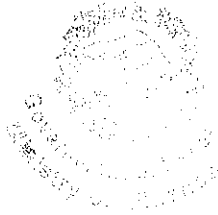




Annual Progress Report - 2009



Award ID: 00056856

Ward Title: Developing Capacities for Effective Aid Management and Coordination

Project ID: 00069957

Source of Funds: TRAC

Implementation Modality: NEX

Implementing Partner: Ministry of Finance (MOF)

Other Partner: NPC, MOHP, MOE and MOLD

Project Beginning Year: 2009

Project Ending Year: 2011

Signature B. K. K. K.

Name Bhuvan K. K.
Project Manager



Signature L. M. J.

Name Lal Mani Joshi
Executive Project Board
Joint Secretary

Annual Progress Report – Part I

1. Overview of the Project

The Aid Effectiveness Project was designed to meet the UNDP Country Programme Action Plan outcome of "increased capacity of Government at national and local level to manage aid resources and deliver basic services in an inclusive and equitable manner" and further to the outcome of the UNDAF strategic programme framework of "socially excluded and economically marginalized groups have increased access to improved quality basic services." The project is aimed at strengthening of aid management and coordination systems at Ministry of Finance, National Planning Commission and 3 selected line ministries.

During 2009, the project has focused on: (i) design of Nepal Aid Information Management System (AIMS) based on the needs and technical assessment conducted by Development Gateway Foundation, (ii) finalization of Foreign Aid Policy and National Action Plan for Aid effectiveness, and (iii) organization of capacity assessment and drafting of Capacity Development Strategy for MOF, NPC, MOHP, MOE and MLD.

The project has successfully accomplished a number of activities in accordance with Annual Work plan 2009.

2. Results in 2009

Progress towards CPAP Outcome and Output Indicators 2.0 Results in 2009:

CPAP Outcome:	Increased capacity of Government at national and local level to manage resources and deliver basic service in an inclusive and equitable manner.
CPAP Outcome Indicators, baselines, targets and current status	Data not available.
CPAP Output:	Aid management and coordination system strengthened at MOF, NPC and selected line ministries.
CPAP Output Indicators, baselines, targets & current status	<p>Output Indicators: % of aid flows to the Government that is reported in Government national budgets Baseline: 74% Target: 80% Current Status: Survey was not conducted in 2009; no new data.</p> <p>Output Indicators: # of parallel project implementation units Baseline: 106 Target: To be established during the preparation of the National Action Plan in 2009 Current Status: No new data (National Action Plan not finalized and no target set)</p> <p>Output Indicators: % of aid provided as programme-based approaches</p>

	<p>Baseline: 32%</p> <p>Target: To be established during the preparation of the National Action Plan in 2009</p> <p>Current Status: No new data (National Action Plan not finalized and no target set)</p>
<p>Project Output Indicators (if different from CPAP Output indicators), baselines, targets and current status</p>	<p>Project Output 1: 1.0 Nepal Aid Management Platform designed.</p> <p>Indicator: AIMS needs and technical assessment finalized based on GON's inputs and customization beings.</p> <p>Baseline: N/A</p> <p>Target: 2 reports</p> <p>Current Status: Needs Assessment Report and Technical Assessment Report submitted and finalized.</p> <p>Indicator: Computer hardware & software in order to launch a country specific AMP prototype procured.</p> <p>Baseline: N/A</p> <p>Target: 1 set of server equipment for MOF</p> <p>Current Status: Purchase order was placed by UNDP procurement unit. It is in progress.</p> <p>Indicator: Prepare TOR and waiver for contract with Development Gateway Foundation.</p> <p>Baseline: N/A</p> <p>Target: TOR and waiver request developed.</p> <p>Current Status: TOR and waiver request developed.</p>
	<p>Project Output 2: 2.0 Foreign Aid Policy reviewed, National Action Plan (NAP) for aid effectiveness finalized.</p> <p>Indicator: Standard Operating Procedure for foreign aid discussed and reviewed by FACD.</p> <p>Baseline: N/A</p> <p>Target: SOP produced</p> <p>Current Status: SOP reviewed by MOF/FACD through a retreat workshop in July 2009.</p> <p>Indicator: Foreign Aid Policy and National Action Plan finalized through workshop inviting DP representatives.</p> <p>Baseline: N/A</p> <p>Target: 2 reports</p> <p>Current Status: This activity has been re-scheduled to January 2010.</p>
	<p>Project Output 3: 3.0 Capacity Assessment (CA) conducted and Strategy for MOF, NPC and 3 line ministries for effective aid coordination developed.</p>

	<p>Indicator: Designate government CA focal points from MOF, NPC, MOLD, MOE and MOHP to serve as members of the capacity assessment team. Baseline: N/A Target: 6 Focal persons Current Status: MOF, NPC and 3 line ministries assigned focal person for working with CA team. Several meetings were conducted with focal persons.</p> <p>Indicator: Recruit local consultants for capacity assessment. Baseline: N/A Target: 2 local consultants Current Status: MOF/UNDP recruited 2 local consultants (1 Institutional Development Specialist, 1 for Aid Effectiveness Specialists who worked together with 2 International experts from UNDP RCB).</p> <p>Indicator: Develop mission work plan in consultation with government focal points. Baseline: N/A Target: 1 CA Work plan Current Status: The project team and Focal Points prepared CA mission Work plan and conducted CA assessment successfully.</p> <p>Indicator: Conducted Capacity Assessment mission for MOF, NPC and 3 line ministries. Baseline: N/A Target: Prepare a draft capacity development strategy for aid coordination, including specific CD support for relevant ministries. Current Status: Assessment mission conducted by 2 International Experts from UNDP RCB and 2 national consultants. Capacity Development Strategy in being drafted.</p> <p>Indicator: Conduct Result Based Management Training Course (particularly focus on planning, budgeting and effective aid coordination) for about 26 mid level officials of GON. Baseline: N/A Target: 26 GON Official to be trained. Current Status: 26 Officials from MOHP, MOE, MOLD, MOF and NPC were trained on RBM.</p>
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Achievements against Annual Work Plan (Annual Targets & Activities)

(Please see spreadsheet; annex: 1)

(c) **Results in Gender Equality, Women's Empowerment and Social Inclusion**
Not applicable to add.

(d) **Other Results contributing to the Output and /or output**
Not applicable so far.

3. **Support to Youth Initiatives**
Nothing to add

4. **Contribution to Capacity Development**

The intervention of project is supposed to enhance the capacity of MOF, NPC and 3 line ministries to effectively manage the foreign aid and deliver the basic services rendered by GON. In 2009, the Project has coordinated to improve the capacity of GON by carrying out following activities:

- The project conducted Capacity Assessment of MOF, NPC and 3 line ministries on aid effectiveness. The project has prepared a strategy and framework for capacity development of MOF, NPC and 3 line ministries.
- The Project has successfully completed the Result Based Management Training Course focusing on planning, budgeting and effective aid coordination and efficient monitoring system. 26 mid level Official were trained as on-the job training courses which greatly contributed to their daily work.
- The project conducted needs/technical assessment to establish Aid Information System (AIMS) within MOF, NPC, MOLD, MOE and MOHP to enhance the capacity of tracking foreign aid and link it to the national budget.
- The project supported MOF/FACD to conduct 2 days workshop to review Foreign aid Policy, National Action Plan and Standard Operating Procedures for the purpose of aid effectiveness. Also, FACD Staffs (junior to senior level) were oriented on Foreign aid Policy, National Action Plan and Standard Operating Procedures in the course of workshop.
- The Project has planned to organize a two days workshop to finalize Foreign Aid Policy and National Action Plan in mid-January 2010 by inviting DP representatives.

5. **Contribution to Gender Equality, Women's Empowerment, and Social Inclusion**

Nothing to add in 2009

6. **Partnership & South-South Solutions**

- Project Executive/Joint Secretary visited Cambodia in August 2009 to learn about the Cambodian ODA Database.
- Project Executive/Joint Secretary, Under Secretary of FACD and Programme Office of UNDP participated in a workshop on AIMS held in Bangkok on 27-18 August to further learn about different types of AIMS.
- One of PEB members from MOE participated in Steering Committee meeting of CDDE held in Bangkok in November 2009.

7. **Implementation Challenges**

8 Lessons Learned and next steps

Lessons Learned:

- Senior level officers' engagement is a prerequisite for the successful implementation of activities. Presence of Secretaries in the Multi-stakeholder Workshop for the capacity assessment gave a strong momentum on the capacity development initiative.
- Assigning focal persons in each ministry is another condition of the success, since the project covers 5 different organizations. Establishment of AIMS Working Group with having focal persons from each organization will be an important benchmark for the success of the AIMS implementation in 2010.
- Project's capacity is highly limited currently, only with a project manager and one AFA. Recruitment of "Project Support Officer" and "International Aid Coordination Facilitator" needs to be dealt with high priority due to expected heavy workload from the second quarter of 2010.

Next Step: For 2010, the project has planned to;

- Install Aid Management Platform by Development Gateway Foundations.
- Finalize and operationalise the Capacity Development Strategy
- Support MOF to organize workshop and meetings to finalize Foreign Aid Policy and National Action Plan in mid-January 2010 by inviting DP representatives
- Provide support for implementing Paris Declaration and ACCRA agenda
- Recruit Project Support Officer and International Aid Coordination Facilitator

9 Implementation Status of NEX Audit Action Plan (if applicable) N/A

Audit areas – Findings	Impact Severity	Target date for implementation	Implementation Status (Implemented, Partially implemented, not implemented)
Not applicable. This is first year of the project operation.			

b. Achievements against Annual Work plan (Annual Targets & Activities)

ANNUAL TARGETS	Achievement (against Annual Targets)	PLANNED ACTIVITIES (Tackle from Annual Work plan)	Achievement (against activities/actions)	PLANNED BUDGET - 2009				
				Source of Fund	Budget code	Budget Description	Total Approved Budget USD	YTD Expenditure
1: Nepal Aid Management Platform designed based on the need assessment report	A number of actions taken to design Nepal Aid Management Platform. Needs/ Technical assessment conducted and AIMS designed as per DGF reports	Activity Result 1: Nepal Aid Management Platform designed. Action 1: Establish Aid Information Management System (AIMS) Working Group comprising of MoF (FACD, BAPD, FCGO), NPC and 3 line ministries (MoH, MoE, MLD) and DP representatives	<p>(i) AIMS Assessment focal persons assigned by MoF, NPC, MoH, MLD and MoE. (ii) The Project Board meeting discussed on how to expedite AIMS implementation. (iii) Project Executive/ Joint Secretary visited Cambodia to learn about the Cambodia ODA database. (iv) Project Secretary/ Joint Secretary, Under Secretary of FACD and Programme Officer of UNDP participated in a workshop on AIMS held in Bangkok on 27-28 August to further learn about different types of AIMS</p> <p>CON/UNDP finalized needs/technical report prepared by Development Gateway Foundation (DGF) by incorporating all comments</p> <p>1 set of server/IT equipments being procured through UNDP</p> <p>TOR and waiver document for DGF prepared and stored in PEB</p>	UNDP	72800	Info, Tech, Equipments for Server	8,000	7,898
				UNDP	71600	Travels cost	850	2,232
				UNDP	74100	Miscellaneous (W/S)	300	256
2. National Action Plan for Aid Effectiveness and Foreign Aid Policy finalized	MOF reviewed and revised the NAP, Foreign Aid Policy and Standard Operating Procedure drafted and reviewed by FACD	<p>Activity Result 2: Foreign Aid Policy reviewed, National Action Plan (NAP) for aid effectiveness completed.</p> <p>Action 1: Foreign Aid Policy and National Action Plan drafted, and Standard Operating Procedure discussed and reviewed by FACD</p> <p>Action 2: Webpage and database of MOF/FACD updated/upgraded regularly</p> <p>Action 3: Foreign Aid Policy and National Action Plan finalized by a workshop inviting DP representatives</p>	<p>MOF/FACD organized a workshop on NAP, Foreign Aid Policy and Standard Operating Procedure for review and revision</p> <p>Regulatory being updated</p>	UNDP	72100	Contractual Services - Companies	3,825	3,541
				UNDP	74100	Miscellaneous (W/S)	4,100	2,053
				UNDP	72500	Supplies	50	46

b. Achievements against Annual Work plan (Annual Targets & Activities)

ANNUAL TARGETS	Achievement (against Annual Targets)	PLANNED ACTIVITIES (Table from Annual Work plan)	Achievement (against activities/actions)	PLANNED BUDGET - 2009				
				Source of Fund	Budget code	Budget Description	Total Approved Budget USD	YTD Expenditure
3. Capacity Assessments conducted & strategies for line ministries for effective aid coordination developed	UNDP RCB experts conducted Capacity Assessments of selected ministries, and CD Strategies for line ministries for effective aid coordination developed	Activity Result 3: Capacity Assessments (CA) conducted & strategies for MoF, NPC and 3 line ministries for effective aid coordination developed	Capacity Assessment focal persons assigned by MOF, NPC, MOH, MOLD and MOE. Several meetings with focal persons conducted with project team during CA mission	UNDP	71300	Local Consultants	6,000	6,161
				UNDP	71200	International Consultants	1,200	1,200
				UNDP	71600	Travels Cost	11,900	12,482
				UNDP	72100	SVC Co. - Training Courses	5,200	5,120
				UNDP	74200	Translation and Typing Costs	500	452
Prog. Support activities		Programme Support Expenditure	Capacity strategies and frameworks for selected ministries have been drafted by experts which will be endorsed in early 2010	UNDP	72500	Supplies	900	51
				UNDP	74500	Miscellaneous (W/S)	1,500	1,522

b. Achievements against Annual Work plan (Annual Targets & Activities)

ANNUAL TARGETS	Achievement (against Annual Targets)	PLANNED ACTIVITIES (Take from Annual Work plan)	Achievement (against activities/actions)	PLANNED BUDGET - 2009				
				Source of Fund	Budget code	Budget Description	Total Approved Budget USD	YTD Expenditure
				UNDP	71400	Contractual services- Individual	3,897	4,794
				UNDP	71600	Travel and subsistence	200	288
				UNDP	72200	Vehicle	7,200	8,152
				UNDP	72200	Equipments and furniture	1,800	1,256
				UNDP	72500	Stationeries and supplies	600	608
				UNDP	72800	Information Technology Equipment	4,000	5,404
				UNDP	72400	Communications	500	304
				UNDP	73100	Rental/maintenance- Premises	500	203
				UNDP	73200	Rental, repair & maintenance	4,000	3,071
				UNDP	74500	Miscellaneous	500	1,032
				UNDP	74500	Miscellaneous Exp. (M. E & Comm.)	2,000	34
				UNDP	76135	Exchange Loss/Gain	-	(1,339)
				Total Budget & Expense			97,892	95,190