



Government of Nepal
National Planning Commission



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Annual Progress Report – 2011

Strengthening Planning and Monitoring Capacity of NPC (SPMC NPC)

Award ID: **00058362**

Award Title: **Strengthening Planning and Monitoring Capacity of NPC**

Project ID: **00072471**

Source of Funds: **UNDP and DFID**

Implementation Modality: **NIM**

Project Beginning Year: **9 October 2009**

Project Ending Year: **30 September 2012**

Signature

Name Gyanendra K. Shrestha
Project Manager

Signature

Name Pushpa Lal Shrestha, MPD
Executive- Project Board

1. Overview of the Project

Provide a brief description of the project and its main intended results

This project supports the National Planning Commission to make its planning and monitoring systems inclusive as well as to support the NPC to strategize to meet the MDG goals.

It aims to produce this result by

- i) making the national plans and current planning and monitoring processes, tools and system inclusive and in line with MDG goals;
- ii) making the processes of national level data collection and analysis gender and social inclusion responsive; and
- iii) developing institutional capacity of the NPC, CBS and select ministries with a focus on strengthening planning and monitoring systems, institutionalization of inclusive processes and formats, and training of relevant personnel.

2. Key Results in 2011

2.1 Summarize three major results achieved in 2011, emphasizing changes in development conditions and/or people's lives. Explain how these interim results are leading towards the overall intended results of the project. Include any policy changes that the project has contributed to.

1. **Increased policy advocacy and awareness on achievement of MDGs:** through the MDG needs assessment and costing report, preparation of MDG consistent macroeconomic model (MDGcMEM), distribution of MDGs booklet to all 75 districts to District Development Committee, Women and Children's Development Office, District Public Health Office and District Education Office and other development stakeholders, ministries and departments, universities and civil societies including television talk program on MDGs.
2. **Supported in preparation of Three Year Plan (2010/2011 – 2012/2013) with MDGs, GESI and poverty environment perspective.**
3. **Integrated gender and social inclusion (GESI) perspective in the Census 2011** through integration of GESI in the census training manual, media campaign in six different local languages and census leaflet distribution to all secondary level school children.

3. Achievements against Annual Work Plan for 2011 (Annual Targets & Activities)

Annual Targets	Achievements	Planned Activities	Achievements (against activities and actions)		Financial			
			Fund	Budget code	Budget Description	Budget US\$	Actual Expenditure	
Activity Result 1: Support provided to NPC to prepare an inclusive and MDG based national development plan								
Publish Nepali version of MDG progress report	Fully achieved	Action 1 - Finalise and publish 3rd MDG Progress Report Print Nepali version of the MDG Progress Report 2010 Conduct workshops/ Interactions programs on MDGs	UNDP	74200	Audio-visual & printing	3,600	3,660.56	
			UNDP	74525	Sundry	500	410.62	
			UNDP	75700	Workshop/ media talk	2,000	1,637.68	
MDG needs assessment report published	Fully achieved	Action 2 - Finalise and publish MDG needs assessment report Edit the draft MDG Needs Assessment report, 2010 Print MDG NA report, 2010 Launch MDG NA report	UNDP	71200	International Consultant	2,760	2,760.22	
			UNDP	74200	Audio-visual & printing	3,000	5,489.75	
			UNDP	75700	Workshop, seminar	1,000	1,279.18	
MDG NA report into Nepali language		Translate and print the MDG NA report into Nepali language	UNDP	71300	National consultant	1,100	-	
			UNDP	74200	Audio-visual & printing	3,000	2,087.18	

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Annual Targets	Achievements	Planned Activities	Achievements (against activities and actions)	Financial				
				Fund	Budget code	Budget Description	Budget US\$	Actual Expenditure
MDG consistent Macro economic framework prepare	Fully achieved	Action 3: Develop and finalize MDG consistent macro-economic framework report Prepare and finalized MDG consistent Macro-economic Model (MDGcMEM)	DDC, DPHO, DEO, and DWDO) and Ministries/Departments, development partners, civil societies, professionals and educational institutions.	UNDP	75700	Workshop	-	325.91
				UNDP	72415	Courier	-	813.31
				UNDP	74500	Sundry	500	1,446.21
				UNDP	71200	International consultant	5,000	1,500.00
				UNDP	71600	DSA	1,500	729.00
Three Year Plan document prepared;	Fully achieved	Action 5 - Provide technical support for next periodic Plan Prepare Standard Operating Procedures (SOP) for Budget preparation process Conduct Public Expenditure tracking survey (PETS) Provide technical support to planning process of three year plan (TYP)	Developed a MDGcMEM, shared with high level technical experts including former VCs and Members of NPC, and organized third round of training on MDGcMEM (for key staff of NPC and line ministries).	UNDP	71600	Travel	1,500	915.74
				UNDP	75700	Training and meeting	1,000	2,916.10
				UNDP	71300	National consultant	6,000	6,640.34
				DFID	71300	National Consultant	2,500	1,507.25
				DFID	75700	Workshops	1,000	-
				DFID	71300	National Consultant	6,600	3,502.42
				DFID	71300	National Consultant	26,000	26,662.08
			process MDGs, GESI and environment friendly, orientation was also provided through GESI resource person to all the consultants.	UNDP	71300	National Consultant	6,000	5,956.44
				DFID	71400	Service contract individual	3,000	2,138.74
				UNDP	75700	Training/work shop	1,000	1,437.49
				DFID	74500	Sundry	1,000	1,836.61
				DFID	71620	DSA=local	-	391.30
				DFID	73410	Vehicle rent	-	674.90

Annual Targets	Achievements	Planned Activities	Achievements (against activities and actions)	Financial				
				Fund	Budget code	Budget Description	Budget US\$	Actual Expenditure
		Sub-total Act-1					79,560	76,719.03
Activity Result 2: Capacity of NPC enhanced for gender and social inclusion responsive and results oriented planning, monitoring and evaluation								
Census training material prepared and support in census publicity and media campaign	Fully achieved	Action 1 : Provide support to CBS for Census 2011						
		Finalization of the Census training material	Supported to review and refine CBS census main training documents - (1) Enumerators manual & Form I, and (2) Listing forms & Form II – from GESI perspective.	DFID	71300	National consultants	3,995	4,269.19
		Printing of the Census leaflet for the school children	Support provided to CBS for the development, printing and dissemination of one million copies of leaflet for secondary level school students of all 75 districts.	DFID	74500	Miscellaneous	496	-
		Census publicity and media campaign	Support provided to CBS for the development, printing and dissemination of one million copies of leaflet for secondary level school students of all 75 districts.	DFID	74200	Printing	21,700	21,678.15
				DFID	72400	Courier	2,326	2,326.40
				DFID	71300	Sub-contract	21,483	20,661.52
PMAS and PPIS system operational	Partially achieved	Action 2 - Provide support to strengthen NPC's monitoring system						
		Review and update PMAS and PPIS indicators including inclusion of GESI perspectives	Reviewed and updated PMAS indicators in consultation with key line ministries (MOE, MOHP, MOLD, MOA, MOPP, MOWCW, and MOF). It will be further worked from NPC for wider participation and ownership of key stakeholders.	DFID	71300	National consultant	2,000	3,079.71
		Print English version of RBME Directives	Printed 500 copies of English version of Results based monitoring and evaluation guidelines and distributed to government agencies, multilateral /bilateral donors and INGOs.	DFID	74200	Printing	551	550.99
		UNESCAP meeting	Supported one NPC official to participate in UNESCAP meeting on MDG progress of Nepal.	UNDP	71600	Travel/DSA	2,976	2,955.56
		Strategic planning and management training to staff of NPC & line ministries	Supported for NPC in-house capacity development training focusing on planning, RBME and GESI issues for NPC staff (32 sessions), and conducted 'Strategic Planning and Self Management' training for NPC staff in collaboration with NPC and NASC. This type of training will also be organized in 2012 for NPC and key Ministries' staff.	UNDP	75700	Training, Workshops and Confer	10,020	7,286.80

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Annual Targets	Achievements	Planned Activities	Achievements (against activities and actions)	Financial				
				Fund	Budget code	Budget Description	Budget US\$	Actual Expenditure
		Midterm review of the project and planning for 2012	Midterm review of the project and planning for 2012 completed.	DFID	71305	National consultant	-	1,621.74
		Develop manual for PMAS and PPIS system.	Since the software of PMAS and PPIS are yet to be approved by NPC, the manual preparation could not be done in 2011. This activity is planned for 2012.	DFID	71300	National consultant	2,000	-
		Organize 3 days long training workshop on PMAS and PPIS for NPC and ministries level users	Since the software of PMAS and PPIS are yet to be approved by NPC, the manual preparation could not be done in 2011. This activity is planned for 2012.	DFID	75700	Training, Workshops and Confer	4,000	-
		Carry out impact evaluation of Karnali Employment Program and Social Security Allowance Program	Completed both studies, and the reports will be printed in 2012.	UNDP	71300	Sub contract	92,141	73,675.11
		Data entry in PPIS of selected line agencies for software testing and piloting	Real data testing of project formation and planning of about 8 projects has been done. Major changes regarding security and user level authentication was accomplished. The application is hosted in the new server.	DFID	71300	National consultants	3,000	-
		Provide technical support for the establishment of PMAS, DPMAS and PPIS support	Provided technical support to develop and implement DPMAS - software handed over to the MoLD to operationalize in 75 districts, developed training manual, provided training for key staff of DDC of 75 districts (150 participants), and DPMAS: regular support are being provided directly from mobile, face book and visits regarding software installation problem and other entry related problem.	DFID	71300	National consultants	7,000	8,221.90
		Hardware support including networking of PMAS, DPMAS and PPIS at NPC and line ministries	Server with necessary accessories provided to NPC for strengthening monitoring capacity of NPC.	DFID	72205	Office equipment	20,785	20,625.85
				DFID	74525	Miscellaneous	-	379.90
				DFID	75700	Workshop	-	666.22
		Sub-total Act-2					197,473	179,603.38

Annual Targets	Achievements	Planned Activities	Achievements (against activities and actions)	Financial				
				Fund	Budget code	Budget Description	Budget US\$	Actual Expenditure
Activity Result 3: Program Support Cost								
Program Support Cost		Staff cost	NA	DFID	71400	Contractual Services - Individuals	57,051	
		Miscellaneous expenses	NA	UNDP	74500	Miscellaneous, insurance	3,500	56,273.09
		Communication	NA	UNDP	72400	Communication	1,500	3,813.09
		Equipment & Furniture	NA	UNDP	72200	Equipment & furniture	2,000	(6,727.86)
		Other equipment & vehicles	NA	UNDP	73400	Equipment/vehicles	5,500	5,654.48
		Office supplies	NA	UNDP	72500	Supplies	2,000	2,251.68
		Staff TA/DA	NA	UNDP	71600	DSA & travel	-	265.53
		UNDP M&E	NA	DFID	71600	M&E, travel	3,859	4,887.48
		UNDP M&E	NA	UNDP	71600	M&E, travel	3,790	5,321.70
		Realized Loss	NA	UNDP	76125	Realized Loss	-	391.80
		Realized Gain	NA	UNDP	76135	Realized Gain	-	(1,707.11)
		Sub-total Act-3					79,200	73,928.23
Activity Result 4: PEI Mainstreaming								
Program Support Cost		Staff cost	NA	UNDP	71400	Staff cost	22,000	21,843.12
		National consultants	NA	UNDP	71305	National consultant	7,335	7,333.33
		DSA-Local	NA	UNDP	71620	DSA-local	-	59.54
		Realized Loss	NA	UNDP	76125	Realized Loss	-	11.04
		Realized Gain	NA	UNDP	76135	Realized Gain	-	(195.69)
		Miscellaneous expenses	NA	UNDP	74525	Sundry	4,500	2,846.76
		Sub-total Act-4					33,835	31,898.10
		TOTAL US\$					390,068	364,206.41
						69%		
						UNDP \$	196,722	178,997.35
						DFID \$	193,346	185,209.06

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4. Cross Cutting Issues

Gender Equality, Women's Empowerment, and Social Inclusion

4.1 Describe results achieved by the project in promoting gender equality, women's empowerment and social inclusion. Please highlight gender results achieved which has resulted in change in gender equality and status of women in particular. Please provide quantitative data wherever possible.

- (1) **Gender and social inclusion perspective integrated into the training tools for Census 2011:** The enumerators and supervisors were provided training for data collection in gender and social inclusion perspective. Technical support was provided for the finalization of "GESI Training Manual" to be used for TOT to census officer, supervisors and enumerator in census 2011 and for the skill of using Form 1 and form 2 for census 2011.
- (2) **Three Year Plan gives high priority for mainstreaming GESI:** SPMC NPC project provided technical, financial and logistic support in preparation of Three Year Plan (2010/11 to 2012/13) so that the Plan could be developed in MDGs, gender and social inclusion perspective. NPC formed sectoral thematic committees and working groups in detailing and finalizing the sectoral chapters. In order to make the TYP planning process GESI friendly and plan GESI sensitive, 2 days orientation was also provided through GESI resource person to all the consultants. The TYP has mainstreamed GESI at the best level, and also included chapters on GESI.

South-South Cooperation

4.2 Has the project/UNDP supported Nepal in drawing on expertise and experiences from other developing countries or sharing its expertise and experiences with another develop country/countries? Please indicate details.

- **MDG consistent Macroeconomic Model (MDGcMEM)** – International expert contributed with Nepali experts in developing 'MDG consistent Macroeconomic Model' from initial stage to the finalization.
- **MDGs Need Assessment** – UNDP Regional centre supported in training on MDGs costing models to the Nepali experts working on thematic areas of MDGs Needs Assessment exercise.

4.3 Are specific models of practices from other developing country/countries being adopted by Nepal or is Nepal promoting its model/practices in other developing country/countries with the support of the project/UNDP? Please specify.

N/A

Capacity Development

4.4 Has the project contributed specifically to improving the performance of institutions and systems through strategic (Comprehensive or targeted) capacity development interventions? If so explain the systems, describe who and what, indicating the category of institution that were the main focus of your efforts?

Capacity building initiatives for planning

- (1) Supported for in-house capacity development training focusing on planning, GESI and RBME issues for NPC staff. A total of 32 sessions were completed.
- (2) Conducted a 4-day long training on 'Strategic Planning and Self-Management' for NPC staff in collaboration with NPC and NASC.
- (3) Supported NPC and line ministries in capacity building in Macro-economic modeling issues.

5. **Implementation Challenges**

5.1 Describe any implementation challenges you have faced during the implantation of the project in 2011, as well as your responses.

- The ongoing transition in political scenario in the country has also led to frequent changes in leadership of National Planning Commission and its Secretariat. Hence it has also affected in enthusiasm to the project.
- Some portion of NEX guidelines are more conservative compare to present financial rules and regulation of the government resulting challenge for the project to get support from government officials.
- Supporting a systematic and smart monitoring system in Nepal has been a great challenge due to difficulties in developing a common consensus for systematic, simple and smart monitoring

5.2 Update the Risk and Issues Logs in the templates provided below. The updated risk and issue logs should follow the same format as in the QPRs.

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Risk Log Matrix

S N	Description	Category	Impact & Probability	Countermeasures / Management response	Owner	Author	Date Identified	Last Update	Status
1	Continuation of Current Political Instability	Political	Current Political Instability might result in delaying the preparation of plan document Impact - 4 Probability = 4	A participatory and consultative approach will be followed to ensure buy-in from all stakeholders	Program Analyst	Program Analyst	10 Dec 2009 March 2011	NPC team still to be fully formed	VC and two members working
2	To mobilize the resources to meet the funding Gap of USD 208000	Management	It might result in dropping of some of the project activities Impact = 4 Probability = 2	Part of the resource gap has been mitigated through support from DFID and UNDP HQ. Further efforts will be made to arrange the remaining resources.	Program Analyst	Program Analyst	10 December 2009		No change
3	Anticipated Federal structure of the country	Political	It might affect the current modality of project support to the government	Efforts will be required as how UNDP support can be extended when the country enters into federal structure.	Program Analyst	NPM	December 2010		No change

Issue Log Matrix

ID	Type	Date Identified	Description and Comments	Status	Status Change Date	Author
1	Management	November 2010	The project manager (Dr. Hari Pradhan) resigned, and took long time to join by new manager (Mr. Gyanendra Shrestha). This affected to complete all activities of the project on time in 2011. During the year, NPC team changed three times.	NPM in place New team at NPC	NPM joined in April M & E specialist joined in January	NPM
2	Management	November 2010	The project has four different components; i) macroeconomic, ii) M & E, iii) Census support and iv) PEI. The project does not have any supportive staff.	No change	PEI advisor is in place by June	NPM
3	Management	November 2010	One AFA is handling procurement and recording and one messenger is handling both the messenger as well as secretarial work which have affected the efficient delivery.	No change	No change	NPM

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6. Lessons learned and next steps

6.1 Describe the main lessons learnt that can be drawn from the year's experiences. Please mention any "best" or "worst" practices which UNDP should be aware of. Please be specific and focus on 2011.

- Improving coordination and internalization in concerned sectors has been an instrumental for the project
- Difficult to bring tangible results in short period due to policy support nature of the project
- MDGs and capacity development intervention are widely appreciated in NPC

6.2 For projects continuing in 2012 describe priority actions for the following year to overcome any constraints, build on achievements and partnerships, and use the lessons learnt during the previous year. In particular, please make clear recommendations for any required corrective action, for review by the project board.

- Technical and logistic support on the activities related to planning that are asked/requested by NPC deserves a great value to increase credibility/collaboration for instance; support for periodic plan, capacity development, etc.
- Technical and logistic support including training and sensitization on MDGcMEM and its application to the forthcoming plan could be a historical achievement in planning process.
- Efforts of GESI dimension mainstreaming in developing macro policies need to take forward as a strategic initiative.
- Capacity development of staff of NPC and key ministries especially on the issues of period plan, strategic sectoral plan and annual programming and budgeting can have a crucial role in improving planning process.
- A conceptual clarity on making existing monitoring system more functional and meaningful needs to be brainstormed among policy makers.
- Additional efforts have to be made to internalize/mainstream/focus MDGs orientation in annual program and budgeting.

7. Implementation Status of DIX or NIX Audit Action Plan (if applicable)

Update the implementation status against each audit/spot check recommendations for 2011 in table below
There were two spot checks in SPMC-NPC project - December 2010 and September 2011 instead of audit. In 2010, Spot Check team passed on 21 comments to the project. The project seriously addressed the comments afterward.

As results, in 2011, Spot Check team responded against last year's comments -

- 10 comments: fully addressed
- 7 comments: partially addressed, and
- 4 comments: improving/status quo (improving - pending cheque more than a month and a/c payee cheque, and status quo - insurance of non-consumable assets and duty segregation of AFA (procurement, recording))

Note: In 2011, Spot Check team's remarks - significant progress and no major comments for 2011.

Implementation status against spot check recommendations for 2011

Obs No	Audit Observation	Audit Recommendation	Risk Severity	Action Planned	Target Implementations Date	Person Responsible	Status
1	Pending cheque in BRS more than 30 days	It is recommended that annual and quarterly work plans shall be strictly adhered to and requests of disbursement shall be properly estimated so that there is no major surplus at the end of requested period	Low	Due to changes in the national political situation, the payment could not be made in time as per the plan. However, the project will try to make try to make the realistic plan in future.	Oct 2011	GKS/DBK	In progress
2	Petty Cash Book Not Updated on Daily Basis	It is recommended that: <ul style="list-style-type: none"> Petty cash book shall be updated on daily basis to ensure that it tallies with balances of excel sheet. Verification of cash shall be done by senior authority on regular basis. 	Low	Detailed record of petty cash was maintained since July 2010. However, the daily closing balance and the verification of cash will be started as per the recommendation by this year.	Oct 2011	KKD/DBK	In progress
3	No system of numbering Purchase order and Good Received Note	It is recommended that SPMC- NPC shall prepare documents such as purchase order and goods receipt note at least in two copies and pre number than so as to strengthen the control over procurement and payment to vendors	Low	The project has been preparing Goods Received Notes (GRN) and purchase Orders, however, the GRN number & purchase order number will be inserted as per the recommendation by this year.	Jan 2012	DBK/KKD	In progress
4	Record of assets not submitted to UNDP	It is recommended that records of assets shall be provided to UNDP.	Low	The assets physical verification report will be submitted to UNDP along with financial audit report to UNDP by 31 December 2011.	Jan 2012	DBK/GKS	In progress
5	Log book not maintained properly	It is recommended that log book shall be maintained properly to ensure that adequate control has been imposed over vehicles and also to ensure that vehicle has been used for purpose of project only.	Low	Project has the vehicle and motorbike logbook along with fuel consumption records, however, project will update regularly as per the recommendation.	Oct 2011	KKD/DBK	Completed
6	Roaster of consultant	It is recommended that SPMC-NPC	Low	SPMC-NPC has the consultants'	Nov 2011	DBK/GKS/	Completed

Obs No	Audit Observation	Audit Recommendation	Risk Severity	Action Planned	Target Implementations Date	Person Responsible	Status
	not maintained	shall maintain register of consultant.		roster collected from UNDP and its projects. We shall develop a register of consultants by this year as per the recommendations.		KKD	
7	Consultancy services from non VAT registered	It is recommended that SPMC- NPC shall ensure procurement of consultancy services above NPR. 100,000 from a VAT registered party only.	Low	SPMC- NPC will try to recruit the consultancy services above NPR. 100,000 from a VAT registered party in future.	Jan 2012	PLS/GKS RSS/DBK	Not completed
8	Delay selection of consultant	It is recommended that consultant shall be selected on timely basis so that work is completed within stipulated time.	Low	Project will try to recruit the consultants on timely basis in future.	Oct 2011	GKS/PLS RRS/MU	In progress
9	Terms of contract not complied with	It is recommended that confirmation of terms of contract shall be made before booking expenses and raising cheque.	Low	The first draft was submitted on time. Some technical inputs were needed. While doing so NPC changed some study districts, causing delay in finalizing the inception report. In future, we shall ensure the draft report is ready for payment before writing the cheque.	Oct 2011	GKS/DBK	Completed
10	Provisions of Terms of reference not complied	It is recommended that payment to consultant shall be made only after confirming that consultant has actually completed his work and if work cannot be completed for any reason, necessary revision on TOR shall be made.	Low	The revision of ToR will be practiced if in case there are changes in the responsibility in future as suggested.	Oct 2011	MU/GKS/ DBK	Completed
11	No Cost Extension for consultants	It is recommended that SPMC- NPC shall develop system of registering report received and develop action plan to overcome recurring type of problem so that payment is made within time.	Low	The final reports from all consultants were received in time. Due to political instability, NPC team took long time to finalize the TYP report. As per the recommendation, project will develop a register to record the reports received from consultants in future	Oct 2011	PLS/RSS GKS/MU	In progress

Obs No	Audit Observation	Audit Recommendation	Risk Severity	Action Planned	Target Implementations Date	Person Responsible	Status
12	Date not mentioned in decision	It is recommended that date shall be mentioned in decision memo in order to ensure that vendor was selected only after it was approved by management.	Low	All the documents were prepared before awarding the purchase order & contracts. In some cases, the approval date were missing to be mentioned. The approval date will be placed during the time of approval in future.	Oct 2011	PLS/GKS/ RSS/DBK	Completed
13	Registration document not obtained	It is recommended that registration document of suppliers (both selected and not selected as well) shall be obtained to ensure proper identification and legality of quoting parties.	Low	The registration document of suppliers (both selected and not selected) will be collected while asking the quotations in the days to come.	Oct 2011	KKD/DBK	Completed
14	No segregation of duties on procurement, recording and custodian of assets	It is recommended that segregation of duties shall be done in such a way that work of one person is supervised or controlled by another for sound internal control system.	Low	Project staff have developed a practice of sharing works as a team wherever needed. One short term consultant has been hired from November to allocate and segregate duties as per the recommendation.	Nov 2011	DS/PLS/GK S/DBK	Not completed

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PEI Annual Progress Report, 2011

Annual Target 1: Planning framework, systems and tools developed for gender and socially inclusive PEI focus MDG based planning and monitoring by NPC

Activity Result 1: Support provided to NPC to prepare an inclusive PEI focused MDG based national development plan

Action 1 - Technical support to prepare national development plan

In the year 2011, NPC was finalizing its three year national plan (TYP 2010/11-2012/13) with increased focus on poverty and environment. It was important that adequate attention was drawn in the plan to address these concerns in view of the remaining period of the MDG target year. In order to reinforce the effort, PEI hired eight national consultants to provide technical inputs in order to mainstream Poverty Environment concerns in the relevant sector plans of environment, agriculture, infrastructure, forestry, and so on. Since the plans were already in the final stage of their approval, the consultants, hired for a maximum period of two weeks, helped expedite the exchange of information between NPC and the sector ministries to make the proposed plans more poverty and environment oriented. The process has helped planning officials at the NPC and the Ministries to develop a common understanding about the poverty environment aspect of proposed plans.

Action 2 - Develop PE indicators

NPC is in the process of updating its monitoring tools to make it more efficient, inclusive and effective at the district as well as at the central level. In this connection, NPC is updating its poverty monitoring assessment (PMAS and DPMAS). PEI supported the effort with technical inputs of a national consultant in updating poverty and environment components of the indicators to align with the PMAS. Since monitoring is an ongoing process and needs to be up dated as it progresses, PEI has planned to support with further inputs in 2012, when NPC receives feedback from the use of updated PMAS.

Action 3 - Public environmental expenditure review

NPC in collaboration with UNDP conducted a study on the future for climate financing in Nepal in the early 2011. The study reiterated the fact that Nepal is one of the most vulnerable countries to climate change and has to take necessary steps to maintain its economic bases, and develop programmes of adaptation in all key economic sectors demanding a huge financial support for which Nepal has to access available global funds. One of the key recommendations of the climate study was to review public climate and environment expenditure.

The expenditure review was conducted expenditure in consultation with NPC, Ministry of Finance and other relevant ministries by a team of three international experts (one each in climate financing, public finance management, and local government) and two national consultants (experts in public finance management, and climate and environment) supported by three assistants. The review began in August and completed in October. The team reviewed relevant budget documents, visited relevant ministries and organization, interviewed key informants in the government and private sector, developed methodology for expenditure tracking, and conducted two workshops to finalize the methodology and share the findings. A final report was submitted in November.

Action 4 - Conduct peer review

The climate public expenditure review report was peer-reviewed by three national experts who had a long experience in national financial management, planning and mobilizing donor support.

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Comments were incorporated before the report was printed for wider circulation. The report is also available on the NPC website

Activity Result 2: Capacity of NPC enhanced for gender and social inclusion responsive and results oriented planning, monitoring and evaluation

Action 1 - Conduct training programme

It was planned to continue conduct training programme at government operated Nepal Administrative Staff College (NASC) for NPC and ministry officials with the following thrusts:

- environment prioritization criteria and climate screening to NPC Officials and selected Ministries at Staff College
- develop concept note on training package in order to prepare a long-term PEI training package and incorporate PEI component in the NASC's regular training programmes
- support Nepal Administrative Staff College to hire PEI expert for training
- one-day orientation programme for Senior Officers (Joint Secretaries of NPC and Heads of Planning Division in selected Ministries)
- two-day Residential Training cum workshop to mid-level Officers (Programme Directors & Planning Officers) on PEI

PEI programme and NASC signed a contract to develop the concept note as a first step towards conducting aforesaid training programme. When the concept note was being finalized, it was found that the Ministry of Environment also entered into an agreement with NASC to conduct a much bigger training program with similar objectives. Since, running two parallel programmes for the same objective was pointless and the limited resources of PEI could be used for other important activity, it was decided to cancel the training programme after the concept note was prepared.

Action 2 - Review and revise the development planning/ budgetary process

The plan was to review and revise the development planning/ budgetary process (gap analysis) and formats and piloting in 5 sectors (Poverty Alleviation, Agriculture and Food Security, Infrastructure, Water Induced Disaster Prevention and Environment and Climate Change). This activity was postponed to 2012, and will be conducted after a review of key projects from PEI perspective has been completed in 2012.

Activity Result 3: Capacity building of NPC for co-ordination of P-E focused climate resilient planning and budgeting

Action 1- Actively participate in partners meeting

This activity was planned in order to facilitate NPC officials to participate in partners' meeting for cross learning among the partners at all levels. Except for a three day participation of project coordinator in a meeting in Bangkok, this activity largely remained incomplete as no suitable meetings at appropriate time for officials to attend were identified for PEI to support participation of NPC officials.

Action 2- Develop PEI focused strategic guidance papers

It was learned during the course of implementing other PEI related activities that the programme has not reached a point to initiate preparing a guidance paper, which requires a better understanding of gaps and strengths of existing development projects in mainstreaming poverty and environment. A clear understanding of the existing situation would help formulate an effective guidance paper that would encompass all major concerns including cross cutting issues. Review of key projects of NPC has been planned for 2012. The insights generated by those reviews would

provide much deeper understanding of the situation. Therefore, preparing guidance paper has been postponed until 2012 as well.

Action 3 - Develop national level steering mechanism for P-E

Since Nepal already has high level mechanisms such as Environmental Council, and Climate Change Council, Multi-stakeholder Coordination Committee and so on in place to guide climate and environmental issues at national level, the objective of this activity was to develop a semi-formal mechanism represented by a mix of people including experts, government representatives, civil society members, and private sector who would provide required input to mainstream PE concerns in development sectors at national as well as at local levels.

PEI has supported a joint initiative of a consortium of NPC, Ministry of Local Development, Pokhara University, and UK based IIED to form an Environment Learning Leadership Group (ELLG). A workshop of ELLG was conducted to chart the future course. PEI contributed in organizing the workshop and preparing the proceeding. As a follow up, PEI has also planned to support similar activity of the consortium. By supporting the consortium, PEI has achieved its main objective of creating a mechanism to continue to advocate PE mainstreaming.

Action 4 - Develop a Community of Practice (CoP) for PEI

The plan was to support developing a Community of Practice (CoP) for PEI mainstreaming work in Nepal. This activity is closely related with Action 3 above in which a mechanism is being developed. Learning from the recently established ELLG has helped identify the community members that have already mainstreamed or are in the process of mainstreaming PE in their development activities. Further work with the ELLG will consolidate the process and help develop the community of practice.

Action 5: Initiate development of framework to mainstream green economy in development plans

A workshop was held in 2010 to understand green economy in the context of Nepal. The deliberations and feedbacks have helped provide a general understanding of the green economy in our case. The workshop proceedings have been printed in 500 copies and published for wider disseminations. Now the question is to see how these understanding would fit in the policy terrain so that develop plans can begin to focus on green. Therefore, PEI attempted to distill the insights from the workshop and identify entry points in the policy by analyzing policy terrain in view of the green economy as applicable to Nepal context. The distilled report is submitted by the consultant and will be used for policy recommendations.

Activity Result 4: Operating Cost

Staff cost, vehicle rental cost, Fuel, Purchase of computer duck station, laptop computer, and furniture. Under the operating costs; PEI, hired a support staff to help the programme in documentation and dissemination, purchased a lap top computer with duck station, and a steel cup board. There were some expenses on vehicle rent and fuel as well.

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