

2009 NEPAL PORTFOLIO PERFORMANCE REVIEW (NPPR) ACTION PLAN FOR IMPROVING PORTFOLIO PERFORMANCE

Focus Key Areas	Challenges	Agreed Actions	Responsible Agencies	Performance Indicators	Target Dates
1. Reforms in Budgeting System Expected Outcome: Budget allocation linking to performance measurement. Champion: Mr. Rajan Khanal, JS, Budget Division, MOF and Mr. Pushpa Lal Shakya, JS, NPC	<ul style="list-style-type: none"> Budget not linked with results. 	<ul style="list-style-type: none"> Form a technical working group to develop a concept note/plan on Results-Based Budgeting over the medium to long term. Develop a limited set of development outcome/output indicators which can be monitored annually 	NPC, MOF (Budget Division), line ministries, with DP input	<ul style="list-style-type: none"> Working group formed Concept note/plan Prepared Agreement on a set of development outcome/output indicators 	January, 2010 February, 2010 May 2010
	<ul style="list-style-type: none"> Budget monitoring is not effective. 	<ul style="list-style-type: none"> Use these indicators in the FY2010/2011 budget contracts and MTEF; education and roads sectors to be a pilot for monitoring how results reporting/budgeting authorizations are managed during the FY 2010/2011 cycle 	NPC, MOF (Budget) DfID, WB, ADB, JICA	<ul style="list-style-type: none"> Improved results framework in FY2010/11 budget 	February 2010
2. Improving Human Resource Management Expected Outcome: Ensuring competent and motivated team in Projects to ensure Project Quality both at entry and at implementation. Champion: Mr. Binod KC, JS, Ministry of General Administration Mr. Dev Raj Pathak, Jt FCG, FCGO	<ul style="list-style-type: none"> Frequent transfer of staff not adhering to civil service rules Lack of institutional memory due to frequent turnover of staff 	<ul style="list-style-type: none"> Using PIS based analysis, generate standard reports on transfer frequency at ministry-level and government wide level; develop benchmarks for monitoring performance and trends over the medium term MOGA not to provide clearance for staff transfer when Civil Service norms are not adhered to 	MOGA , line ministries MOGA, FCGO	<ul style="list-style-type: none"> Data generated; factual information available on trends Frequency of staff rotation reduced, approximating CS norms 	Snapshot report in February 2010 Full report in April 2010 With immediate effect
	<ul style="list-style-type: none"> Capacity gaps in some disciplines such as, safeguards, procurement, financial management, and M&E. 	<ul style="list-style-type: none"> Recruit services needed for projects and programs from the market using the Public Procurement Act Carry out skills inventory to create specialized positions as per the civil service act 	Line ministries Line ministries with MOGA	<ul style="list-style-type: none"> Specialized services more widely available Basis for building in-house capacity created 	With immediate effect August 2010
	<ul style="list-style-type: none"> Low motivation and incentives not linked with results. 	<ul style="list-style-type: none"> Document and disseminate MOF and MOGA's lessons of on-going performance based incentive system (PBIS); based on lessons, identify a limited number of new projects/programs where PBIS could be rolled out in FY 2010/11 budget cycle 	MOF (Revenue), MOGA, NPC, line ministries, DPs	<ul style="list-style-type: none"> Information available for making informed decisions about PBIS roll-out Incentives provided based on performance 	February 2010 April 2010

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3. Strengthening M&E System Expected Outcome: Timely monitoring of results and measurement of success. Champion: Mr. Dhruba Dahal, JS, National Planning Commission	<ul style="list-style-type: none"> Ineffective monitoring system Inadequate resources for M&E Too many indicators Low M&E capacity 	<ul style="list-style-type: none"> Prepare National Level M&E Plan 	NPC, Line Ministries, DPs,	<ul style="list-style-type: none"> National Level M&E Plan issued 	June 2010
		<ul style="list-style-type: none"> For FY2010/2011 budget, specify the provision for M&E in the budget guidelines to be issued by MOF/NPC and based on sectoral ministries plan for M&E budget, provision the budget with creating a separate budget/expenditure sub-head for M&E for development ministries. 	MOF (Budget Division), NPC	<ul style="list-style-type: none"> Budget Guidelines include M&E budget provision for FY2010/11 Dedicate resources for M&E are allocated against M&E budget/expenditure sub-head for development ministries. 	January, 2010 June, 2010
		<ul style="list-style-type: none"> Issue Results-based M&E Guidelines for use by line ministries 	NPC in consultation with line ministries	<ul style="list-style-type: none"> M&E Guidelines issued 	June 2010
4. Improving Project's Quality at Entry Expected Outcome: Quality ensured during project design and smooth project implementation Champion: Mr. Lal Mani Joshi, JS, FACD, Ministry of Finance	<ul style="list-style-type: none"> Budget provision not made for project preparation Budget not release although retroactive financing is provisioned Project Chief not appointed at the time of project preparation Core project team not designated on time for implementation Environment Impact Assessment nor prepared by pre-appraisal Environment assessment approval process is cumbersome and lengthy Land Acquisition Policy outdated 	<ul style="list-style-type: none"> Adopt and implement Revised Project Readiness Filter (attached) 	MOF, NPC, DPs	<ul style="list-style-type: none"> Implementation of Revised Project Readiness Filter by NPPR DPs 	Immediate
		<ul style="list-style-type: none"> Create a Special Budget Basket (with a separate code) under MOF for project preparation activities, and provide budget from this code for project preparation to requesting ministries/agencies. 	MOF (Budget)	<ul style="list-style-type: none"> Budget provision reflected in FY2010/11 creating a separate code Line agencies receive budget for project preparation without hassle 	July, 2010 FY 2010/2011
		<ul style="list-style-type: none"> Budget prepared and reflected in Red Book for the forthcoming fiscal year when the project processing schedule with DP is on track during the year. 	Line Ministry, MOF (Budget), DPs	<ul style="list-style-type: none"> Budget reflected in Red Book for projects at advanced stage of preparation. MOF and DP to closely monitor and ensure its inclusion in the budget 	May 2010