

File entered



UNITED NATIONS DEVELOPMENT PROGRAMME
PROJECT OF HIS MAJESTY'S GOVERNMENT OF NEPAL

PROJECT DOCUMENT

Project Number: NEP/03/009

Project Title: Strengthening Aid Management and National Execution (NEX)

Estimated Start Date: July 2003
Estimated End Date: June 2006
Duration: 3 Years

Management Arrangement: National Execution
Designated Institution: Ministry of Finance
UN Implementing Agency: UNOPS
Project Site: Nepal
Beneficiary country: Nepal

Summary of UNDP and Cost-sharing Inputs (as per the attached budget)		
UNDP		
TRAC (1 & 2)	\$	808,709
Third Party Cost-sharing	\$	-
Total Inputs	\$	808,709
GRAND TOTAL	\$	808,709

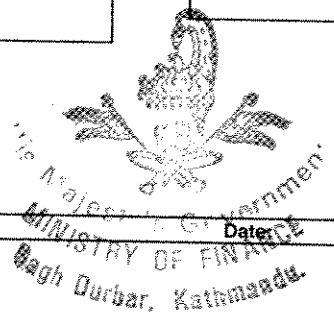
Classification Information:

ACC sector and Subsector: General Development Issues
DCAS sector and subsector: Economic Management
Primary Area of Focus: Promoting Sound Governance
Secondary Area of Focus: Improvement of Aid Coordination and Management

Primary Type of Intervention: Capacity Building
Secondary Type of Intervention: Institutional Building
Primary Target Beneficiaries: Government
Secondary Target Beneficiaries: Population at large

Government Inputs:
In kind:

LPAC review date: 9 July 2003
 BPAC review date: N/A
 Programme Officer: Ranjit Lama



Approved by:	Signature:	Date:	Name/Title:
On behalf of:	<i>[Signature]</i>		
DESIGNATED INSTITUTION:	<i>[Signature]</i>	1 Aug 03	LS Achimova / US <i>Under Secretary</i>
GOVERNMENT:	<i>[Signature]</i>	1 Aug 03	LS Achimova / US <i>Under Secretary</i>
UNDP:	<i>[Signature]</i>	4 AUG 2003	Henning Karcher Resident Representative

His Majesty's Government of the Kingdom of Nepal

**United Nations Development Programme
Ministry of Finance**

NEP/03/009

Strengthening Aid Management and National Execution (NEX)

Brief Description:

Foreign aid has played an important role in Nepal's development over the past 50 years. HMG/N's capacity to utilize foreign aid has increased over the years and is likely to do so with the most recent policy initiatives articulated in the Foreign Aid Policy, the Tenth Plan and the Poverty Reduction Strategy Paper (PRSP).

The project has been designed to enhance the capacity of the Foreign Aid Coordination Division of the Ministry of Finance (FACD/MOF) to prioritize externally assisted programmes based on the national and sectoral priorities set by the Tenth Plan/Poverty Reduction Strategy Paper and to assist in coordinating and mobilizing foreign aid more effectively. The project aims at enhancing the knowledge management of FACD/MOF through the establishment of a Resource Centre to further improve coordination and communication in relation to the foreign aid management. The project will also support the programme and policy development services in selected priority areas identified in the HMG/UNDP Country Cooperation Framework (2002-06).

Date: 14 July 2003

Table of Contents

Abbreviations.....	2
Part Ia. Situation Analysis.....	3
Part Ib. Strategy.....	5
Part II. Project Results Framework.....	8
Part III. Management Arrangements.....	15
Part IV. Capacity Assessment of Partner Institutions.....	15
Part V. Risks.....	16
Part VI. Legal Context.....	16
Part VIII. Monitoring and Evaluation.....	16
Budget.....	1-6

Annex 1: Project Result Framework – Input Output Budget

Annex 2: Project Work Plan

Annex 3: Terms of Reference - National Project Director

Annex 4: Terms of Reference - National Project Coordinator

Annex 5: Terms of Reference - Administrative/Finance Associate

Abbreviations

CCF	Country Co-operation Framework
DCR	Development Cooperation Report
FACD	Foreign Aid Coordination Division
HMG/N	His Majesty's Government of Nepal
MDG	Millennium Development Goal
MOF	Ministry of Finance
MTEF	Medium Terms Expenditure Framework
NEA	National Executing Agency
NEX	National Execution
NGO	Non-Governmental Organization
NPC	National Planning Commission
PMAS	Poverty Monitoring and Analysis System
PMIS	Poverty Monitoring Information System
PRSP	Poverty Reduction Strategy Paper
RC	Resource Centre
SRF	Strategic Results Framework
TCDC	Technical Cooperation among Development Countries
TOKTEN	Transfer of Knowledge through Expatriate National
UNDP	United Nations Development Programme

Part Ia. Situation Analysis

The overall share of external resources required to finance Nepal's development expenditures has significantly increased from 48.6 percent during 1980-1985 to 57.1 percent during 1995-2000. Foreign aid grew annually by an average of 8.3 percent (in US \$ terms) during the 1980s, slowing down to 3.1 percent during the 1990s. Grant assistance remained relatively stagnant, while the loan amount grew by an annual average of 9.6 percent during the 1990s. Currently, loan-based aid constitutes more than 60 percent of total foreign aid. Nepal's record of foreign aid utilization is also not very encouraging. During the Ninth Plan period, projected targets for foreign aid fell short of actual disbursements by about two-fifths largely due to unrealistic planning of aid disbursements, shortfall of HMG counterpart funding as well as poor implementation.

Nepal's annual per capita income is about \$240. Its human development index of 0.490 reflects unsatisfactory living standards. Nepali economy grew by an average of 3.3 percent annually during the Ninth Plan period (1997/98-2001/02) as against the target of 6.0 percent annual growth rate. This growth rate translated to a per capita annual growth rate of 1.3 percent compared to the NPC estimate of 3.7 percent rate required to make a significant impact on poverty. About 42 percent of the population lived below the poverty line at the beginning of Ninth Plan; this figure has reduced to 38 percent during this plan period. Wide disparity in poverty incidence between urban and rural areas, across geographical regions and across gender, ethnic and caste groups prevail. The challenge of economic development has been further complicated by limited or almost untapped natural resource endowment, land-locked location and rugged terrain, poorly developed, or at places almost non-existing, economic and social infrastructure. As a result, investment needs for infrastructure development are substantial. But, at the same time, public funds available for infrastructure investments are very limited. In the financial year 2002/03, HMG/N was forced to reduce its estimates of development expenditures by 23 percent. The fiscal resource base of the country is small and unlikely to grow rapidly. This is likely to make Nepal, a country already highly foreign aid dependent, even more so in the immediate future.

The widespread incidence of poverty and pervasive perception of failed development is further aggravated by the spell of violence resulting from the Maoist insurgency. Until the recent ceasefire this has put a substantial pressure on Nepal's already meagre fiscal resources. The insurgency and the resulting political instability have negatively affected the socio-economic development in Nepal since the mid 1990s, and has significantly reduced the capacity of HMG/N at central and local levels to implement programmes and projects. The reaction of some donors to these fundamental problems has been to reduce their aid allocations to Nepal or impose rigid conditionalities, while others have directed a greater share of their assistance to international/national NGOs and community based organisations at the local level. Without successful restoration of peace, the significant progress Nepal has made in economic liberalization, local governance and decentralization and community-based natural resource management since the restoration of democracy is unlikely to be sustained.

Realising the need to bring "the Government back into the driver's seat" and ensure that it becomes proactive in the planning, management and coordination of foreign aid, the "Foreign Aid Policy" was prepared and is being implemented since 2002 and aims at analysing "the processes, problems and prospects of the foreign aid so as to maximise its impact and effectiveness".¹ The Policy identifies a number of common donor concerns (these might explain the prevailing state of donor practices): i) Lack of ownership of HMG of development projects and programmes; ii)

¹ "Foreign Aid Policy", Ministry of Finance, HMG, Nepal (2002). See also "Foreign Aid - Challenges and Prospects", background study for the "Foreign Aid Policy", Ministry of Finance, HMG, Nepal (2000).

Lack of leadership, direction and prioritisation by HMG; iii) Top-down planning with very limited stakeholder involvement; iv) A poorly functioning and under-paid civil service with inadequate accountability structures and lack of transparency affecting, for example, monitoring and supervision of projects and programmes.

HMG/N largely shares these concerns but stresses that there is also a perception that "many projects and programmes are still excessively driven by donor demands". With many projects being implemented without proper needs assessment, sustainability assessment, and due consideration for ownership of the recipients, the effectiveness of foreign aid has been reduced. Adding to this is the problem that each donor has its own priority setting processes and perception of the development problems and priorities in Nepal. In the absence of clearly defined and prioritised national development goals, foreign aid does not usually flow into the sectors/sub-sectors and regions of the country where it is mostly needed.

The Foreign Aid Policy urges that donors instead of establishing parallel implementation structures maximise the use of existing government mechanisms and regulations for channelling of aid. Very few, if any, donors are ready to immediately change their standard operating procedures. But with the new policy there may be a renewed scope for discussions with donors on how to move towards making use of existing government mechanisms, regulations and rules. This also includes taking stock of NEX procedures and guidelines in order to assess if adjustments are needed.

Notwithstanding that economic growth and poverty reduction in Nepal has not been commensurate with the amount of inflow, foreign aid has played an important role in Nepal's development over the past 50 years. HMG/N's capacity to utilize foreign aid has increased over the years and is like to do so with the most recent policy initiatives of HMG/N articulated in the Tenth Plan and Poverty Reduction Strategy Paper (PRSP). The Tenth Plan identifies the following four objectives: (i) sustained high and broad-based economic growth particularly in the rural area, (ii) accelerated human development through renewed emphasis on effective delivery of basic social services and economic infrastructure, (iii) social and economic inclusion of poor, marginalized groups and backward regions, and (iv) good governance both as a means of delivering development and ensuring social and economic justice. The Medium Term Expenditure Framework (MTEF) has been a major tool for public expenditure management and the adoption of a Foreign Aid Policy constitutes major progress. Besides these major policy instruments, the Immediate Action Plan (IAP) of HMG/N also forms a basis for project selection. The IAP deals with the issue of prioritizing public expenditures, measures for improving service delivery in education and health sectors, and civil service reform program that includes measures for fighting corruption and improving accountability.

Despite these positive achievements, HMG/N has not been able to effectively communicate its results to major stakeholders. It is imperative that HMG/N makes a concerted effort to strategically communicate its overall policy objectives, including the outcome of translating policies into activities and results, to major stakeholder groups in the country, including donors. Such communication will raise the level of knowledge, interest and support for progress and thus contribute to the reduction of the level of poverty in Nepal.

Part Ib. Strategy

Faced with the previously-mentioned foreign aid challenges, aid management and aid coordination has moved up among HMG/N high priority activities. This is emphasised by the general objectives of the policy which recommends that there should be (i) established convergence between nationally determined development priorities and foreign-aided development activities; (ii) improved foreign aid operations (e.g. project selection, design, management, M&E, etc.); (iii) stronger linkages between foreign aid and poverty reduction; and (iv) establishment of a genuine partnership between HMG and development partners.

The NPC has further improved the project prioritization criteria, and uses a scoring system based on seven criteria to classify project into three classes. These seven criteria are: (i) contribution to fulfilment of national goal or poverty alleviation, (ii) contribution to sectoral goals/ objectives, (iii) contribution to achieving regional balance, (iv) role of government (v) participation of civil society, local government, public enterprises/autonomous bodies and private sector, (vi) project status based on project duration, previous performance and completion stage, and (vii) certainty of funding. These criteria, though they have their own merit, are not directly related to the overall goal of poverty alleviation (except for the first criteria) as articulated in the Tenth Plan. The PRSP that provides the framework for Tenth Plan identifies 20 areas where 99 strategies supported by 243 activities will have to be implemented so that the overall goal of poverty reduction will be achieved as targeted. The PRSP also identifies 59 indicators, classified into impact/outcome indicators, output/process indicators, proxy indicators that include poverty correlates and environment indicators, so as to monitor progress on poverty reduction objective. These indicators are similar to the 84 indicators identified in the Poverty Monitoring and Analysis System (PMAS) document currently being finalized by NPC with the support of UNDP. The poverty monitoring indicators are going to be "aligned" with the PRSP indicators under the UNDP-supported project Poverty Monitoring in Support of the PRSP (NEP/02/009). The poverty monitoring indicator list incorporates eight Millennium Development Goals (MDGs). Poverty indicators identified in this document fall into three broad classes, namely outcome/impact, access/utilization and proxy indicators that try to capture economic growth, price and major macroeconomic variables, fiscal framework, public expenditures, employment and wages, poverty correlates, environment, inequality and vulnerability. The work that has gone into the preparation of these documents and the ideas therein are commendable. Foreign aid prioritization should clearly build upon these. However, these ideas should be operationalised into reasonably objectively verifiable criteria in the form of a scoring system and a check list so that foreign aid use will be directly guided by the overall poverty alleviation goal.

Such prioritization will not only ensure transparency in the use of foreign aid but also help ensure compatibility and convergence of foreign aid with nationally determined development priorities. The project will also support the enhancement of the capacity of NPC and FACD to proactively identify and announce on a biannual basis to development partners overall financing gaps based on the five year development plan and three-year rolling MTEF. This will in turn help HMG/N to direct donor assistance to under-funded sectors/sub-sectors. Such capacity enhancement will highly strengthen HMG/N's ability to improve the quality of the dialogue and take effective leadership of the Nepal Development Forum (NDF) as well as the regular donor coordination meetings. The project will provide limited support for preparation of papers for the NDF meetings. The project also intends to strengthen and institutionalize communication between NPC, FACD/MOF, and line ministries, which, in turn, is expected to further improve HMG/N's capacity for foreign aid policy and programme/project monitoring as well as strengthen the

capacity for undertaking substantive annual reviews of development programmes and projects jointly with donors.

Knowledge management of foreign aid information is an essential activity given the need to be able to quickly respond, consolidate and share information with other entities, including NPC, line ministries and development partners. Creating a new unit, a Resource Centre (RC), at FACD is a first step towards managing foreign aid information in a more effective and efficient manner. This new unit will first and foremost be HMG/N's central depository of foreign aid related information, and be entrusted with the responsibility for tasks related to database management, documentation, strategic communication, dissemination of information, and website management. The RC will be an instrument to improve the efficiency and effectiveness of current aid coordination mechanisms that is stretched and involves many agencies. The RC will also act as the secretariat for the NDF meetings organized by FACD/MOF. Based on the needs of FACD/MOF as well as other government stakeholders, the project will also revisit the objective of the existing foreign aid database - developed through the former UNDP aid management support facility (NEP/97/014) - by undertaking a consultative process with all potential users. This process will serve to clarify issues such as information that should be recorded in the database (e.g. pipeline information, commitments made, disbursements, etc.), types of reports that the system should be able to generate, interface with and access of line ministries and NPC, information flow from donors, etc. During the implementation of the database development, a care should be taken so that there is no duplication in work being carried out under Poverty Monitoring in Support of the PRSP project of the NPC where poverty-related database is being developed. These two project databases should be linked and complement each other. Project will also support preparation of DCR every year and finalization of the FACD manual.

Another important task of the RC is to increase the capacity of FACD, NPC and line ministries to undertake strategic communication. The concept of strategic communication refers to the ability of HMG/N to communicate policy, priorities, results, and impact in an effective and efficient manner to all relevant stakeholders in the country, e.g. civil society, private sector, donors and the general public. The RC will be the focal point of strategic communication in HMG/N and it will be in continuous contact with the NPC and the planning and foreign aid coordination units of line ministries in order to collect information that needs to be communicated as part of the HMG policy. Strategic communication will not only increase ownership of development policies and programs by all national stakeholders but also support the legitimate role of HMG/N to lead and manage interactions with development partners in a more effective and strategic manner.

Experience of implementing NEX guidelines has been quite encouraging. It has helped establish a transparent and fair recruitment and procurement process. A number of persons have already been trained in NEX modality. This has laid a foundation of increased capacity of HMG/N entities for fuller and independent implementation of projects in the future. The project will support the review and revision of existing NEX Guidelines based on HMG/N's experience with NEX guidelines for the last 5 years. The project will also support piloting of 2-3 NEX projects within the Government's structure without having a separate Project Management Unit with a view to minimizing the administrative overhead as well as to internalize the NEX operational modality. Interaction meetings between NPDs and NPMs organized in the past have been quite frank and useful means to share experiences and improve NEX implementation. The Project will continue to support periodic organization of such meetings. Besides this, training on NEX procedures will be provided to HMG/N staff responsible for overseeing UNDP project managed under NEX modality and capacity development on NEX related issues of relevant staff in the Auditor General's Office will be undertaken to effectively carry out external audit of NEX projects.

Based on past experience with the umbrella Advisory Services Facility (NEP/96/006), the project will draw on national and international experts and training services required to support HMG/N's

priority programmes. The advisory services will also continue to support participation of HMG/N officials to international workshops/conferences. The advisory services will also help HMG/N on programme identification and formulation to implement the CCF. Under the guidance of FACD/MOF, the project will support training under the TCDC modality and advisory services under the TOKTEN programme.

The project will also support the formulation of programmes within the Strategic Results Framework (SRF), periodic reviews and evaluations at outcome level, as well as automating and institutionalizing monitoring, evaluation and reporting system. Thus, some of the activities from the predecessor project NEP/96/006 Advisory Services Facility will be continued.

Part II. Project Results Framework

Strategic Area of Support:

The Country Cooperation Framework (CCF) 2002-2006 has set the following outcome within the Pro-poor Policies and Programmes Thematic Area: "*Strengthened mechanisms of aid coordination along with enhanced capacities to manage external assistance effectively, improving the contribution of development assistance to poverty reduction.*" Although aid coordination does not relate directly to the outcomes identified by the current Strategic Results Framework (SRF) 2000-03, the subject area will be closely linked to specific results traceable in the upcoming SRF 2004-07 to be prepared in the near future.

Project name and number:

Strengthening Aid Management and National Execution (NEP/03/009)

Intended outputs

	Output Targets by Year	Indicative Activities	Inputs (budget line in USD)
<p>1. Enhanced capacity of FACD and planning divisions of key line ministries to prioritise externally financed programmes based on national and sectoral priorities identified in the PRSP.</p>	<p>2004 Mechanism to prioritize externally financed projects developed.</p>	<p>1.1 Development of mechanism for foreign aid prioritisation at intra-sector level that directly incorporates poverty alleviation and MDGs as basis for identifying priority programmes and projects (this will be based on a review of poverty monitoring indicators and current project prioritisation criteria used in MTEF)</p>	
	<p>2003 MTEF Review completed.</p>	<p>1.1.1 Review of MTEF project prioritization criteria as a tool to achieve goals set in PRSP and MDG (national expert)</p>	<p>BL 17.51 – \$ 4,500</p>
	<p>2003 Review of Poverty Monitoring</p>		

	<p>2003 Review of Poverty Monitoring Indicators completed.</p>	<p>1.1.2 Review of poverty monitoring indicators being developed at NPC to identify a few representative (at most 12) criteria for project prioritization including gender aspects (national expert)</p>	<p>BL 17.51 - \$ 3,375</p>
	<p>2004 Representative criteria for project prioritization identified</p>	<p>1.1.3 Based on (1.1.1) and (1.1.2) develop project prioritization criteria (this would include a scoring system and a checklist) at intra-sectoral level (national expert)</p>	<p>BL 17.51 - \$ 3,375</p>
	<p>2004 Capacity of FACD and line ministries developed to prepare project portfolio and financial resource assessment.</p>	<p>1.2 Conduct orientation workshops on the mechanisms developed under (1.1) above to develop capacity of FACD, planning divisions of a few key line ministries and respective divisions of NPC to proactively identify and announce on a biannual basis to Development Partners sector-specific priorities/financing gaps based on the Tenth Plan and the three-year rolling MTEF in order to direct donor funding to sectors/sub-sectors currently under-funded</p>	<p>BL 17.51 - \$ 4,500</p>
	<p>2004 Portfolio of Potential Projects for external-assistance developed.</p>	<p>1.2.1 Development of framework to identify, on a three year rolling basis, a portfolio of potential projects based on Tenth Plan and MTEF for donor funding (national expert)</p>	<p>BL 17.51 - \$ 4,500</p>
	<p>2004 Sectoral financial resource assessment developed.</p>	<p>1.2.2 Facilitation of assessment of the likely range of sectoral financial resource gaps (national expert)</p>	<p>BL 17.51 - \$ 4,500</p>
	<p>2003 FACD and line ministries leadership and partnership skill developed</p>	<p>1.3 Provide training for FACD and line ministry staff to enhance leadership and partnership skills on aid management and coordination</p>	
		<p>1.3.1 Conduct two three-day training course in economic</p>	

	<p>2004 Capacity of FACD and a few key line ministries in economic diplomacy and negotiation skills developed.</p>	<p>diplomacy and negotiation and related skills (international and national expert and training facilities)</p>	<p>BL 11.52 - \$ 22,000 BL 17.51 - \$ 4,000 BL 34.01 - \$ 6,000</p>
	<p>2004 Communication and coordination review document prepared.</p>	<p>1.4 Review of the communication and coordination structures between NPC and FACD/MOF supporting foreign aid allocation/disbursement monitoring</p>	
	<p>2004 - 2005 Capacity of FACD and line ministries staff developed.</p>	<p>1.4.1 Analysis of structure and recommendations for improvements (national expert)</p>	<p>BL 17.51 - \$ 2,250</p>
<p>2. Enhanced knowledge management of FACD through the establishment of a Resource Centre to further improve coordination and communication in relation to foreign aid management</p>	<p>2003 - 2005 Capacity of FACD developed as well as strategic communication plan developed and implemented</p>	<p>1.4.2 One-day workshop with key NPC and FACD staff to discuss recommendations and scope for improvements (Workshop, approx. 2.5 p.)</p>	<p>BL 34.01 - \$ 1,500</p>
		<p>1.5 Training of key staff of planning divisions of a few key ministries to monitor sector-specific foreign aid projects/programmes in accordance with poverty monitoring indicators</p>	
		<p>1.5.1 Two three-day workshop on poverty monitoring indicators (Workshop, approx. 50 p.) in collaboration with NEP/02/009 Support to PRSP.</p>	<p>BL 34.01 - \$ 6,000</p>
		<p>2.1 Establishment of a Resource Centre (RC) at FACD responsible for database management, documentation, strategic communication, supporting NDF meetings and FACD website management</p>	

		2.1.1 Development of ToR for RC and ToR for RC staff (0.5 WM national expert)	BL 17.51 - \$ 1,125
		2.1.2 Recruitment of Knowledge Management Specialist (12 WM national expert)	BL 17.01 - \$ 12,000
		2.1.3 Recruitment of Database Management and Homepage Specialist (24 WM national expert)	BL 17.02 - \$ 12,000
		2.1.4 Support NDF meeting by providing secretariat services and assisting paper preparation	BL 21.02 - \$ 78,000
		2.1.5 Procure fixture/furniture and PA system for RC	BL 45.02 - \$ 15,000
		2.1.6 Outsource two vehicles for RC	BL 45.03 - \$ 36,300
		2.1.7 Procure eleven computers for RC	BL 45.04 - \$ 11,000
		2.1.8 Procure books and periodicals for RC	BL 45.07 - \$ 10,000
		2.2.1 Development of ToR for Database Redesign Expert (0.25 WM national expert)	BL 17.51 - \$ 800
		2.2.2 Consultations with NPC, FACD and line ministries; Development of database concept outline; Consultation with FACD (2 WM national expert)	BL 17.51 - \$ 3,000
		2.2.3 Database design (technical) and implementation (2 WM national expert)	BL 17.51 - \$ 3,000
		2.2.4 Procurement, installation, maintenance of server (incl. software licence)	BL 45.01 - \$ 20,000
		2.3.1 Two three-day workshop on what is and how to communicate strategically (total approx. 50 p.) (0.5 WM international consultant)	BL 11.51 - \$ 10,000 BL 34.01 - \$ 9,000
	2003-2006 Resource Centre be enhanced to facilitate as secretariat for NDF		
	2003 - 2004 Database redesigned to streamline data available at different points.		
	2004 Capacity of FACD and NPC on strategic communication enhanced.		

		2003 - 2004 FACD's training needs assessment prepared and training conducted to strengthen FACD's capacity.	2.4.1 Training Needs Assessment of FACD staff (1 WM national expert) for foreign aid management (e.g. aid management, project analysis, financial analysis, internal rate of return)	BL 17.51 - \$ 2,250 BL 32.01 - \$ 44,000
			2.4.2 Study tour to Indonesia to observe foreign aid management (transferred from NEP/97/014 due to closure of project)	BL 32.01 - \$ 6,000
		2003 - 2004 Assessment on FACD's handbook prepared	2.5.1 Assessment of existing draft handbook based on consultations with FACD staff; analysis of what needs to be improved; implementation of changes (based on activity 2.5.2) (2 WM national expert)	BL 17.51 - \$ 4,500
			2.5.2 One two-day workshop reviewing new version of handbook (total approx. 25 p.)	BL 34.01 - \$ 2,500
		2003 - 2004 DCR and FACD handbook prepared and printed.	2.5.3 Production of DCR and FACD handbook	BL 21.03 - \$ 6,000 BL 21.04 - \$ 4,000
3. Improved ownership and capacity of FACD and other National Executing Agencies to manage UNDP funded programmes		2003 - 2006 NEX Guidelines reviewed and updated.	3.1 Periodic Review and Revision of NEX Guidelines	
		2003	3.1.1 Revision of NEX Guidelines based on the operational experience on NEX modality and piloting of 2-3 NEX projects under the existing structure of NEA 3.1.2 Workshop conducted to discuss on revised NEX Guidelines	

			3.1.3 Training of NPD/NPM/FA/DPA on NEX procedures	BL 33.01 - \$ 27,000
			3.1.4 Printing of Revised NEX Guidelines	BL 21.05 - \$ 5,000
			3.1.5 Periodic meetings of NPDs/NPMs	BL 34.02 - \$ 2,500
	2003	Upgraded NEX FIM implemented	3.2.1 Upgrading of NEX FIM software in line with revised NEX Guidelines and Result Based Management concept	BL 17.52 - \$ 2,250
			3.2.2 Training/Orientation on NEX Financial Management software (NEX FIM)	BL 33.01 - \$ 13,500
	2003- 2006	Capacity of AGO strengthened to conduct audit for NEX projects	3.3.1 Capacity development of the Auditor General's Office to meet NEX audit requirements and the Financial Comptroller General's Office in channelling the fund to NEX projects	BL 33.01 - \$ 15,000 BL 45.04 - \$ 17,000
	2004 - 2006	Annual audit conducted and reports prepared.	3.3.2 Conduct annual audit exercise for NEX projects.	BL 45.04 - \$ 45,000
4. Programme and policy development services in selected priority areas facilitated	2003 - 2006	Programmes formulated in line with CCF	4.1.1 Advisory services (national and international experts) provided (including participation in international workshops/conferences) for programme formulation in support of operationalising the Country Co-operation Framework (CCF).	BL 11.52 - \$ 30,000 BL 17.53 - \$ 25,000
			4.1.2 Advisory Services of International Consultants under TOKTEN modality	BL 11.53 - \$ 41,000

		4.1.3 Provide training under TCDC	BL 32.02 - \$ 40,000
		4.1.4 Participation in international workshops/conferences	BL 34.03 - \$ 40,000
2003 Two outcome evaluations conducted.		4.2.1 Conduct outcome evaluations as the minimum requirement under the new regime of Results Based Management.	BL 11.54 - \$ 30,000 BL 17.54 - \$ 13,800
2003 Monitoring and evaluations system automated.		4.2.2 Develop Monitoring and Evaluation Software for automation of data collection and reporting.	BL 17.55 - \$ 4,000
		4.2.3 Conduct joint field visits and cluster reviews	

Part III. Management Arrangements

The project will be executed in accordance with the National Execution (NEX) Guidelines. There will be an increased emphasis on the use of HMG/N's existing institutions for the implementation process with support, as needed, from UNDP

The responsible institution which will act as the executing agency will be the Foreign Aid Coordination Division (FACD) at the Ministry of Finance. The FACD/MOF will appoint a National Project Director (NPD) and a National Project Coordinator (NPC).

A Project Steering Committee will be established. The mandate will be to facilitate the implementation of the project activities, assess the experience gained so far and provide guidance on other matters, as required. The SC will also be responsible for monitoring the project based on regular reports submitted by the Executing Agency (FACD/MOF). The SC will meet quarterly and be chaired by the Joint Secretary of FACD. Representatives will be from the NPC, line ministries and UNDP.

Part IV. Capacity Assessment of Partner Institution

The Foreign Aid Coordination Division of the Ministry of Finance will supervise project activities mostly from managerial, administrative and financial points of views. As per National Execution Guidelines, the capacity of the Ministry has been reviewed from the following perspectives:

1. Managerial Capacity
 - Ability to plan, monitor and coordinate activities;
2. Administrative Capacity
 - Ability to prepare, authorize and adjust commitments and expenditures;
 - Ability to recruit and manage the best qualified personnel on a transparent and competitive basis.
3. Financial Capacity
 - Ability to produce project budget,
 - Ability to disburse funds in a timely and effective manner,
 - Ability to ensure financial recording and reporting,
4. Technical Capacity
 - Ability to monitor the technical aspects of the project.

According to the past experience of executing the NEX projects, the Ministry has no critical deficiency in its capacity to carry out the expected functions.

Part V. Risks

The following are potential risks, associated with the implementation of the Project, which have been identified.

Risks	Risk Mitigation
Donors hesitations to act in accordance with the project requirement	Change of perception among donors on the progress in government reform efforts through strategic communication
Hesitation of HMG/N NPC, line ministries and other institutions to change their current way of operations	Establishment of Steering Committee which will include relevant ministries, NPC and others as required in order to explain the project objective and ensure ownership

Part VI. Legal Context

This document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between His Majesty's Government of Nepal and the United Nations Development Programme, signed on 23 February 1984. The host country implementing agency shall, for the purpose of the Standard Basic Agreement, refer to the government co-operating agency described in the Agreement. The following types of revisions may be made to this document with the signature of the UNDP Resident Representative only, provided s/he is assured that the other signatories of the document have no objections to the proposed changes:

Revisions in or addition to any of the annexes of the document;

Revisions which do not involve significant changes in the immediate objectives, outputs, or activities of the programme, but caused by the rearrangement of inputs already agreed to, or by cost increases due to inflation; and

Mandatory annual revisions, which re-phase the delivery of agreed inputs or increased expert or costs due to inflation or take into account agency expenditure flexibility.

Part VII. Monitoring and Evaluation

Based on NEX Guidelines, UNDP will conduct management and financial audit of the project on an annual basis. The audit will also look into the compliance of the project as well as fulfilment of performance plans.

The project will be subject to periodic review. The review will be conducted by the Executing Agency and UNDP. The National Project Director will submit an Annual Progress Report (APR) summarizing the progress and achievements towards project objectives as well as statement of resources used and outstanding.

At the working level, review meetings will be held every three months, for which the National Project Director will prepare a quarterly progress report, to be submitted at least one week before the meeting. These meetings will review progress in relation to planned and completed activities for regular management and programming of activities in relation to the work plan, assessment and monitoring of achievements in relation to the stated objectives and outputs.

At the completion of the first eighteen months, an evaluation of the project will be conducted to assess whether the project has produced outputs as per the stated objectives of the project. The evaluation will assist to refine outputs and activities, and may adjust the budget provisions accordingly.



Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
Executing Agency: NEX - National Execution

SBLN	Description	Implementing	Funding	Total	2003	2004	2005	2006
010.	PERSONNEL							
011.	International Consultants	UNOPS						
011.51	Int'l Consultants - Aid Mgmt.			32,000		22,000	10,000	
			W/M	3.0		2.0	1.0	
			Total	32,000		22,000	10,000	
011.52	Int'l Consultant: Adv. Services	UNOPS		30,000		10,000	10,000	10,000
			W/M	3.0	0.5	1.0	1.0	0.5
			Total	30,000		10,000	10,000	10,000
011.53	Int'l Consultant: TOKTEN	NEX		41,000	5,000	12,000	12,000	12,000
			W/M	7.0	1.0	2.0	2.0	2.0
			Total	41,000	5,000	12,000	12,000	12,000
011.54	Int. Consultant Outcome Evaluation	UNOPS		30,000	30,000	12,000	12,000	12,000
			W/M	2.0	2.0			
			Total	30,000	30,000			
011.99	Line Total			133,000	35,000	44,000	32,000	22,000
			W/M	15.0	3.5	5.0	4.0	2.5
			Total	133,000	35,000	44,000	32,000	22,000
013.	Administrative Support							
013.01	Admin/Finance Associate	NEX		16,800	2,800	5,600	5,600	2,800
			W/M	36.0	6.0	12.0	12.0	6.0
			Total	16,800	2,800	5,600	5,600	2,800
013.02	Messenger	NEX		8,400	1,400	2,800	2,800	1,400
			W/M	1.0	1.0	1.0	1.0	1.0
			Total	8,400	1,400	2,800	2,800	1,400
013.99	Line Total			25,200	4,200	8,400	8,400	4,200
			W/M	36.0	6.0	12.0	12.0	6.0
			Total	25,200	4,200	8,400	8,400	4,200
015.	Monitoring and Evaluation							
015.01	Monitoring Visit	NEX		12,000	500	4,000	4,000	3,500
			Total	12,000	500	4,000	4,000	3,500
015.02	Monitoring Visit -UNDP	UNDP		7,000	500	2,500	2,500	1,500
			Total	7,000	500	2,500	2,500	1,500
015.99	Line Total			19,000	1,000	6,500	6,500	5,000
			Total	19,000	1,000	6,500	6,500	5,000



Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
Executing Agency: NEX - National Execution

SBLN	Description	Implementing	Funding	Total	2003	2004	2005	2006
017.	National Consultants							
017.01	Knowledge Management Expert	NEX		Net Amount 12,000 W/M 12.0 Total 12,000	3,000 3.0 3,000	9,000 9.0 9,000		
017.02	Database/Homepage Expert	NEX		Net Amount 12,000 W/M 24.0 Total 12,000	1,500 3.0 1,500	6,000 12.0 6,000	4,500 9.0 4,500	
017.51	National Consultants - Aid Mgmt.	NEX		Net Amount 41,175 W/M 18.2 Total 41,175	22,925 2.2 22,925	10,000 6.6 10,000	6,000 7.2 6,000	2,250 2.2 2,250
017.52	National Consultants - NEX	NEX		Net Amount 2,250 W/M 1.0 Total 2,250	2,250 1.0 2,250	10,000 1.0 10,000	6,000 1.0 6,000	2,250 1.0 2,250
017.53	Nat'l Consultants - Adv. Services	NEX		Net Amount 25,000 W/M 10.0 Total 25,000	5,000 2.0 5,000	8,000 3.2 8,000	8,000 3.2 8,000	4,000 1.6 4,000
017.54	Nat'l Consultant Outcome Evaluation	NEX		Net Amount 13,800 W/M 6.0 Total 13,800	13,800 6.0 13,800	8,000 6.0 8,000		
017.55	Nat'l Consultant M&E	NEX		Net Amount 4,000 W/M 3.0 Total 4,000	4,000 3.0 4,000			
017.99	Line Total			Net Amount 110,225 W/M 74.2 Total 110,225	52,475 20.2 52,475	33,000 30.8 33,000	18,500 19.4 18,500	6,250 3.8 6,250
019.	PROJECT PERSONNEL TOTAL			Net Amount 287,425 W/M 125.2 Total 287,425	92,675 29.7 92,675	91,900 47.8 91,900	65,400 35.4 65,400	37,450 12.3 37,450
020.	CONTRACTS							
021.	Contract A							
021.01	Subcontract - NEX Audit	NEX		Net Amount 45,000 Total 45,000		15,000 15,000	15,000 15,000	15,000 15,000
021.02	Support to NDF	NEX		Net Amount 78,000 Total 78,000	10,000 10,000	26,000 26,000	26,000 26,000	16,000 16,000
021.03	Production of DCR	NEX		Net Amount 6,000 Total 6,000	2,000 2,000	2,000 2,000	2,000 2,000	16,000 16,000



Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
Executing Agency: NEX - National Execution
Budget " A "

SBLN	Description	Implementing	Funding	Total	2003	2004	2005	2006
021.03	Production of DCR	NEX		6,000	2,000	2,000	2,000	
021.04	Production/Updating of FACD Manual	NEX		4,000	1,000	2,000	1,000	
				4,000	1,000	2,000	1,000	
021.05	Production/Updating of NEX Guidelin	UNDP		5,000	2,500			2,500
				5,000	2,500			2,500
021.06	SC - Vehicles (1 car & 1 4WD)	NEX		36,300	3,300	13,200	13,200	6,600
				36,300	3,300	13,200	13,200	6,600
021.99	Line Total			174,300	18,800	58,200	57,200	40,100
				174,300	18,800	58,200	57,200	40,100
029.	SUBCONTRACTS TOTAL							
				174,300	18,800	58,200	57,200	40,100
				174,300	18,800	58,200	57,200	40,100
030.	TRAINING							
032.	Other Training							
032.01	Other Training - FACD	NEX		50,000	10,000	20,000	15,000	5,000
				50,000	10,000	20,000	15,000	5,000
032.02	Other Training - JCDC	NEX		40,000	2,500	15,000	10,000	12,500
				40,000	2,500	15,000	10,000	12,500
032.99	Line Total			90,000	12,500	35,000	25,000	17,500
				90,000	12,500	35,000	25,000	17,500
033.	In-Service Training							
033.01	Inservice Training - NEX	UNDP		55,500	6,500	20,000	20,000	9,000
				55,500	6,500	20,000	20,000	9,000
033.99	Line Total			55,500	6,500	20,000	20,000	9,000
				55,500	6,500	20,000	20,000	9,000
034.	Conferences & Meetings							
034.01	Workshops/Seminars - FACD	NEX		25,000	5,000	8,000	8,000	4,000
				25,000	5,000	8,000	8,000	4,000
034.02	NPDs/NPMs Workshops	NEX		2,500	500	750	750	500
				2,500	500	750	750	500
034.03	Int. Workshop/Conference	NEX		40,000	10,000	10,000	10,000	10,000
				40,000	10,000	10,000	10,000	10,000
034.99	Line Total			67,500	15,500	18,750	18,750	14,500
				67,500	15,500	18,750	18,750	14,500



Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1)
Executing Agency: NEX - National Execution

SBLN	Description	Implementing	Funding	Total	2003	2004	2005	2006
039.	TRAINING TOTAL			213,000	34,500	73,750	63,750	41,000
	Net Amount			213,000	34,500	73,750	63,750	41,000
	Total							
040.	EQUIPMENT							
045.	Equipment							
045.01	Equipment - Database	NEX		20,000	13,000	5,000	2,000	
	Total			20,000	13,000	5,000	2,000	
045.02	Furniture/Fixture and PA System	NEX		15,000	10,000	5,000		
	Total			15,000	10,000	5,000		
045.03	Computers FACD (11)	NEX		11,000	2,000	5,000	2,000	2,000
	Total			11,000	2,000	5,000	2,000	2,000
045.04	Computers AGO (12) FOGO (5)	NEX		17,000	2,000	12,000	3,000	
	Total			17,000	2,000	12,000	3,000	
045.05	Office Supplies	NEX		8,000	2,000	2,500	2,500	1,000
	Total			8,000	2,000	2,500	2,500	1,000
045.06	Operation and Maintenance	NEX		16,200	2,700	5,400	5,400	2,700
	Total			16,200	2,700	5,400	5,400	2,700
045.07	Books/Periodicals for Library	NEX		10,000	2,500	2,500	2,500	2,500
	Total			10,000	2,500	2,500	2,500	2,500
045.99	Line Total			97,200	34,200	37,400	17,400	8,200
	Net Amount			97,200	34,200	37,400	17,400	8,200
	Total							
049.	EQUIPMENT TOTAL			97,200	34,200	37,400	17,400	8,200
	Net Amount			97,200	34,200	37,400	17,400	8,200
	Total							
050.	MISCELLANEOUS							
053.	Sundries							
053.01	Sundry	NEX		13,500	2,000	4,500	4,500	2,500
	Total			13,500	2,000	4,500	4,500	2,500
053.02	Sundry	UNDP		3,000	500	1,000	1,000	500
	Total			3,000	500	1,000	1,000	500
053.03	CO NEX Management Support	UNDP		20,284	4,447	6,837	5,512	3,488
	Total			20,284	4,447	6,837	5,512	3,488
053.99	Line Total			36,784	6,947	12,337	11,012	6,488
	Net Amount			36,784	6,947	12,337	11,012	6,488
	Total							



Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
 Executing Agency: NEX - National Execution
 Budget " A"

SBLN	Description	Implementing	Funding	Total	2003	2004	2005	2006
059.	MISCELLANEOUS TOTAL		Net Amount Total	36,784 36,784	6,947 6,947	12,337 12,337	11,012 11,012	6,488 6,488
099.	BUDGET TOTAL		Net Amount W/M Total	808,709 125.2 808,709	187,122 29.7 187,122	273,587 47.8 273,587	214,762 35.4 214,762	133,238 12.3 133,238



Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
Executing Agency: NEX - National Execution

SBLN	Donor	Funding	Total	2003	2004	2005	2006
999.	NET CONTRIBUTION	Net Contrib. Total	808,709 808,709	187,122 187,122	273,587 273,587	214,762 214,762	133,238 133,238

PROJECT RESULT FRAMEWORK - INPUT OUTPUT BUDGET

Activity Description	Inputs Description	Budget Line	Budget (USD)
OUTPUT 1. Enhanced capacity of FACD and planning divisions of a few key line ministries (on pilot basis) to prioritise externally financed programmes based on national and sectoral priorities in line with PRSP. ACTIVITY 1.1 Development of new foreign aid prioritisation mechanisms at intra-sector level that directly incorporates poverty alleviation and MDGs as basis for identifying priority programmes and projects (this will be based on a review of poverty monitoring indicators and current project prioritisation criteria used in MTEF)	1.1.1 Review of MTEF project prioritization criteria as a tool to achieve goals set in PRSP and MDG (2 WM national expert)	17.51	4,500
	1.1.2 Review of poverty monitoring indicators being developed at NPC to identify a few representative (at most 12) criteria for project prioritization (1.5 WM national expert)	17.51	3,375
	1.1.3 Based on (1.1.1) and (1.1.2) development of project prioritization criteria (this would include a scoring system and a checklist) at intra-sectoral level (1.5 WM national expert)	17.51	3,375
ACTIVITY 1.2 Capacity development of FACD, planning divisions of a few key line ministries and respective divisions of NPC to proactively identify and announce on a biannual basis to Development Partners sector-specific priorities/financing gaps based on the Tenth Plan and the three-year rolling MTEF in order to direct donor funding to sectors/sub-sectors currently under-funded	1.2.1 Development of framework to identify, on a three year rolling basis, a portfolio of potential projects based on Tenth Plan and MTEF for donor funding (2 WM national expert)	17.51	4,500
	1.2.2 Facilitation of the assessment of the likely range of sectoral financial resource gaps (2 WM national expert)	17.51	4,500
ACTIVITY 1.3 Training of FACD and five line ministry staff to provide more effective leadership for joint development partners and HMG/N partnership on aid management and coordination	1.3.1 Two three-day training course in economic diplomacy, negotiation and related skills (0.5 WM national expert, 50 p.)	11.51 22,000 17.51 4,000 34.01 6,000	32,000
	1.4.1 Analysis of structure and recommendations for improvements (1 WM national expert)	17.51	2,250
	1.4.2 One-day workshop with key NPC and FACD staff to discuss recommendations and scope for improvements (total approx. 25 p.)	34.01	1,500
ACTIVITY 1.5 Training of key staff of planning divisions of a few key line ministries to monitor sector-specific foreign aid projects/programmes in accordance with poverty monitoring indicators	1.5.1 Two 3-day workshop on poverty monitoring indicators (total approx. 50 p.)	34.01	6,000
Sub-total			62,000

PROJECT RESULT FRAMEWORK - INPUT OUTPUT BUDGET

<p>OUTPUT 2. Enhanced knowledge management of FACD through the establishment of a Resource Centre to further improve coordination and communication in relation to foreign aid management. ACTIVITY 2.1 Establishment of a Resource Centre (RC) at FACD responsible for database management, Documentation Unit, strategic communication, and FACD website management</p>	2.1.1	Development of ToR for RC and ToR for RC staff (0.5 WM national expert)	17.51	1,125
	2.1.2	Recruitment of Knowledge Management Specialist (12 WM national expert)	17.01	12,000
	2.1.3	Recruitment of Database Management and Homepage Specialist (24 WM national expert)	17.02	12,000
	2.1.4	Support for paper preparation and secretariat for holding NDF meetings	21.02	78,000
	2.1.5	Procure furniture/fixture for RC	45.02	15,000
	2.1.6	Outsource two vehicles for RC	21.06	36,300
	2.1.7	Procurement of eleven PCs	45.03	11,000
	2.1.8	Procurement of Books/Periodicals	45.07	10,000
	2.2	Redesign of foreign aid database	17.51	800
	2.2.1	Development of ToR for database redesign expert (0.25 WM national expert)	17.51	800
	2.2.2	Consultations with NPC, FACD and line ministries; Development of database concept outline; Consultation with FACD (2 WM national expert)	17.51	3,000
	2.2.3	Database design (programming) and implementation (2 MM national expert)	17.51	3,000
	2.2.4	Procurement, installation, maintenance of two computer servers and software licence of server for database management	45.01	20,000
	2.3	Training of NPC, FACD and five line ministries in strategic communication	11.51 10,000 34.01 9,000	19,000
	2.4	Training of FACD staff	17.51	2,250
	2.4.1	Training Needs Assessment of FACD staff (1 WM national expert)	17.51	2,250
	2.4.2	Selected training in foreign aid management (e.g. aid management, project analysis, financial analysis, internal rate of return, etc)	32.01	44,000
	2.4.2	Study tour to Indonesia to observe foreign aid management (transferred from NEP/97/014 due to closure of project)	32.01	44,000
		(32.01	6,000	

PROJECT RESULT FRAMEWORK - INPUT OUTPUT BUDGET

2.5 Development of FACD procedures and processes.

2.5.1 Assessment of existing draft handbook based on consultations with FACD staff; analysis of what needs to be improved; implementation of changes (based on activity 2.5.2) (2 MM national expert)		17.51	4,500
2.5.2 One two-day workshop reviewing new version of handbook (total approx. 25 p.)		34.01	2,500
2.5.3 Production of DCR and FACD handbook		21.03 6,000	10,000
Sub-total		21.04 4,000	290,475

PROJECT RESULT FRAMEWORK - INPUT OUTPUT BUDGET

<p>OUTPUT 3. Improved ownership and capacity of FACD and other National Executing Agencies to manage UNDP funded programmes.</p> <p>ACTIVITIES 3.1 Periodic review and revision of NEX Guidelines.</p>	<p>3.1.1 Revision of NEX Guidelines based on the operational experience on NEX modality and piloting of 2-3 NEX projects under the existing structure of NEA.</p> <p>3.1.2 Workshop conducted to discuss on revised NEX Guidelines</p> <p>3.1.3 Training of NPD/NPM/FA/DPA on NEX procedures @ \$ 9,000 pr. Year</p> <p>3.1.4 Printing of Revised NEX Guidelines</p> <p>3.1.5 Periodic meetings of NPDs/NPMs</p> <p>3.2.1 Upgrading of NEX FIM software in line with revised NEX Guidelines and Result Based Management concept</p> <p>3.2.2 Training - NEX FM orientation (3 years @ 4,500 pr year)</p> <p>3.3.1 Training - Auditor General's Office (3 years @ 5,000 pr. Year and computer set for AGO (12) and FCGO (5))</p> <p>3.3.2 Audit Contract (3 years @ 15,000)</p>	<p>33.01</p> <p>21.05</p> <p>34.02</p> <p>17.52</p> <p>33.01</p> <p>33.01 15,000</p> <p>45.04 17,000</p> <p>21.01</p>	<p>27,000</p> <p>5,000</p> <p>2,500</p> <p>2,250</p> <p>13,500</p> <p>32,000</p> <p>45,000</p> <p>127,250</p>
<p>3.2 Training on NEX procedures</p> <p>3.3 NEX auditing</p> <p>Sub-total</p>			
<p>OUTPUT 4. Programme and policy development services in selected priority areas facilitated. ACTIVITY 4.1 Advisory Services for programme formulation in support of operationalizing the Country Cooperation Framework (CCF) and training through TCDC as well as international seminars/conferences.</p>	<p>4.1.1 Advisory Services of International (3 WM) and National (10 WM) Consultants</p> <p>4.1.2 Advisory Services of International Consultants under TOKTEN (6 WM)</p> <p>4.1.3 Provide training under TCDC (16 x \$ 2,500)</p> <p>4.1.4 Participation in international workshops/conferences</p> <p>4.2.1 Outcome evaluation: International Consultant (2 WM) and National Consultant (6 WM)</p> <p>4.2.2 National experts (3 WM) for designing Monitoring and Evaluation Software</p> <p>4.2.3 Conduct joint field visits and cluster reviews</p>	<p>11.53 30,000</p> <p>17.52 25,000</p> <p>11.53</p> <p>32.02</p> <p>34.03</p> <p>11.54 30,000</p> <p>17.54 13,800</p> <p>17.55 4,000</p>	<p>55,000</p> <p>41,000</p> <p>40,000</p> <p>40,000</p> <p>43,800</p> <p>4,000</p> <p>223,800</p>
<p>Sub-total</p>			

PROJECT RESULT FRAMEWORK - INPUT OUTPUT BUDGET

Other Costs	
Administrative Support Personnel	25,200
Monitoring and Evaluation (Incountry Travel)	19,000
Office Supplies and Operation/Maintenance	24,200
Sundries	36,784
Sub-total	105,184
Total budget	808,709

PROJECT WORK PLAN

PROJECT NUMBER: NEP/03/009

PROJECT TITLE: STRENGTHENING AID MANAGEMENT AND NATIONAL EXECUTION (NEX)

ID	OUTPUTS AND ACTIVITIES	RESPON. PARTY	BUDGET LINE	ESTIMATED BUDGET \$	2003			2004			2005			2006		
					3RD QTR	4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	1ST QTR	2ND QTR
OUTPUT 1	Enhanced capacity of FACD and planning divisions of a few key line ministries to prioritise externally financed programmes based on national and sectoral priorities in line with PRSP.			62,000												
Activity 1.1	Development of new foreign aid prioritisation mechanisms at intra-sector level that directly incorporates poverty alleviation and MDGs as basis for identifying priority programmes and projects (this will be based on a review of poverty monitoring indicators and current project															
Activity 1.1.1	Review of MTEF project prioritization criteria as a tool to achieve goals set in PRSP and MDG	FACD/UNDP	17.51	4,500												
Activity 1.1.2	Review of poverty monitoring indicators being developed at NPC to identify a few representative (at most 12) criteria for project prioritization	FACD/UNDP	17.51	3,375												
Activity 1.1.3	Based on (1.1.1) and (1.1.2) development of project prioritization criteria (this would include a scoring system and a checklist) at intra-sectoral level	FACD/UNDP	17.51	3,375												
Activity 1.2	Capacity development of FACD, planning divisions of a few key line ministries and respective divisions of NPC to proactively identify and announce on a biannual basis to Development Partners sector-specific priorities/financing gaps based on the Tenth Plan and the three-year rolling MTEF in order to direct donor funding to sectors/sub-sectors currently under-funded															
Activity 1.2.1	Development of framework to identify, on a three year rolling basis, a portfolio of potential projects based on Tenth Plan and MTEF for donor funding	FACD/UNDP	17.51	4,500												
Activity 1.2.2	Facilitation of the assessment of the likely range of sectoral financial resource gaps (2:WM national expert)	FACD/UNDP	17.51	4,500												
Activity 1.3	Training of FACD and a few key line ministries staff to provide more effective leadership for joint development partners and HMG/N partnership on aid management and coordination															
Activity 1.3.1	Two three-day training course in economic diplomacy, negotiation and related skills (0.5:WM national expert, approx. 50 p.)	FACD/UNDP	11.52	22,000												
			34.01	4,000												
				6,000												

ID	OUTPUTS AND ACTIVITIES	RESPON. PARTY	BUDGET LINE	ESTIMATED BUDGET \$	2003			2004			2005			2006		
					3RD QTR	4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	1ST QTR	2ND QTR
Activity 1.4	Review of the communication and coordination structures between NPC and FACD supporting foreign aid allocation/disbursement monitoring															
Activity 1.4.1	Analysis of structure and recommendations for improvements (1 WM national expert)	FACD/UNDP	17.51	2,250												
Activity 1.4.2	One-day workshop with key NPC and FACD staff to discuss recommendations and scope for improvements (total approx. 25 p.)	FACD/UNDP	34.01	1,500												
Activity 1.5	Training of key staff of planning divisions of a few key line ministries to monitor sector-specific foreign aid projects/programmes in accordance with poverty monitoring indicators															
Activity 1.5.1	Two 3-day workshop on poverty monitoring indicators (total approx. 50 p.)	FACD/UNDP	34.01	6,000												
OUTPUT 2	Enhanced knowledge management of FACD through the establishment of a Resource Centre to further improve coordination and communication in relation to foreign aid management.			290,475												
Activity 2.1	Establishment of a Resource Centre (RC) at FACD responsible for database management, Documentation Unit, strategic communication and FACD website management.															
Activity 2.1.1	Development of ToR for RC and ToR for RC staff.	FACD/UNDP	17.51	1,125												
Activity 2.1.2	Recruitment of Knowledge Management Specialist	FACD/UNDP	17.01	12,000												
Activity 2.1.3	Recruitment of Database Management and Homepage Specialist	FACD/UNDP	17.02	12,000												
Activity 2.1.4	Support for paper preparation and secretariat for holding NDF meetings	FACD	21.02	78,000												
Activity 2.1.5	Procure furniture/fixture for RC	FACD	45.02	15,000												
Activity 2.1.6	Outsource two vehicles for RC	FACD	21.06	36,300												
Activity 2.1.7	Procurement of eleven PCs	FACD	45.03	11,000												
Activity 2.1.8	Procurement of books and periodicals	FACD	45.07	10,000												

ID	OUTPUTS AND ACTIVITIES	RESPON. PARTY	BUDGET LINE	ESTIMATED BUDGET \$	2003				2004				2005				2006	
					3RD QTR	4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	1ST QTR	2ND QTR		
Activity 2.2	Redesign of foreign aid database	FACD/UNDP	17.51	800														
Activity 2.2.1	Development of ToR for database redesign expert	FACD/UNDP	17.51	3,000														
Activity 2.2.2	Consultations with NPC, FACD and line ministries; Development of database concept outline; Consultation with FACD	FACD/UNDP	17.51	3,000														
Activity 2.2.3	Database design (programming) and implementation	FACD	45.01	20,000														
Activity 2.3	Procurement, installation, maintenance of two computer servers and software licence of server for database management																	
Activity 2.3.1	Training of NPC, FACD and a few key line ministries in strategic communication	RC	11.51 34.01	10,000 9,000														
Activity 2.4	Two three-day workshop on what is and how to communicate strategically (total approx. 50 p.)																	
Activity 2.4.1	Training of FACD Staff	FACD/UNDP	17.51	2,250														
Activity 2.4.1	Training Needs Assessment of FACD staff	FACD/UNDP	32.01	44,000														
Activity 2.4.2	Selected training in foreign aid management (e.g. aid management, project analysis, financial analysis, internal rate of return, etc)	FACD/UNDP	32.01	6,000														
Activity 2.5	Study tour to Indonesia to observe foreign aid management (transferred from NEP/97/014, due to closure of project)																	
Activity 2.5.1	Development of FACD procedures and processes	FACD/UNDP	17.51	4,500														
Activity 2.5.2	Assessment of existing draft handbook based on consultations with FACD staff; analysis of what needs to be improved; implementation of changes (based on activity 2.5.2)	FACD	34.01	2,500														
Activity 2.5.3	One two-day workshop reviewing new version of handbook (total approx. 25 p.) Production of DCR and FACD handbook	FACD	21.03 21.04	6,000 4,000														
OUTPUT 3	Improved ownership and capacity of FACD and other National Executing Agencies to manage UNDP funded programmes.			127,250														

ID	OUTPUTS AND ACTIVITIES	RESPON. PARTY	BUDGET LINE	ESTIMATED BUDGET \$	2003			2004			2005			2006		
					3RD QTR	4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	1ST QTR	2ND QTR
Activity 3.1	Periodic review and revision of NEX Guidelines	FACD/UNDP	-	-	■											
Activity 3.1.1	Revision of NEX Guidelines based on the operational experience on NEX modality and piloting of 2-3 NEX projects under the existing structure of NEA.	FACD/UNDP	-	-	■											
Activity 3.1.2	Workshop conducted to discuss on revised NEX Guidelines	FACD/UNDP	-	-	■											
Activity 3.1.3	Training of NPD/NPM/FA/DPA on NEX procedures	UNDP	33.01	27,000			■								■	
Activity 3.1.4	Printing of Revised NEX Guidelines	UNDP	21.05	5,000		■									■	
Activity 3.1.5	Periodic meetings of NPDs/NPMs	UNDP	34.02	2,500				■							■	
Activity 3.2	Training on NEX procedures															
Activity 3.2.1	Upgrading of NEX FIM software in line with revised NEX Guidelines and Results Based Management concept.	UNDP	17.52	2,250		■										
Activity 3.2.1	Training on NEX FIM orientation	UNDP	33.01	13,500		■										■
Activity 3.3	NEX Auditing															
Activity 3.3.1	Training of Auditor General's Office to conduct yearly audit and strengthen capacity of Financial Comptroller General's Office	UNDP	33.01	15,000												■
Activity 3.3.2	Audit Contract awarded to conduct audit exercise.	UNDP	45.04	17,000												■
Activity 3.3.2	Audit Contract awarded to conduct audit exercise.	UNDP	21.01	45,000												■
OUTPUT 4	Programme and policy development services in selected priority areas facilitated.			223,800												
Activity 4.1	Advisory Services for programme formulation in support of operationalizing the Country Cooperation Framework (CCF) and training through TCDC as well as international seminars/conferences.															
Activity 4.1.1	Advisory Services of International (3 WM) and National (10 WM) Consultants	FACD/UNDP	11.52	30,000												■
Activity 4.1.2	Advisory Services of International Consultants under TOKTEN	FACD/UNDP	17.53	25,000												■
Activity 4.1.3	Provide training under TCDC	FACD/UNDP	11.53	41,000												■
Activity 4.1.3	Provide training under TCDC	FACD/UNDP	32.02	40,000												■

ID	OUTPUTS AND ACTIVITIES	RESPON. PARTY	BUDGET LINE	ESTIMATED BUDGET \$	2003				2004				2005				2006	
					3RD QTR	4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	1ST QTR	2ND QTR		
Activity 4.1.4	Participation in international workshops/conference	FACD/UNDP	34.03	40,000	■			■									■	
Activity 4.2	Monitoring and Evaluation	UNDP	11.54	30,000	■													
Activity 4.2.1	Conduct two outcome evaluations	UNDP	17.54	13,800														
Activity 4.2.2	Designing Monitoring and Evaluation Software	UNDP	17.55	4,000			■											
Activity 4.2.3	Conduct joint field visits and cluster reviews	FACD/UNDP	-	-	■			■									■	
PART TWO	PROGRAMME SUPPORT EXPENDITURE:			105,184														
	1 Administrative Support Personnel																	
	1.1 Admin/Finance Associate			16,800														
	1.2 Messenger			8,400														
	2 Monitoring and Evaluation																	
	2.1 Monitoring Visit	FACD	15.01	12,000														
	2.2 Monitoring Visit	UNDP	15.02	7,000														
	3 Office Supplies	FACD	45.05	8,000														
	4 Operation and Maintenance	FACD	45.06	16,200														
	5 Sundry	FACD	53.01	13,500														
	6 Sundry	UNDP	53.02	3,000														
	7 CO NEX Management Support	UNDP	53.03	20,284														

Terms of Reference -- National Project Director

- Duty Station** : Kathmandu
- Duration** : HMG/Nepal will make the services of the NPD available for the duration of the programme and until all the procedures for closure are completed.

General Responsibilities:

The NPD is the principal representative of the Government at the programme level. The primary function of the NPD is to (1) guide the programme to implement the decisions of the Steering Committee; (2) ensure that decisions related to programme implementation is done in a participatory and collective manner; and (3) ensure that it remains relevant to the Government and UNDP's objectives and priorities. The NPD will function as Member-Secretary of the Steering Committee. The NPD will be responsible for co-ordinating the implementation of the programme for the achievement of the outputs and objectives of the programme.

Specific Responsibilities:

The specific responsibilities of the NPD will be to:

1. Assume overall responsibility for the successful execution and implementation of the programme and accountability to HMGN and UNDP for the proper and effective use of project resources.
2. Prepare regular updates and ensure the implementation of a detailed work plan in consistence with the provisions of the programme document.
3. Act as the chief representative of the programme during review meeting, evaluations and in discussions and hence, be responsible for preparation of review and evaluation reports;
4. Exercise overall technical oversight of the programme including supervision of personnel assigned to the programme;
5. Monitor the physical and financial performance of the programme and update the workplan every three months;
6. Ensure timely preparation and submission of required reports, including technical, financial, study tour/fellowship reports.
7. Undertake the recruitment of Programme personnel in accordance with the UNDP guidelines.
8. Ensure that the National Programme Manager is empowered to carry out his duties effectively.
9. Supervise the work of the National Programme Manager.

10. Operates a project bank account and certifies or approves project expenditures and financial statements in accordance with financial rules and procedures applied to NEX projects.
11. Represent the National Executing Agency and the Programme at meetings of the Programme parties.
12. Ensure that gender issues are mainstreamed in all policies and activities and are reported.

Responsibilities on programme completion and follow-up:

In order to ensure the efficient termination of programme activities, the NPD will:

1. Prepare a draft Final Report and submit a copy of this report to the UNDP Resident Representative for comments at least 6 weeks before the completion of the programme;
2. Make a final check of all equipment under the programme through a physical inventory, indicating the condition of each equipment item and its location; discuss and agree with the UNDP and the implementing agent(s) the mode of disposition of such equipment and follows up on the exchange of letters among the UNDP and Government on the agreed manner of disposition of programme equipment; take action to implement the agreed disposition of equipment in consultation with the programme parties;
3. Contribute towards the final preparation of the Final Report;
4. At the final closure of the programme, ensure all terminal arrangements relating to programme personnel are completed.

Appointment:

As a minimum requirement the NPD will be of Under-Secretary (Class 2) and appointed by the Foreign Aid Coordination of the Ministry of Finance (FACD/MOF).

Terms of Reference – National Project Coordinator (NPC)

- Duty Station** : Kathmandu
- Duration** : **HMG/Nepal** will make the services of the NPC available for the duration of the programme and until all the procedures for closure are completed.

General Responsibilities:

Under the general guidance of the National Project Director, the National Project Coordinator assumes the operational management of the project. Specifically, he/she will assume the following responsibilities:

1. Assumes operational management of the project in accordance with the project document and the policies and procedures for NEX.
2. Prepares and updates project workplans, and submits these for clearance to FACD/MOF and UNDP.
3. Ensures that all agreements with designated project implementing agencies are prepared, negotiated and signed.
4. Initiates and administers the mobilization of project inputs under the responsibility of the executing agency.
5. With respect to external project implementing agencies:
 - a. ensures that they mobilize and deliver the inputs in accordance with their implementation agreement or contract, and
 - b. provides overall supervision and/or coordination of their work to ensure the production of the corresponding project outputs.
6. Assumes direct responsibility for managing the project budget on behalf of the NPD, ensuring that:
 - a. project funds are made available when needed and disbursed in accordance with the workplan and financial rules and regulations,
 - b. accounting records and supporting documents are maintained,
 - c. required financial reports are prepared,
 - d. financial operations of the project are transparent and stands up to audit any any time, and
 - e. the financial procedures and regulations for NEX projects are applied.
7. Prepare Annual Project Reports and the Final Project Report as scheduled, and assist in organizing regular reviews and evaluation in coordination with UNDP.
8. Supervise the project staff and local or international experts/consultants working for the project.
9. Ensure that gender issues are mainstreamed in all policies and activities of the project and are reported in the regular review.

10. Report regularly to the NPD

Responsibilities on programme completion and follow-up

In order to ensure the efficient termination of programme activities, the NPD will:

1. Assists the NPD to prepare a draft Final Report and submit a copy of this report to the UNDP Resident Representative for comments at least 6 weeks before the completion of the programme;
2. Make a final check of all equipment under the programme through a physical inventory, indicating the condition of each equipment item and its location; discuss and agree with the UNDP and the implementing agent(s) the mode of disposition of such equipment and follows up on the exchange of letters among the UNDP and Government on the agreed manner of disposition of programme equipment; take action to implement the agreed disposition of equipment in consultation with the programme parties;
3. Contribute towards the final preparation of the Final Report;
4. At the final closure of the programme, ensure all terminal arrangements relating to programme personnel are completed.

Appointment:

As a minimum requirement the NPC will be of Section Officer (Class 3) and appointed by the Foreign Aid Coordination of the Ministry of Finance (FACD/MOF).

Terms of reference – Admin/Finance Associate

Duty Station: Kathmandu.

Duration: Three years.

General Responsibilities:

Under the direct supervision of the National Project Director/National Project Manager, the incumbent will perform the following tasks.

1. Prepare vouchers and process payments for all the financial transactions and also process payment under Direct Payment Request to UNDP for hard currency payments;
2. Maintain complete sets of books of account according to the principles of accounting and update it on a daily basis. Also keep record of the disbursements made from UNDP CO and by Cooperating Agency on behalf the programme;
3. Prepare trial balance, bank reconciliation statement and status of fund on a monthly basis and verify the accuracy of the statements and books of accounts;
4. Prepare periodic Financial Reports (Quarterly Reports) to be submitted to UNDP
5. Assist NPD/NPM in preparing and updating Annual Workplan and Quarterly Workplan for the advance request;
6. Verify the Combined Delivery Report (CDR) for certification by NPD to be sent to UNDP;
7. Facilitate in convening Project Procurement Committee and Project Recruitment Committee meetings and prepare minutes of the meetings;
8. Assist NPD/NPM relating to recruitment, procurement, subcontracts, etc.;
9. Participate and prepare minutes of Project Procurement Committee and Project Recruitment Committee meetings;
10. Keep complete personnel files and records such as leave records, attendance records, service contracts, etc.
11. Maintain vehicle log book, inventory of office supplies and put in place proper internal control system
12. Keep records of Non Expendable Equipment (NEE), conduct physical verification at least once a year and prepare report on annual physical verification of NEE to be submitted to UNDP;
13. Assist and facilitate the NEX audit as well as internal audit conducted by UNDP;
14. Take follow up measures on audit findings;
15. Keep abreast of the financial regulations of the Government regarding the taxation and ensure compliance;

16. Ensure the compliance of all the provisions of NEX Guidelines regarding personnel management, procurement, subcontract and financial management;
17. Manage all correspondence related to administration and finance;
18. Ensure the maintenance of a filing system and all reports on documentation on programme;
19. Perform other duties as assigned by supervisors.

Qualifications: Bachelor's Degree in Commerce, Management or Business Administration, with at least three years hands on experience in finance and administration, with a UN or similar development programme, or with a reputed private organization; sound knowledge of financial accounting and reporting and exposure to programme administration; excellent computer skills (Word, Excel); excellent command of English and Nepali languages (written and spoken).