments, the National Planning Commission has issued the Results Based Monitoring and Evaluation Guideline 2067 as a means to enable regular, dependable, and effective monitoring and evaluation functions. . The guideline is also an attempt to assure the stakeholders and development partners of the optimal utilization of public expenditure towards realization of results oriented plans, policies and programs.
 21. The Results Based Monitoring and Evaluation Guideline 2067 aims to enhance the public accountability at all levels of project implementation to policy formulation by institutionalizing the objective oriented M&E process. Unlike the traditional process of input/output monitoring, it attempts to emphasize the outlined results chain of any

- project by monitoring inputs, outputs, outcomes and impact. In so doing, effectiveness of resource utilization with respect to desired objectives and result accomplishment along with relevance, efficiency, sustainability, utility and impact are also ascertained. Accordingly, the guideline recommends input/output and outcome monitoring, impact monitoring and analysis, management information system and dissemination/advocacy activities. Furthermore, the process recommended for monitoring includes (i) development and updating of the results matrix by adopting MfDR approaches (ii) identification of activities to be monitored and indicators (iii) development of monitoring plan framework (iv) institutional arrangements (v) data collection, compilation and analysis (vi) reporting of monitoring results and information with feedbacks and (vii) utilization of monitoring information and feedbacks.
22. Following the recommended framework of the NPC Guideline 2067, the TA Consultant had proposed sample formats for outcome, output, activities and input (budget) monitoring, which is appended with the business plan of thirteen agencies in Annexe 1, 2 and 3. The design of the monitoring frameworks is derived from the results frameworks of the concerned agencies. The monitoring formats were tested during the residential interaction workshops with the officials of the pilot agencies, and feedbacks for improvements were incorporated.
1. Results Based Budgeting: The main objective of Results Based Budgeting is to allocate appropriate resources and optimize their benefits. The foremost efforts in formulating RBB thus would be to outline objective in terms of specific targets along with requisite strategies, policies and programs to this regard. The annual programs and budget has to be formulated through establishment of clear linkage between the expected results, programs and budget. The seven step process proposed by the TA Consultant for formulation of RBB is produced in Annexe 9. Please refer Annexe 3 for RBB modules of the two pilots namely DOTM and MTPD, and Annexe 5 for baseline and monitoring survey reports on implementation of RBB. Some of the important “Do’s” for formulation and implementation of RBB include the following;
- Undertake diagnostic study, preferably through problem tree analysis for identification of problems in the logical cause and effect relationship.
 - Assess the institutional capacity with respect to implementation of plans and programs, particularly through performance gap analysis of yesteryear’s programs
 - Develop results framework with SMART performance indicators, particularly for outcomes and outputs along with their associated baseline and target data and information for three year time frame.
 - Specify strategies and working policies to meet the RBB objectives and for effective achievement of the results.
 - Agree upon annual outputs and formulate requisite programs and projects along with requisite budget. Elaborate on requirements for activities completion and input management (e.g. procurement plan etc.) and cash flow projections.
 - Develop monitoring plan with emphasis on regular tracking of progress and institutional development plan with capacity enhancement measures to ensure accountability at various levels of organizational operations.
 - Develop prepare alternative mechanisms for mitigating the identified risks and assumptions.
23. Considering that both the RBB and MTEF are prepared under a three-year framework, there is possibility of a strong correlation between them. The use of results framework as a tool can be effectively used for establishing linkages between organizational

objective (results) and annual targets, strategies and working policies as well as programs and activities. Similarly, the results framework can guide allocation of budget and its monitoring mechanism. Thereby, an effective linkage between the planning, programming, monitoring and budgeting can be established. Besides, the pre-identification of risks in the results framework encourages formulation of alternative measures for risk mitigations. Accordingly, the RBB not only helps in formulation of programs and budget but also ensures optimal utilization of resources for achieving the specific targets.

24. **Business Plan:** The business plan has been considered as the document guiding operationalization and internalization of MfDR in the concerned public sector entities. Apropos, preparation of business plan involves application of core MfDR principles and tools so as to establish its utility and the effectiveness. A snapshot of Business Plan is presented in the box below.

Box: A Snapshot of the Business Plan

A business plan will

- Clarify thematic priority areas of interventions;
- Specify Budget allocation required for achieving outcomes by driving the budgetary system toward a performance base;
- Serve as a basis for negotiation between the budgetary authority and the related organization;
- Work as a basis for developing key performance indicators;
- Work as a basis for performance contract with the pilot organizations;
- Work as a basis for performance measures of the implementation plans;
- Help in prioritizing outcomes; and
- Help in aid harmonization

25. Reference is made to Annexe 1 for the business plans of eleven pilot agencies. Steps adopted by the TA Consultant for development of these business plans are as follows;

Step 1: Outline the services being provided by the organization in question along with the services provided by its individual units/ divisions/ sections. Relate the services provided with vision, mission and mandates. Refer to Status Report, if available.

Step 2: With the help of Readiness Assessment and Performance Gap Analysis (Status Report) describe major problems, challenges and opportunities. SWOT analysis might also be useful.

Step 3: Identify thematic areas of business plan interventions. Refer to Strategic Plan of the organization, if available. A review of on-going programs and activities together with its prioritization shall also be undertaken.

Step 4: With reference to the Sectoral Periodic Plan, outline key objectives, outcomes and quantitative outcome and output targets to be achieved during the business plan period i.e. for each of next three years. Use sample format (Table 2) in Annexe 9.

Step 5: Detailed out activities, grouped under major programs for each of the three years of the business plan and link them with Outcome/Output targets in S.No. 4 as above using sample format (Table 3) in Annexe 9. Sample format (Table 3-I) is recommended for activities undertaken by different divisions of

the ministry to facilitate outputs from the subordinate organizations towards achievements of sectoral outcomes.

- Step 6: Propose budget allocation for each of three years with reference to activities/programs outlines in S.No. 5 as above. The projected budget of the MTEF shall be referred to, if available. Refer sample format (Table 4) in Annexe 9.
- Step 7: Revisit Table 2 and 3 with reference to Table 4, and revise/update expected yearly targets. Continue this iterative process during the budget discussion with MoF and NPC.
- Step 8: Provide a concise description of major programs (core business activities) included in Table 3 of the business plan.
- Step 9: Provide proposals for institutional development with due emphasis on improvements in (i) operating environment, (ii) clarity of results, mandate and organizational purpose, (iii) adequacy of resources, (iv) organizational management and structure, (v) organizational values, & culture, vision & leadership and attitude towards change.
- Step 10: Prepare results based monitoring plan following the NPC Guideline 2067 by suitably modifying Table 2, 3 and 4 and identify critical factors for successful implementation of the business plan.
26. Training Manual: A Training Manual on MfDR was originally prepared by the Nepal Administrative Staff College (NASC), and subsequently updated by NASC in the course of providing Capacity Enhancement Training on MfDR from August 1-11, 2010. The TA Consultant had submitted the said updated MfDR Training Manual to the National Planning Commission Secretariat (NPCS) and has received comments on the draft (Ref letter of PMD-NPCS ch.no. 1272 dated 15 march 2011). Upon the insistence of the ADB NRM that a comprehensive manual on MfDR be produced under the TA which is formally approved for replication in the government system, the training manual has been thoroughly updated by not just addressing the comments of PMD-NPC but also with due regards to its usability for future training programs on MfDR.
27. The manual has been improvised drawn from the experiences of MfDR Training organized at NASC in June 2011. A training needs assessment was undertaken using a questionnaire served to and filled in by the participants to that training. A course design conceptualized was tested through the TNA process. Accordingly the manual reflects upon the design with four modules each with specific thematic focus. Please refer Annexe 7 for the training manual produced under this TA.

3.3 MPPW, MLD, MOE and NPC Operations (Output 1)

28. The outputs envisaged with regards to MPPW, MLD, MOE and NPC operations under the TA included (i) evolution of annual plans and budget with detailed results indicators; (ii) establishment of result-based monitoring systems, and (iii) implementation of NPC's revised project entry and supervision system with results criteria. The activities proposed in the design framework (Table 1) to accomplish Output 1 included the followings;
29. limited capacity of incumbent staffs, and preoccupation of the NPC with the preparation of TYP lead to delayed realization of the targeted outputs.

- 1.1 Help establish steering committee, focal points, and groups,

- 1.2 Support the ministries to integrate their business plans and results frameworks into the planning, budgeting, and monitoring systems, projects, and programs
 - 1.3 Review and revise the results frameworks, business plans, and other MfDR initiatives in line with TYIDP and emerging priorities of the Government.
 - 1.4 Help NPC to streamline results criteria in its project screening system in close consultation with line ministries and MOF.
30. The original scope of works under Output 1 was mainly to prepare and operationalize the results frameworks, performance indicators and business plans in MoPPW, MoLD and MoEd. However, as per the directive of the first steering committee, held on 4th September, 2009, two departments under MoPPW namely DOR and DWSS, as well as Municipality Management Division (MMD) under MoLD and HSEB under MoEd were additionally included. Accordingly, the TA team carried out all the activities simultaneously in the seven agencies towards operationalizing the MfDR approach and practices in these agencies.
 31. The TA Team accomplished activity 1.1 in coordination and support from EA (refer 1.a to 1.d as above in section 3.1 Milestone TA Activities). The TA team had individual meetings with the concerned secretaries and departmental heads to emphasize nomination of the most appropriate officials for the working group. The TA team had also advised the Executing Agency that it will be quite useful to form focal groups consisting of 3 to 5 (not rigid) concerned personnel at both ministries and departments/agencies levels in order to facilitate regular interactions and consultation with the TA team members in course of implementing the project. The updated list of focal points and focal group members is presented in Appendix 1 of this report, which also manifests high turnover (frequent transfer of staffs).
 32. In the context of undertaking activity 1.2, the TA team conducted a series of workshops and interaction programs with the focal groups in their respective organizations (refer 1.f, 1.i, 1.l, 1.m, 1.o, 1.q, 1.r, 1.u, and 1.z as above in section 3.1/ para 14). Moreover, several review meetings with the focal units also facilitated on-the-job technology transfer on pertinent aspects. Such interactions had also been organized in the pretext of propagating the MfDR culture with the expectation that it will lead to positive mind set in the long run. This assumes added significance in the context of appreciating that the main challenge in operationalizing results-based management has been the mind-set or behavioral change required to internalize the MfDR processes.
 33. The TA Team in coordination with PMD/NPCS had also been instrumental in facilitating issuance of directives from the NPC to all the concerned ministries and public agencies whereby making production of business plan as the necessary condition for annual budget discussion (refer 1.p in section 3.1). Review meetings (1.q), advocacy (1.r), and a comprehensive training program at NASC (1.u and 1.cc), orientation workshop on RBB (1.w), and overseas training program in Malaysia (1.x), had been other milestone activities towards the accomplishment of activity 1.2.
 34. With reference to activity 1.3, it is pertinent to note that the TOR of the consultant clearly stipulates to “help the line ministries to review the business plans and results framework in line with the sector plans of the Three Year Interim Development Plan (TYIDP) and ministry-specific long-term plans”. In this regard, after the commencement of TA, the NPC initiated the process for formulating/updating sectoral strategies towards the preparation of next Three Year Plan of the GoN and by June 2010 only the Approach Paper of next Three Year Plan could be finalized. By the time of submission of the final drafts of business plan for FY 2010/11-12/13 (refer Annexe 1 & 2) of the seven pilot agencies, the TYP document was not published thus the business plans

needs to be updated by the focal units on their own to incorporate new programs of TYP, if any.

35. Moreover, the TA consultant has facilitated the process of rolling over the preparation of business plan for the next three years i.e. FY 2011/12-13/14 during the residential interaction workshops with MoPPW and MoEd official (1.dd). During the exclusive workshop for MoPPW on July 13-14, 2011 a total of 45 officers belonging to MoPPW and its subordinate organizations namely DOR, DoRail, DWSS, RWSSFB and others participated in the discussions on their respective business plans and took active part in monitoring outcome, output, activities and budget based on results based monitoring formats included in the business plan. The focal unit members of the respective pilot agencies facilitated the proceedings with the help of TA Consultants. Similar workshop was also organized on July 10-11, 2011 with 33 officers of MoEd and HSEB. Apart from enhancing the capacity of focal unit members on facilitating such workshop, ownership of the business plan within respective organizations was appropriately ensured.
36. With reference to activity 1.4, the TA Consultant organized a half day workshop on Project Screening System for NPC on March 20 (1.y) to solicit opinions from the stakeholder agencies. The workshop provided useful inputs for setting the direction towards improvising the system for NPC. As a follow up of this workshop, additional workshop was organized to seek comments from the participating officers on the draft project screening system presented by the TA consultant. The comments and suggestions put forwarded in the workshop were considered an important inputs for the finalization of the document. Please refer Annexe 6 for the proposed final document.

3.4 MoAC and MoEN Operations (Output 2).

37. As mentioned in Table 1, the Project Design Framework, Output 2 relates to implementing an MfDR approach in MoAC and MoEN and monitoring their mandated responsibilities. The outputs envisaged with regards to MoAC and MoEn operations included preparation and approval of business plans, results framework, and results indicators together with its implementation in FY 2011 planning and budgeting cycle. The activities proposed in the design framework to accomplish Output 2 include the followings:
 - 2.1 Assess status of MfDR practices in two ministries, including review of their mandates, vision, mission and goals
 - 2.2 Help ministries to develop results frameworks, performance indicators and business plans in line with the sectoral results frameworks of TYIP and development priorities of the Government in close consultation with NPC and relevant stakeholders.
 - 2.3 Support the ministries to integrate business plans and results frameworks into the annual planning, budgeting and monitoring systems, projects and programs.
38. As per Table 1 as above, the original scope of works under Output 2 was mainly to prepare and operationalize the results frameworks, performance indicators and business plans in MoAC and MoEn (Erstwhile MoWR). However, as per the directive of the first steering committee, held on 4th September, 2009, two more agencies DOA under MoAC and DoED under MoEn were additionally included. Accordingly, the TA team is carrying out all the activities simultaneously in all the four agencies, towards operationalizing the MfDR approaches and practices in these agencies.
39. In respect of activity 2.1, the readiness assessment and performance gaps analysis, have been carried out and status review has been done, in close coordination with the

- concerned personnel and focal group/unit members of MoAC, DOA, MoEN and DoED, using ADB'S the RA tools. The findings of such analyses have been used in preparation of the business plans of the respective agencies. Extensive consultation, through a series of workshops, group meetings, and discussions at individual levels were carried to accomplish the tasks and make them more relevant and to reflect the real situations of the concerned agencies. Final version of business plans have been prepared for all the specified four agencies. Besides, detail status reports of the two focal agencies- DoED and DoA have also been prepared.
40. Regarding accomplishment in activity 2.2, the Team, working in close liaison with and participation of NPC, the Focal Group members and other concerned officials, specially related to planning, and monitoring and evaluation divisions/ sections of the concerned agencies, has assisted in preparation of results frameworks and identification of key result indicators of MoAC, DoA, MoEN and DoED. Similarly, final version of the business plans of all the four specified agencies have been prepared in English and provided for translating the document in Nepali language especially in relation to their core programs and proposed budgets. A number of consultation meetings, workshops and interaction programs were organized in order to make the process more participatory and provide on-the-job assistance to develop the capacity of the concerned staff in these areas. Attempts have also been made to align the objectives, strategies and the working policies included in the business plans with those of the NPC approach paper prepared for the next TYP. The business plans and the result Frameworks will need to be further up-dated once the relevant updated data annually on a rolling basis by the concerned agencies for which their in-house capabilities have reasonably been developed through inland and overseas trainings and on the assistance in developing and operationalizing the various MfDR tools.
 41. With regards to MoEn operations, of special mention is the one-day workshop on preparation of the Energy Sector Business Plan (refer 1.o, section 3.1/para. 14 above) which was participated by high level officials from MoEn, DoED, NEA, WECS, NPC, FNCCI, CEDBL, and the High Level Monitoring Team under PMO. The outcome of the workshop was quite valuable in formulating the Ministry's Business Plan and the Three Year Plan.
 42. Under activity 2.3, supports have been provided to MoAC, DOA, MoEN and DoED in integrating the business plans and results frameworks in their respective annual planning and budgeting for the FY 2010/11. As NPC and MoF have made the submission of the business plans mandatory for the MfDR covered ministries and agencies along with their respective budget proposals, line ministries and agencies officials gave the task much importance, as such and the draft business plans got shaped and are ready to be used by the concerned agencies. The final version of the business plans have been completed to be used during the final budget discussions. Based on the experiences, the process will be further continued by the concerned agencies to refine and make the exercise more practical and operational, for the coming years.
 43. Moreover, the TA consultant has facilitated the process of rolling over the preparation of business plan for the next three years i.e. FY 2011/12-13/14 during the residential interaction workshops with MoEn, DoED and NEA official (1.dd). During the workshop on July 11-12, 2011 a total of 33 officers belonging to MoEn and its subordinate organizations namely DoED and NEA participated in the discussions on their respective business plans and took active part in monitoring outcome, output, activities and budget based on results based monitoring formats included in the business plan. The focal unit members of the respective pilot agencies facilitated the proceedings with

the help of TA Consultants. Apart from enhancing the capacity of focal unit members on facilitating such workshop, ownership of the business plan within the respective organizations was appropriately ensured.

3.5 RBB Agencies-DOTM & MTPD Operations (Output 3)

44. The outputs envisaged with regards to implementing the Results Based Budgeting in two public agencies, namely DOTM and MTPD included (i) RBB readiness assessment of two agencies; (ii) RBB modules implemented in two public agencies, and (iii) Public dissemination of results on improvements in service delivery from RBB pilots. The activities proposed in the design framework (Table 1) to accomplish Output 3 included the followings;
 - 3.1 Assess the readiness of agencies for RBB using ADB's MfDR readiness tool.
 - 3.2 Develop RBB modules for two agencies, with performance indicators on delivery of effective and efficient services.
 - 3.3 Support, guide and monitor the implementation of RBB and report regularly to MoF and NPC, and
 - 3.4 Design and conduct a survey to assess the impact of pilots on service delivery improvements and organize dissemination programs.
45. Under activity 3.1 ADB's MfDR readiness tool is applied to assess the readiness of DOTM and MTPD, identified as the units where RBB shall be applied as a pilot case, to ascertain the readiness of these two units for MfDR operationalization and RBB. For the application of the readiness analysis tools in these units, first, a technical workshop was conducted to show the usefulness of the tool and the method to apply in conducting such assessment. A format was developed and circulated to different level of officials in the agency and asked them to rank reasons under each of the broad headings, working environment, M& E system, availability of resources, incentive system, attitude towards change etc. which is considered as the elements that reflect readiness of the organization. Based on the response, readiness analysis of these two units was carried out.
46. Under activity 3.2, business plan for RBB in two pilot agencies namely, DOTM and MTPD are developed along with performance indicators on delivery of effective and efficient service delivery. Results frameworks were prepared to link the outcome with output, activities and inputs- mainly budget and manpower. A performance indicator that shows the baseline data and the targets by the end of three years- the time frame considered by TYPI and the business plan- was prepared along with the means of verification and the potential risk in achieving those targets.
47. Under activity 3.3, the team supported and guided the agency officials in preparing RBB relevant documents as well as in the discussion with NPC and MOF for approving the programs and budget. The TA Consultant facilitated high level interaction program, chaired by VC-NPC and participated by NPC members and concerned senior officials from the Ministry of Finance, NPC, Ministry of Home, Ministry of Labor and Transport Management, DOTM and MTPD on June 28, 2010 for advocating incorporation of RBB for DOTM and MTPD in the forthcoming budget (FY 067/68).
48. Unlike DOTM, budgets are not disbursed to MTPD directly by MoF in the absence of specific budget headings. Consequently, the budget disbursements to MTPD are channeled through Budget Division of the Nepal Police. The effective implementation of RBB requires efficient and timely monitoring of budget expenditures with reference to their results framework, and hence absence of specific budget headings or sub

headings is considered a major hindrance in implementing the RBB approach in MTPD. Nevertheless, the team has supported the focal units in DOTM and MTPD in further fine tuning their performance indicators and the periodic reporting formats.

49. Similarly, a two-day residential orientation training workshop was organized specifically for the MoF and NPC officials with the objective to orient them towards the concept of RBB (refer 1.w). The program was also attended by one participant each from the selected 13 pilot agencies. One of the major outcomes of this orientation training program has been the felt need of the MoF senior most officials to update the “Budget Formulation Guideline 2064 BS” in line with the RBB approach so as to help introduce RBB all across the entire Government system and agencies.
50. Under activity 3,4, baseline survey was conducted by the TA Consultant between September to November 2010, and an end-of-the-project monitoring survey was conducted in June 2011. Accordingly, baseline and monitoring survey reports were produced, and is presented in Annexe 5. The findings of the end-of-the-project monitoring survey, particularly the findings of outcome monitoring undertaken through institutional, direct observations and public perception surveys have been disseminated through MfDR website (www.npc.gov.np/mfdr) and through workshop for media persons on July 18-19, 2011.

3.6 Building Capacity on MfDR (Output 4)

51. The outputs envisaged with regards to building capacity of staff in selected agencies to apply MfDR approaches included (i) Comprehensive training need assessment report (including baseline data on capacity) and fully-costed capacity development program submitted to NPC, and (ii) increase in number of staff showing improved competence in applying core MfDR skills. The activities proposed in the design framework (Table 1) to accomplish Output 4 included the followings;
 - 4.1 Assess MfDR capacity in NPC and pilot ministries and establish baseline data on capacity.
 - 4.2 Specify training needs of institutions (including scope and contents of external training) and design capacity development programs and training materials.
 - 4.3 Organize capacity development programs for strategic managers and for the operational level and training of trainers programs, and
 - 4.4 Undertake training impact assessment and reflect improvements in competency in applying core MfDR skills.
52. Under activity 4.1, assessment on the capacity of MfDR at the NPC as well as at the ministry and the selected department level was carried out, and baseline data on capacity is included in the training need assessment report, produced in Annexe 8.
53. Under activity 4.2, based on the discussion at the NPC and ministry and department level, the capacity development programs, including the scope and contents of internal and overseas training were conceptualized. A report on Training Need Assessment and Training Impacts is produced in Annexe 8. A comprehensive Training Manual has also been prepared in English and Nepali languages in consultation with the NPC and NASC, and is produced in Annexe 7.
54. Under activity 4.3, one training program on basics of MfDR and its tools along with Results Framework, Business Plan and RBB was completed during the period August 1-11, 2010 at NASC. About 28 officials, undersecretary and section officer level, from the MfDR selected line agencies and NPC participated in the program (refer 1.u, para

14 above). Similarly, additional MfDR training was organized between June 12-16, 2011 for 31 officers from the pilot as well as non pilot ministries and departments (refer 1.cc). An overseas training program was organized in Malaysia for 21 GoN officials between Oct. 21 to Oct 29, 2010(refer 1.x). With the purpose to enhance the capabilities of trainers/resource persons of MfDR in designing, implementing and evaluating the training program effectively, a TOT was organized between May 27, 2011 to June 1, 2011, participated by 17 officials (refer 1.bb). Some of the participants trained as trainers through the TOT program were further provided an opportunity to test their skills by performing as resource persons in the subsequent MfDR training program (1.cc).

55. With reference to activity 4.4, an evaluation of each of the aforementioned training programs was undertaken, and included in the report on Training Need Assessment and Training Impacts, produced in Annexe 7 of this final report.

IV. THE TA MANAGEMENT – INPUTS AND BUDGETARY EXPENSES

4.1 Time Use of Consultants

56. The man-month input spent by the three TA team members upto the end of contract period i.e. by July 21, 2011, is shown in Appendix -3.2. It is evident from the manning schedule that allocated 50 person-months have been spent in most judicious manner. However, it is to be noted that some of TA members had to provide more time inputs than provided in the contract. This increase in actual inputs of Consultants is attributed to increase work load caused by the decision of the Steering Committee to further cascade the MfDR approaches to the department/division level units within the selected five ministries. This matter had also been brought to the notice of the ADB Review Mission (16-23 August, 2010) with a note that contractual inputs of TA Consultants need to be increased to undertake the increased scope of activities. However, due to delays in securing consent from the government, the process for variation to contract to this regard could not be initiated within the contract period.

4.2 Budgetary Expenses

57. Appendix 3.1 is referred to for item wise allocation of budget under the financing plan of the TA Paper¹. The table also depicts actual expenditures claimed for disbursements against the contract amount updated following the Variation 1, approved by ADB on date 9 June 2011. Though the TA was approved for USD 500,000, the contract between ADB and TA Consultant was concluded for USD 447,000 only. Out of which, USD 217,472 has to be disbursed as progress payments in six installments, and USD 208,222 as “Other Payments”, requiring approval of the ADB-NRM prior to commencement of activity. The budget items included under “Other Payments” are (i) 1173: National Air Travel (Lump-sum/RT), (ii) 1300: Seminars, Workshops, Training (iii) 1400: Studies, Surveys and Reports, and (iv) 1200: Equipment. Following the Variation 1 to contract, budgeted costs against (i) reports and communication (including translation at cost), (ii) external training (additional DSA payments), and (iii) national workshop were readjusted within the original contract amount of USD 447,000. It is apparent from Appendix 3.1 that total disbursement is unlikely to exceed USD 410,000.
58. The TA had adequate budgetary provisions to support capacity enhancement and mainstreaming MfDR activities in the Government system. The budget item 1300 for expenditures against seminars, workshops and trainings consist of

- (i) in country training programs, workshops and seminars with a total budget provision of USD 85,000 (revised to USD 77,380 following Variation 1)
 - (ii) external training with budget provision of USD 65,000 (revised to USD 69,770 following Variation 1) and
 - (iii) final workshop for information dissemination nearing completion of TA activities (revised to USD 4,750 from USD 1,852 following Variation 1).
- Under item 1300 as above, the total disbursement is unlikely to exceed USD 147,111 against the total provision of USD 151,900.
59. Expenses under budget item 1400 for studies, surveys and reports consist of (i) survey expenses for two RBB pilot agencies with a total budget provision of USD 7,407 and (ii) field visits by government officials with the provision of USD 23,000. The expenses against baseline and monitoring survey amounted to USD 7,391.44, but no expenses have been incurred against the field visits by government officials.
60. Budget item 1200 for USD 25,000 was meant for procurement of limited equipment for the use of selected pilot agencies and ministries, and USD 24,270 was actually spent to procure a total of 9 nos. desktop computers, 10 nos. laptop computers, 9 nos. multifunctional office equipment (printer, facsimile, scanner and photocopy i.e. 4 in 1 set), 1 no. color laser printer, 1 photocopier (A3 size) and 1 no. multimedia projector. One laptop, desktop and multifunctional office equipment have been handed over to each of the seven pilot agencies (refer S.No. i. to vii. below) and the rest of equipment are being handed to NPCS after demobilization of the TA team.
- i. Department of Agriculture, MOAC: Planning Division. (DOA)
 - ii. Ministry of Energy: Planning and Monitoring Division (MoEn-M&E)
 - iii. Department of Electricity Development: Planning Division (DOED)
 - iv. Department of Transport Management: Planning and Monitoring Division (DOTM)
 - v. Metropolitan Traffic Police Division (MTPD)
 - vi. Higher Secondary Education Board under Ministry of Education (HSEB)
 - vii. Municipality Management Division (MMD) under MOLD, and
 - viii. National Planning Commission Secretariat.

V. Lesson Learnt and Way Forward

5.1 Lessons Learnt

61. In course of the implementation of the TA activities, some important lessons have been learnt which need to be duly considered in the context of further operationalizing the MfDR approaches. Such lessons learnt are summaries in the ensuing paragraphs.
62. Operationalizing the MfDR with Piecemeal Approach: Attempts have been made through the present ADB TA 7158 and previous TA 4761 to operationalize the MfDR approach in five selected ministries and six of their subordinate department's agencies. In addition to those, other two agencies –DoTM and MTPD have also been covered under the present TA project where Results Based Budgeting (RBB) system has been operationalized. Thus, a total of thirteen agencies have been covered under the project .It has been observed that, as the MfDR approaches have been attempted to be operationalized only in the selected sectors and agencies on a pilot basis, other sectors and agencies have been left out in the process. In course of the implementation of the project, it has been realized that some of the pilot agencies consider the MfDR related activities as the additional works vis-à-vis- to other agencies not covered under the project. Besides, in operationalizing the MfDR approaches on a

- piecemeal basis only in some selected agencies, there is inherent risk that the approaches may not be assimilated and institutionalized in the overall management system of all the relevant agencies. Thus in order to internalize the approaches in holistic manner, there is a need to expand these further to other sectors and make them as a regular practice in the process of planning, implementation, and monitoring and evaluation.
63. Frequent Staff Turnover: The frequent transfers of staff, at all levels, have remained a serious problem during MfDR operationalization. Such transfers have caused the team to orient the new officials again and again on MfDR and its components including preparation of business plan at the sectoral line agencies. This remained one of the key reasons for a delay in finalizing business plan. The team also feels the positive side of it, as more people could be involved in the preparation of the sectoral business plan helping ownership of the document by the line agency.
 64. Budget Disbursement of MTPD: The problem with MTPD is that the existing channel of their budget disbursement is not supportive of the RBB approach. It is of utmost importance to ensure that they get budget directly as per their planned activities. The present budgetary process is very much roundabout and any delay in the budget release or cut down in the amount will effect adversely the realization of their targets set in the RBB document. The issue was also raised in one of the Steering Committee meetings and the Finance Secretary assured everyone in the meeting to look at the matter and help change the existing process followed so as to ensure the smooth budget release to MTPD. The change in the budgetary process of MTPD is important to institutionalize the RBB system in the Division in a sustained way.
 65. Use of the Business Plans in Budget Discussions: It has generally been observed that though the NPCS has already made it mandatory for the pilot ministries and agencies covered under the present TA, to prepare and submit their respective business plans along with their annual programs and budget proposals, the use of the business plans are not optimized in the process of their budget discussions. Under such circumstances there is a risk that preparation and submission of the business plans may be considered as just a ritual rather than a useful tool in programming and budgeting of the covered agencies. As a consequence thereof, the concerned agencies may perceive as an extra burden and futile exercise to prepare their business plans. Thus, there is a need to internalize the use of business plans in the process of programs and budgets discussions and approval in order to give them continuity and have their benefits in making the programs and budgets cohesive and more rational.
 66. Need for Enhancing the In-house Appraisal Capability of NPCS vis-à-vis Business Plan: It is important that the business plans received from different ministries/agencies along with their budget proposal are appraised to ascertain the consistency among the proposed programs and estimated budgets, based on established technical norms of the respective sectors. In absence of such appraisal, the utility and relevance of the business plans becomes very much limited. As the business plans are prepared to provide a planning and monitoring framework together with format for annual planning and budgeting for the concerned agencies, the consistency of annual plans need essentially to be checked by the respective divisions of NPCS. For this purpose, the capacity of various divisions has to be enhanced for making effective use of the business plans in the process of results based planning and budgeting.
 67. Uncertainty in the Government and Frequent Changes in the Critical Government Positions: A long delay in the formation of new government, uncertainty of key

- government officials and the resignation of NPC vice-chairman and some members of NPC caused a long delay in the Steering Committee meeting which was long overdue. MfDR team approached the then Vice-Chairman and made its best effort to have the Steering Committee meeting convened, but in vain. The team also approached the new VC and secretary, NPC, briefed them about the activities completed and on-going activities to be completed in the remaining period. On the request of the team the Steering Committee meeting was convened on 11 July, 2011, but briefly.
68. Announcement of early budget schedule by the new government: The announcement of early budget schedule by the new government very much affected the work plan of the present TA. Training programs on general MfDR as well as on TOT had to be postponed twice because of, first, the abrupt decision of the involvement of NPC officials in finalizing the detailed Three Year plan in a short period of time, and secondly, the involvement of government officials at NPC and line ministry in the preparation of supplementary budget¹³ for FY 2067/68, and subsequently regular annual budgets of FY 2068/69, way ahead of its regular reschedule. Besides, the team also had to defer the in-house interaction program on project screening and prioritization criteria, at NPC. A meeting with the TA project director at NPC reached to an understanding for resuming the postponed training programs and in-house discussions for updating project screening system immediately after the completion of budget discussion at NPC, and accordingly, the activities were carried out on the changed schedule frequently.
69. Paucity of Data – Base: In the process of preparation of the Results Frameworks, selection of performance indicators and developing the business plans of the pilot ministries and agencies, it has been realized that there is general dearth of factually correct data to base on while planning, monitoring and evaluation in a realistic and meaningful way. This shortage is further grave in relation to outcome and impact level indicators. Thus, there is a dire need to establish appropriate database with a provision for regular updating and improving its accessibility to the users. Necessary programs and adequate budgetary provisions should be made for this purpose. It has also been observed that in the annual programs and budgets of most agencies, programs and budgets for the monitoring and evaluation activities are very much limited.
70. Delay in Budget and Approval of the Annual Programs: The prolonged investment of time of the focal unit members to the budget finalization process and subsequent approval of their annual programs resulted in further delays in finalization of the business plan documents. Nevertheless, the focal units now seem to be more oriented in operationalizing their business plans, and awaited finalization of the detail Three Year Plan document. Finalizing line ministry programs and projects along with their prioritization, depend essentially on finalization of the Three Year Plan Document.
71. Delays in the Detail TYP document: The delay in the TYP paper and the long delays in the detail TYP document forced the team to start its work on sectoral business plan based on the Interim TYP (2007-2009). However, it had to be revised later after the announcement of the TYP approach paper (2010-2012). This has lengthened the time taken in preparing business plan. As the full document of TYP is still not been published, the sectoral team working in the preparation of business plan had to rely more on the approach paper. There is therefore, a need to revisit sectoral business plan by the focal unit in the line agencies and update it on the basis of the detail TYP.

¹³ The proposal to put forward the supplementary budget was, however; abandoned by the Government.

72. Opportunities for replication in other ministries: In view of the need for a replication of MfDR approaches in other ministries and departments, the team also invited officials from other potential development ministries and the remaining departments of the currently selected ministries to participate in the basic training on MfDR covering results chain, business plan preparation and Result Based Budgeting. The team believes that this will make the operationalization of MfDR on other government ministries and remaining departments of the currently operationalized ministries much easier.
73. Need for a holistic approach to MfDR operationalization: The team felt strongly about the need for a holistic approach in the successful operationalization of MfDR approaches. This requires first, a sensitization on MFDR approaches and its merit – transparency, accountability and resource use for desired output and outcome/impact – among the stakeholders – government policy makers, implementing agencies, parliamentarians and media. Secondly, training of a critical mass of government officials on different aspects of MfDR approaches and its tools and involvement of these officials in preparing relevant documents including sectoral business plan and its regular updating, thirdly, strong commitments by NPC and Ministry of finance to change necessary process in budget making for giving a strong signal in the operationalization of MfDR as an approach in improving resource use for better and effective service delivery.
74. Role of public watchdogs like media: As media can play a strong and effective pressure group for more transparency and accountability in the budget making process and demand for results oriented resource allocation and its use, educating media personnel on MfDR approaches and the advantage of the approach in achieving the above mentioned concerned is very much required for replicating the approaches in the remaining line agencies and also in making necessary changes by the government in that process. A workshop for this purpose carried out by the study team could sensitize the media about MfDR as an approach for better development results and the activities carried out by the team in that process was very much appreciated by the media personnel and they demand sharing of more information on the activities in the future.
75. Supportive role of the project directorate: There is hardly any doubt that the activities spelled out under a TA is very much depends upon the effective role of project directorate, program manager and the TA team. While the actual work and its timely completion is very much the responsibility of the TA study team, the facilitation and the cooperation of the project directorate as well as the effective support of the program manager is very much crucial in the timely and effective completion of the TA and its outputs.
76. Despite several constraints that the project has undergone in the last two years of the TA implementation period, the TA team was completed all the as per the revised program schedule. It is strongly felt that the TA has not only added milestone in sensitizing MfDR concept and its usefulness among the policy makers and the practitioners in the Government but also contributed in developing at least a sizable number of personnel in each of the five line ministries, its selected departments plus two RBB pilot public agencies to carry further the internalization of MfDR approaches with renewed vigor.

5.2 Way Forward

77. The various activities, envisaged under the TA project, have been carried out during the implementation period of two years. The status of operationalization of the MfDR approaches in the selected 13 agencies have been brought to a level where the concerned agencies are expected to continue further practicing the MfDR approaches for which the in house capacity have reasonably been developed under the TA. However, in order to continue the MfDR approach on a sustained basis and with a wider coverage to include other sectors and subordinate organizations as well, the following recommendations are being put forwarded.
78. Sustainability of the Operationalization of MfDR Approaches in the Pilot agencies: The achievements made so far in operationalizing the MfDR approaches in the pilot ministries and agencies covered under the TA need to be further consolidated through making use of various tools and capabilities developed in the area of MfDR. Also through ADB's previous TA and Governments own initiatives significant progress has been made in operationalizing the MfDR approaches. Thus, there is a need to continue with the efforts to further internalization and institutionalization of MfDR, on a sustained basis. The tools developed under the present TA, may need to be further sharpened, based on the experiences gained subsequently in their application under the likely changed context in future. The in-house capabilities developed in different pilot agencies through formal trainings, workshops, as well as through providing on –the job assistance to the focal group members and other concerned staff at different levels of the management hierarchy may be instrumental in further modifying the MfDR tools, if so deemed necessary.
79. Cascading the MfDR Approaches: The achievements made so far through present TA and previous ADB TAs in the area of operationalizing the MfDR approaches in some selected sectors need cascading the approaches down to the subordinate organizations. Presently, the MfDR approaches have been operationalized at the ministry level and one subordinate department /agency in each of the five pilot ministries, besides DoTM and MTPD, where RBB has been operationalized. In order to make the operationalizing of the MfDR approach more practical and cohesive in any ministry/ sectors it is important that the approach is also operationalized in other departments/ agencies of the concerned ministries. Eventually the approach needs to be cascaded down to the field level organizations of the ministries in order to integrate the application of the approach at different levels of the management hierarchy.
80. Expansion of MfDR Approaches to Other Sectors: In order to internalize and institutionalize the MfDR approaches in the overall planning implementation and monitoring and evaluation system of the Government, it is important that application of this management approach is expanded to other relevant sectors to make it operational across the board. This is also important for bring uniformity in planning and budgeting, and monitoring exercises of all the sectors. For this, further efforts need to be done in this direction. The NPCS should take the lead in wider application of this important management approach.
81. Making the Business Plan as a live and Dynamic Document: The NPCS has made mandatory for the pilot ministries and agencies covered under the present TA, numbering thirteen, to prepare and submit their business plans along with their respective annual budget proposals, the sole purpose being to make the programs and proposed budget consistent and results based. However in actual practice, it is usually observed that there are revisions in the proposed budgets in line with the specified budget ceilings. Under such circumstances there is a need to revise the proposed

- business plans instantly, to match with the approved budgets. This is important to make the business plans usable and live. Furthermore, the business plans need to be updated annually on a rolling basis to cover a period of three years. This dynamic nature of the business plans need to be duly recognized and accordingly they need to be revised and updated also to take care of the likely changed context and development exigencies of the concerned agencies, in future. There is also a need that due concerns are shown from the concerned agencies to make the business plan a useful document in the process of planning and budgeting, and monitoring and evaluation of the programs, rather than considering it just a ritual.
82. Developing a pool of man power on MfDR: As the NPCCS has planned to operationalize the MfDR approaches in all the relevant sectors, there is a need to develop necessary capable manpower in the field of MfDR approaches. Thus, developing a pool of manpower is required for operationalizing the MfDR approaches on a wider scale. Through the present TA, a core group in each of the pilot agencies has been developed through formal trainings and providing on-the-job assistance. A group of trainers have also been trained through organizing a ToT course. Besides, potential trainers were practically involved as resource persons in the training course on capacity building on MfDR approaches. A pool of potential trainers has been developed through the present TA as well as through other in country and foreign training programs. Such already developed resource person may be used in MfDR training courses to be organized in future. The MfDR Training Manual produced under *this TA is expected to be formally adopted by NPC as the guideline document for its optimal utilization*. Apropos, it is now deemed necessary that 8 to 10 training courses on MfDR, each of 2 weeks duration and to be participated by 25 to 30 participants are organized over a reasonable period of time. This aspect should be considered crucial and prerequisite for operationalizing the MfDR approaches on a wide scale across the various sectors and agencies. Continuous training programs would appear necessary, especially in light of frequent staff rotations. Other elements of capacity building may include organizational changes, particularly to strengthen the capacity for diagnostic analysis and strategic planning in ministries and district offices.
83. Establishing a Core Referral Group on MfDR, at NPCCS : On completion of the present TA, much remains to be done in further vertical and horizontal expansion of operationalization of the MfDR approaches. The MfDR approach needs to be replicated also in other sectors, besides cascading down to the subordinate departments/agencies in other sector. This would require constant technical support and back-stopping to various sectors in their endeavors for operationalization of the MfDR approaches, on a sustainable basis, and as a regular practice. Thus, in order to give continuity and further replication of the MfDR approaches, establishment of a referral core group at NPCCS, capable enough to steer the process of rationalization and operationalization of the MfDR approaches would be required. The concerned programs directors should be the members of such core group. Wherever necessary, their capacity enhancement need to be done through providing them with further training opportunities.
84. Retaining MfDR Trained Staff : It is vital that the concerned staff in the selected agencies, being oriented and trained on the MfDR approach is in course of implementation of the TA project retained on their job for a reasonable duration of time. This will help in providing continuity in practicing the approach in the respective agencies and institutionalization and sustainability of the approach. It is well recognized that frequent turnover of staff results in to the loss of institutional memory, and thus, affects the sustainability of any newly introduced approach. In order to develop a wider

- critical mass across the sectors, it will be required that brief in-house interaction programs are organized on a regular basis. The officers trained through TOT should take a lead role in facilitating this process.
85. Making Use of the Business Plans in Discussion and Budget Allocation: There is general concern among the line ministry personnel regarding the inadequate allocation of budgets not matching with the activities and programs laid down in the Business Plans. Often times, it is found that neither of the discussion at the NPC and MOF is based on the Business Plan prepared for the line Ministries and agencies. This has raised question among the officials in the line agencies as to the importance and relevance of preparing the business plans. The effective operationalization of MfDR needs a reorientation in the traditional style of budget discussions and program approval, besides adherence to budget schedule.
 86. Need for Strengthening the M& E System: It is well recognized fact that a strong M&E system is crucial for effective operationalization of MfDR at the agency and sectoral levels. A strong M&E system following the Results Based M&E Guidelines 2067 of NPC needs to be in place for the monitoring of outcomes and outputs laid down in the Business Plans. *It is pertinent to note in this regard that Outcome and Output monitoring formats produced in respective business plans were tested during Interaction Workshops with individual pilot ministries/agencies, and participants actively contributed in the group monitoring exercises.* However, presently this is the weakest point. Neither the MDAC at the ministry level meets in a regular interval, nor the NDAC to assess the progress of nationally important projects and programs. Similar is the case with PMAS and DPMAS. Besides, it is often realized that adequate budget provisions are not made for carrying out the M&E activities under the proposed programs/ projects. As a result, resource constraints are felt for effective M&E of the programs. Situation in these respects need to be improved at the earliest to enhance the effectiveness of program implementation and realization of the intended results. Needles to mention that without a strong and effective M&E system, the operationalization of MfDR will remain wishful thinking. The division responsible for the M&E functions at the NPC needs to be further strengthened for the purpose.
 87. Defining and Enforcing Accountability : In order to improve the overall management system to be committed and geared towards fulfillment of the organization's mandates and realization of the specified objectives, it is crucial that accountabilities all along the management hierarchy is defined and effectively enforced. Presently, this is the weakest aspect of the management in the GON system. Effective operationalization of the MfDR approaches is very much dependent on improvement in this important element of the governance system.
 88. Strong Leadership with Results Focus and Performance Based Incentive System: For effective results based management, strong leadership with positive mindset and result focus is considered a prerequisite. Unless there is a strong leaders on the driving seat of any agency, its programs cannot be implemented with desired efficiency and effectiveness, and leading towards institutional and individual achievements of the desired/intended results. Equally important are strong institutional set up and clarity in its functioning. It is encouraging to note that the performance based incentive system has already been introduced in some government agencies namely department of customs under Ministry of Finance and Civil Service Records Office. Based on the experiences of these agencies, the system should be replicated to other sector and agencies for improvement in the results and service delivery.

APPENDICES

Appendix -1: Updated List of NPC Officers & Focal Group Member

S.No.	Government Entity/ Ministry	Name of Focal Point/ Focal Group	Designation	Contact No.
1.	National Planning Commission Secretariat, Poverty monitoring Division.	Mr. Dhruva P. Dahal	Project Director –MfDR/ Joint Secretary - PMD	Off. 4211159 Mob. 9841402273
		Mr. Ganga Ram Gelal	Program Director/ Under Secretary	Off. 4211834 Mob. 9841341299
		Mr. Ramjee L. Shrestha	Under Secretary	Off. 4211142 Mob. 9841554563
2.	Ministry of Finance	Mr. Rajan Khanal replaced by Mr. Bodh Raj Niroula	Joint Secretary (Budget)	Off. 4211801
		Mr. Ram P. Pudasaini-- ,transferred	Under Secretary	Mob. 9841358949
		Mr. Nirmal Adhikari— transferred	Under Secretary	Mob. 9851047854
3.	Ministry of Education	Dr. Lav Dev Awasthi— replaced by Janardan Nepal	Joint Secretary (Monitoring Division)	Mob. 9841027600
		Mr. Narayan K Shrestha	Under Secretary	Mob. 9841610121
		Mr. Hari Lamsal	Under Secretary	Mob. 9841343957
		Mr. Surya P. Singh	Section Officer	Mob. 9741095817
		Mrs. Manju Adhikari	Section Officer	Mob. 9841468527
3.1	Higher Secondary Education Board	Mr. Narayan Koirala	Joint Secretary	Mob. 9851102284
		Mr. Chiranjivi Bhandari	Under Secretary	Mob. 9841611273
		Mrs. Sita Niroula	Planning Officer	Mob. 9841439244
4.	Ministry of Local Development	Mr. Dinesh Thapaliya	Joint Secretary	Mob. 9861122366
		Mr. Purushottam Nepal , replaced by Raj Kumar Shrestha	Under Secretary	Mob. 9841370522
		Mr. Rajesh Adhikari – on study leave	Planning Officer	Mob. 9841424770
		Mr. Bijaya Parsain replaced Mr. Subash Chandra Siwakoti	Section Officer	Mob. 9841773742
		Mr. Ramesh Aryal	Section Officer	5532172
		Mr . Jeevan K Shrestha	SDE , DoLIDAR	
4.1	Municipality Management Division/MoLD	Mr. Rashmi Raj Pandey	Joint Secretary	Mob. 9841329589
		Mr. Gobind B. Karki	Under Secretary	Mob. 9841290922
		Mr. Rishi Acharya -- transferred PA to Minister	Section Officer	Mob. 9841296990
5.	Ministry of Physical Planning and Works	Mr. Hari P Sharma replaced by Mr. Gajendra Thakur replaced by Mr. Krishna P. Acharya replaced by Mr. Raj Kumar Malla replaced by Mr. Suman Sharma	Joint Secretary	Mob. 9841290922
		Mr. Jeevan K. KC	SDE	Mob. 9841853531
5.1	Department of Water Supply and Sewerage	Mr. Binod Chandra Jha	DDG, Planning	Mob. 9841471749
		Mr. Deepak Puri	Senior Divisional Engineer	Mob. 9849191276

S.No.	Government Entity/ Ministry	Name of Focal Point/ Focal Group	Designation	Contact No.
		Mr. Babu Kaji Kisiju	Engineer	Mob. 9841354802
		Mr. Kabindra B. Karki	Senior Division Engineer	Mob. 9849191276
5.2	Department of Roads	Mr. Hari Om Shrivastava replaced by Mr. Hari P. Dhakal, & Indu P Dhakal transferred replaced by Mr. Y Rai	DDG-Planning & Design	Mob. 98412835408 Mob. 9851036222
		Mr. Mukti Gautam transferred	Sr. Divisional Engineer Planning	Mob. 9841320372
		Mr. Gaun Prasad Adhikari	Engineer - Planning	Mob. 9841568425
		Mr. Keshav Sharma	ADB / Project Director	Mob. 9741195573
6.	Ministry of Agriculture and Cooperatives	Mr. Uttam K Bhattarai transferred replaced by Mr. Anand Raj Bajracharya	Joint Secretary (Planning)	4241215
		Mr. Rajendra P. Bhari	Joint Secretary	Mob. 9841397855
		Mr. Ram Krishna Shrestha	Under Secretary	Mob. 9741102392
		Ms. Renu Adhikari	Sr. Agri Economist	Mob. 9841621990
6.1	Department of Agriculture	Mr. Lilaram Sharma	DDG	Mob. 9847838727
		Mr. Jhalak Nath Kandel	Sr. Agriculture Economist	Mob. 9847838727
		Mr. Kanchan Raj Pandey	Sr. Agri. Economist	Mob. 9841309531
		Ms . Bina Chitrakar	Agri. Economist	Mob. 9841555652
7.	Ministry of Energy	Mr. Bishwo P. Pandit replaced by Mr. Sriranjana Lacoul	Joint Secretary	Mob. 9841531075/ 9851023257
		Mr. Purushotum Acharya	Senior Divisional Engineer	Mob. 9841366749
		Mr. Chiranjeev Jha	Engineer	Mob. 9841414784
7.1	Department of Electricity Development	Mr. Sundar Shyam Shrestha	Superintendent Engineer	Mob. 9841228450
		Mr. C .B Wali	Senior Divisional Engineer	Mob. 9841606848
		Mr. Subash Tuladhar	Hydrologist	Mob . 9841355389
8.	Department of Transport Management	Mr. Sarad C. Paudel replaced by Mr. Binod Adhikari replaced by Mr. Krishna P Dawadi	Director General	Mob. 985110093
		Mr. Anil K. Gurung - transferred	Director	Mob. 9849191722
		Mr. Ramesh P Dahal	Section Officer	Mob. 9849021120
		Mr .Kapil Dangol	Unit Chief	Mob . 9841689999
9.	Metropolitan Traffic Police Division	Mr. Bijyan Sharma	DIG - Traffic	4422732
		Mr. Jagat N. Shrestha	SP-Traffic	9851024247
		Mr. Chandra Kumar Giri	Inspector/ Account officer	Mob. 9851003214
		Mr. Rabin Shrestha	Inspector	9851058033
		Mr. Rabindra Shrestha	Inspector	Mob. 9851060266
		Mr. Bikash Shrestha replaced by Ms. Pooja Singh	DSP	Mob. 9841273615/ 9851091743
		Mr. Balkrishna Pokhrel Transferred	Senior Inspector/	Mob. 9851003214

Appendix 2: List of Interaction Workshops and Trainings under the TA

Dates/Period	Name of Event	No. of Participants	Purpose
26-Aug-09	Introductory Workshop	50	to introduce the objective and scope of the TA to concerned GoN officers and NPC Members
18-Sep-09	Technical Workshop	48	to introduce the technical aspects including Readiness Assessment Tools and Results Chain/Framework to focal unit members of pilot agencies and NPC/MoF officials.
16-Nov-09	Inception Workshop	65	to present the contents including work plan of the draft Inception Report to focal unit members of pilot agencies and NPC/MoF officials and solicit feed backs and comments.
4-Dec-09	Readiness Assessment Workshop at DOR	50	to disseminate MfDR approach and tools to key officers of the DoR and help focal unit conduct the readiness assessment.
20-Nov-09	Workshop on Budget Process with MoF, NPCs and CGs office	20	to interact on reforms required to streamline budget making, disbursement and budget expenditure monitoring process following the MfDR approach.
27-Dec-09	Readiness Assessment Workshop for NPCs	23	to disseminate MfDR approach and provide orientation on readiness assessment tools to all officers of the NPC.
Jan 21 & 24, 2010	Workshop on Performance Gap Analysis and Results Framework at HSEB	41	to disseminate MfDR approach, and tools to all officers of HSEB, and help focal unit undertake readiness assessment and performance gap analysis.
28-Jan-10	Workshop on Performance Gap Analysis and Results Framework for Pilot Agencies at Hotel Annapurna	52	to orient the focal unit members of all pilot agencies on MfDR tools so as to help undertake performance gap analysis and develop results framework.
2-Feb-10	Workshop on Performance Gap Analysis and Preparation of Results Framework at DoA	37	to disseminate MfDR approach, and tools to all officers of DoA, and help focal unit undertake performance gap analysis and develop results framework.
17-Feb-10	Workshop on Performance Gap Analysis and Preparation of Results Framework with DoED	15	to disseminate MfDR approach, and tools to all officers of DoA, and help focal unit undertake performance gap analysis and develop results framework.
17-Feb-10	Workshop on Performance Gap Analysis and Preparation of Results Framework with MoLD	35	to disseminate MfDR approach, and tools to key officers of subordinate entities under MoLD, and help focal unit undertake performance gap analysis and develop results framework.
25-Feb-10	Review Meetings on Preparation of Business Plan with MoAC	20	to disseminate MfDR approach, and tools to key officers of subordinate entities under MoAC, and help focal unit develop results framework and business plan.

Dates/Period	Name of Event	No. of Participants	Purpose
5-Apr-10	Interaction Workshop on Energy Sector - 3 Yrs. Development Perspective at Hotel Summit	32	to solicit opinion from all the stakeholders including private sectors of the sector to chalk out strategies and identify prioritized programs for inclusion in the business plan of the energy sector.
4-Jun-10	Progress Review Meeting by PMD/NPCS on Business Plan with all Focal Group Members	44	To review the progress of business plan preparation by different pilot agencies
28-Jun-10	Meeting with VC-NPC and senior officials of MTPD, DOTM MoHome, MoL&T, MoF and NPC to expedite implementation of RBB	32	to review the progress with regards to RBB implementation in DOTM and MTPD and to identify measures required NPC for expediting RBB implementation.
29-Jun-10	Progress Review Meeting by PMD/NPCS with all Program Directors of NPCS on Business Plan preparation.	16	To discuss ways to enhance the participation of concerned NPCS program directors in preparation of business plans by different pilot agencies and to ensure ownership of NPCS.
August 1-11	MfDR Training for 28 officers at NASC	28	to provide comprehensive 10-days training on different aspects and components of MfDR to focal unit members of the pilot agencies.
August 28-30	Orientation Training (residential) on Results Based Budgeting to MoF, NPC and pilot agency officials	41	to review the progress with regards to RBB implementation in DOTM and MTPD and to identify measures required NPC for expediting RBB implementation.
Oct 21-30, 2010	External Training on MfDR by CeDRE for 22 GoN Officers at Kuala Lumpur, Malaysia	22	to provide a 9–day comprehensive training on “Integrated Results Based Management & Macro Development Planning” including to obtain first-hand information on approach, strategies, and methodologies on macroeconomic and development planning as well as monitoring and evaluation of development initiatives under the Malaysian Development Plans.
20-Mar-11	Half day Workshop on Project Screening with NPC, MoF and different line ministries of GoN at Hotel Annapurna -	52	to solicit opinion of key officials of NPCS as well as different ministries including five pilot ministries and MoH, MoIrg., MoF&SC, MoWCSW, MoEnv., MoT&CA, MoS&T, NTB, MoPR, along with their subordinate departments on proposals by TA consultant for improvising the project screening system for NPCS.
7-Jun-11	Half day Workshop for Institutional Survey to monitor RBB Implementation in DOTM & MTPD at Indreni Palace	23	to share updated RBB modules (business plans) to incumbent DOTM & MTPD officials and to disseminate findings of the baseline & monitoring field survey to assess improvement in service delivery of the RBB pilots.
26-Jun-11	Half day Workshop on Project Screening with NPC, and different line	16	to present the draft proposal on improvised project screening system of NPCS to key officials of NPCS as well as

Dates/Period	Name of Event	No. of Participants	Purpose
	ministries of GoN at Indreni Palace -		different ministries and solicit comments and suggestions for further improvements. This workshop followed the previous one on March 20, 2011 which provided useful inputs for setting the direction towards improvising the system for NPCCS.
May 27-June 1, 2011	TOT Training for 17 GON officers at Nagarkot	17	to enhance training skills on areas such as systematic approach to training, training need assessment, preparation of training session plan, participatory training methodology, preparation of audio visual aids, presentation and facilitation skills so as to enable selected focal unit members organize and deliver MfDR trainings within their organization on their own initiatives.
June 12-16, 2011	MfDR Training II at NASC for 31 officials of different ministries	31	to provide comprehensive 6-days training on different aspects and components of MfDR to focal unit members of the pilot agencies as well as officials involved in planning and budgeting in other than pilot ministries of the GoN.
July 9-10, 2011	Residential interaction and dissemination workshop for DOTM & MTPD officials	44	to disseminate MfDR approaches across their organization and share the updated business plans to key officials of respective pilot agencies. Also to undertake group monitoring exercise using the results based monitoring formats proposed in their respective business plans. The necessity of 'rolling' characteristic of the business plan was emphasized and concerned officials were oriented towards updating their business plans for additional one year.
July 10-11, 2011	Residential interaction and dissemination workshop for MoEd & HSEB officials.	38	
July 11-12, 2011	Residential interaction and dissemination workshop for MoEn, NEA & DoED officials.	40	
July 13-14, 2011	Residential interaction and dissemination workshop for MoPPW, DOR, DoRail & DWSS officers.	52	
July 18-19, 2011	Residential interaction and dissemination workshop for media persons organized in association with SeJON.	44	
July 21, 2011	National (Concluding) Workshop	82	to share experience on MfDR internalization process, and outline measures to carry forward the process. The focal unit members of pilot agencies shared their experiences in the workshop.

Appendix – 3: Inputs and Resource Utilization Information

Appendix 3.1: COST ESTIMATES AND FINANCING PLAN

Item	Proposed in TA Paper	Total Cost (\$'000)		Remarks
		Updated Contract	Expected Disbursements	
A. Asian Development Bank Financing^a				
1 Consultants				
a. Remuneration and Per Diem				
i. National Consultants (50 person-months)	185	188.06	188.06	
b. National and Local Travel ^b	15	13.31	12.35	
c. Reports and Communications	7	16.61	16.61	Variation I
2 Equipment and Technology ^c	25	25.00	24.27	
3 Training, Seminars, and Conferences				
a. External Training	65	69.77	69.32	Variation I
b. In-Country Training Program/Workshops/Seminars	85	77.38	74.94	Variation I
c. National Workshop for Information Dissemination		4.70	2.85	Variation I
4 Field Visits by Government Officials ^d	23	23.00		
5 Miscellaneous Administration and Support Costs	25	14.01	14.01	
6 Survey ^e	10	7.41	7.39	
7 Contingencies	60	7.75		Variation I
Subtotal (A)	500	447	410	
B. Government Financing				
1 Office Accommodation and Transport	20			
2 Remuneration of Counterpart Staff	70			
3 Facilities for Seminars and Meetings	10			
Subtotal (B)	100			
Total	600			

Notes:

- a* Financed by the Asian Development Bank's technical assistance funding program.
- b* Rental of vehicle for 20 months at \$500 per month and other travel to district offices.
- c* Equipment includes computers, fax machines, and printers. Proposed budget will be used mainly for procuring equipment for the new line ministries. Equipment purchased under ADB. 2006. Technical Assistance to the Kingdom of Nepal for Operationalization of Managing for Development Results. Manila (TA 4765-NEP, approved on 13 February); and ADB. 2006. Technical Assistance for Mainstreaming Managing for Development Results in Support of Poverty Reduction in South Asia. Manila (TA 6306-REG, approved on 27 January) will be re-utilized.
- d* For officials from the National Planning Commission and five pilot ministries (Ministry of Local Development, Ministry of Physical Planning and Works, Ministry of Education and Sports, Ministry of Agriculture and Cooperatives, and Ministry of Water Resources) to link up ministry-level managing for development results activities with district offices and/or program.
- e* For survey on service delivery in two government agencies.

Source: TA Paper - ADB. October, 2008. "Technical Assistance Report for Project Number 39476 (ADB TA 7158-NEP), to the Government of Nepal: Strengthening Capacity for Managing for Development Results".

Appendix 3.2: Man-months Spent wrt Contractual Provisions

TA No./ Title: 7158-NEP: Strengthening Capacity for Managing for Development Results

Contract No. COSO/90-574

NAME AND POSITION	Contractual Inputs	2009					2010					2011					MONTHS INPUT														
		JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	Upto July 21, 2011	Residual to completn	TOTAL		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25					
NATIONAL CONSULTANTS																															
1 Prithvi Raj LIGAL Team Leader/MfDR Expert	Contractual																												20.00	-	20.00
	Actual (mm)	0.358	1.00	0.80	0.557	0.875	0.517	0.733	0.909	0.835	0.875	0.89	0.91	0.99	0.99	0.76	0.80	0.76	0.80	0.99	0.91	0.95	0.84	0.52	1.00	0.43	20.00	0.00	20.00		
2 Kishore K. JHA MfDR Expert (MPPW/MLD/MOES)	Contractual																												18.00	-	18.00
	Actual (mm)	0.358	1.00	0.676	0.676	0.875	1.00	1.00	0.546	0.91	0.91	0.76	1.00	1.00	0.88	0.80	0.76	0.72	0.80	0.84	0.34	0.19	0.37	0.36	0.28	18.00	0.00	18.00			
3 Khalii MIYAN MfDR Expert (MOAC/MOWR)	Contractual																												12.00	-	12.00
	Actual (mm)	0.358	1.00	0.636	0.676	0.756	0.756	0.767	0.909	0.636	0.875	0.76	0.95	0.80	0.99	0.36	0.68	0.10									12.00	0.00	12.00		
TOTAL - Contractual Inputs																											100%	50.00	0.00	50.00	
TOTAL - Actual Spent																											100%	50.00	0.00	50.00	

Note: Field inputs, mostly of shorter durations shall be agreed upon in consultations with ADB-NRM and NPC.

Payment Milestones:

Start Date: 22 July 2009

End date: 21 July 2011

Legend:

- 1 - Mobilization Payment (15%)
- 2 - Submission of Inception Report (20%)
- 3 - Submission of Progress Report (20%)
- 4 - Submission of Draft Final Report (20%)
- 5 - Approval of Final Report (20%)
- 6 - Approval of Statement of Eligible Costs (5%)

- Field, Full
- Field, Part
- Home, Full
- Home, Part

Firm Initials and Name:

MDC - MULTI Disciplinary Consultants (P) Ltd.
CPRA - Centre for Policy Research and Analysis

Reporting Schedule

Inception Report
Progress Reports
Draft Final Report
Final Report