

Transition to Results-focused Portfolio Review (NPPR 2015)

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Presentation flow

- Review of previous NPPR- Focus, achievements and generic implementation challenges
- Major departure in 2015 NPPR
- Efforts of the GON to institutionalize results-based approaches
- Review of NPPR action plan

Focus of previous NPPR

- NPPR process focused to **identify and overcome problems in project execution**
- Five staff agencies coordinated following five themes
 - PFM by FCGO
 - HRM by MOGA
 - Procurement by PPMO
 - MfDR/M&E by NPC, and
 - Mutual accountability by MOF
- Annual action plan jointly prepared, implemented after the cabinet approval and reviewed periodically

Achievements so far

- Some inherent problems in project execution identified and resolved
- Institutions, systems and frameworks created
- Capacities within the system gradually evolving
- Supported to strengthen the country system in portfolio mgmt.
- Improved confidence/credibility of the collaborative approach - started with three (WB, ADB, JICA) has now been partnered by 14 DPs

Generic Implementation Challenges (GON)

- Delay in programme approval and budget authorization
- Delay in procurement decisions
- Frequent turnover of key project staff
- Delayed preparation of financial statements and audits
- Compliance issues with legal covenants- irregularities
- Absence of elected local authorities
- Focus more on processes rather than results

(Resulting in - Consistently low capital expenditure and outcomes)

Generic Implementation Challenges (DPs)

- Weak predictability of development cooperation,
- Delayed reporting or under-reporting and sometimes over-reporting of disbursements,
- Frequent changes in sector related staff,
- Lack of compliance with the Devt Cooperation Policy
- Tendency towards direct and extra-budgetary funding
- More focus on disbursement than results

Motivations to restructure the NPPR process

- **Align** the portfolio review with the GON's planning, budgeting and M&E system
- Change the **modality**- from input to result focus
- **Shift ownership and accountability** from the staff agencies to implementing agencies

Major departure in 2015 NPPR

	From	To
Focus	Process	Intermediate results
Coverage	Foreign-aided projects only	Integrate with the GON's planning, budgeting and M&E processes
Responsibility	FCGO, PPMO, MOF, MOGA and NPC	Sectors- Agriculture, Energy, Local Governance, Education, and Transport
NPPR Report	Two separate reports- GON, DPs	Integrated report with inputs from sectoral ministries and DPs
Monitoring / Review	Trimester review in the MOF	Review in the GON existing M&E mechanism- MDAC, NDAC plus trimester review in MOF

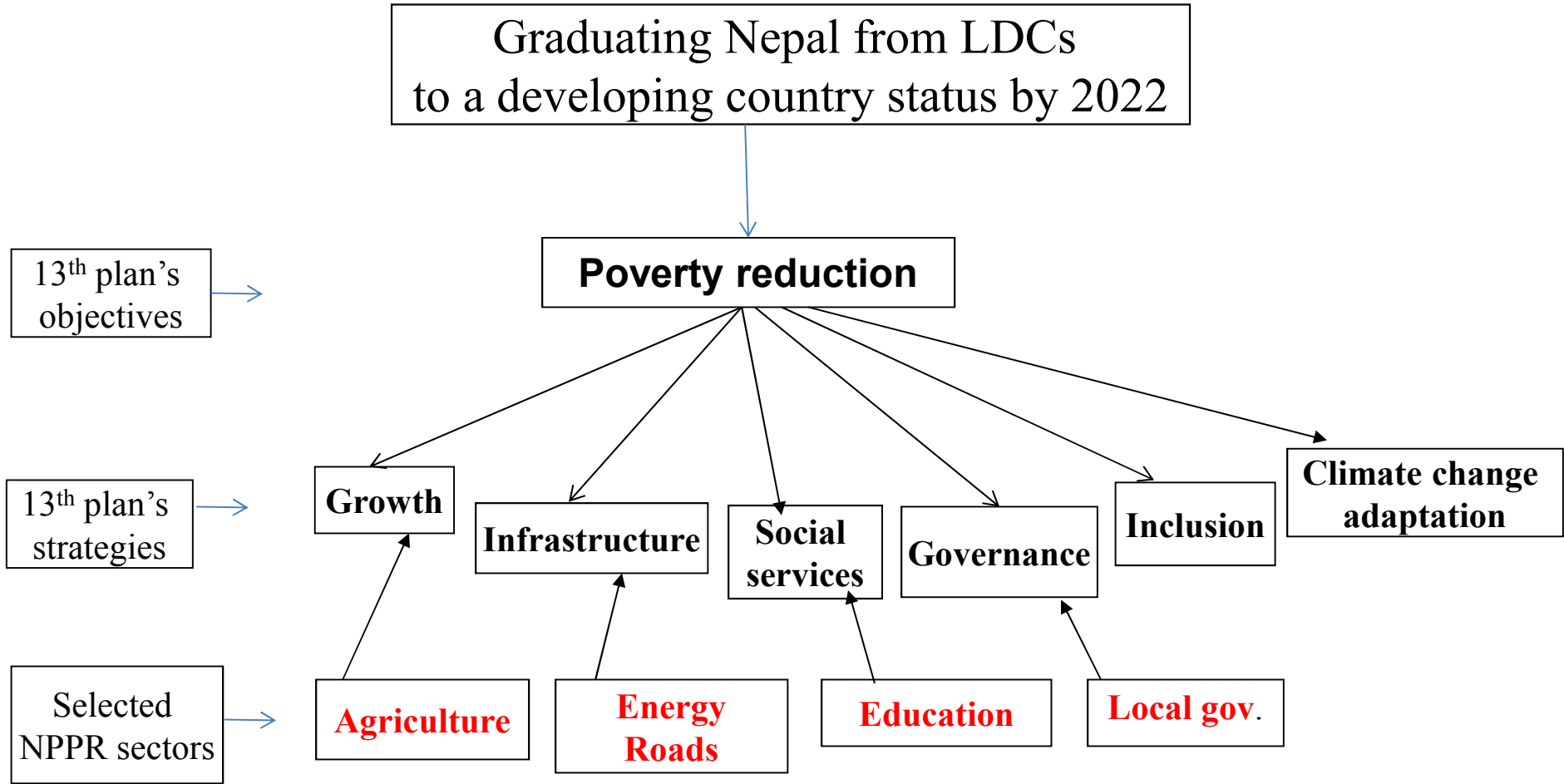
NPPR 2015- Focus on the cross-cutting themes

Themes	Focus
PFM	Bringing back budget realism, reducing (i) expenditures that are left to the last trimester (ii) strengthening internal audits, (iii) reducing external audit irregularities.
Procurement mgmt.	Institutionalizing e-bidding and untying devt. cooperation to address procurement related issues.
HRM	Stabilising personnel movement and building capacities.
MfDR	Establishing linkages between planning and budgeting and designing sectoral RFs to serve as a basis for M&E
Mutual accountability	Hold DPs and the GON accountable for transparency, performance and the reciprocity of commitments and obligations.

Efforts of the GON to institutionalize the results-based approaches

- Results framework of the thirteenth plan
 - (Sectoral output/outcome indicators with annual targets/mov,
 - Indication of projects' contribution to sectoral outputs)
- Logframe mandatory for each central level project
- Templates of annual programme book of the NPC - link project level indicators with RFs
- National M&E guidelines, 2013
- Activate M&E mechanisms- focus discussions on results and issues
- Internal capacity building

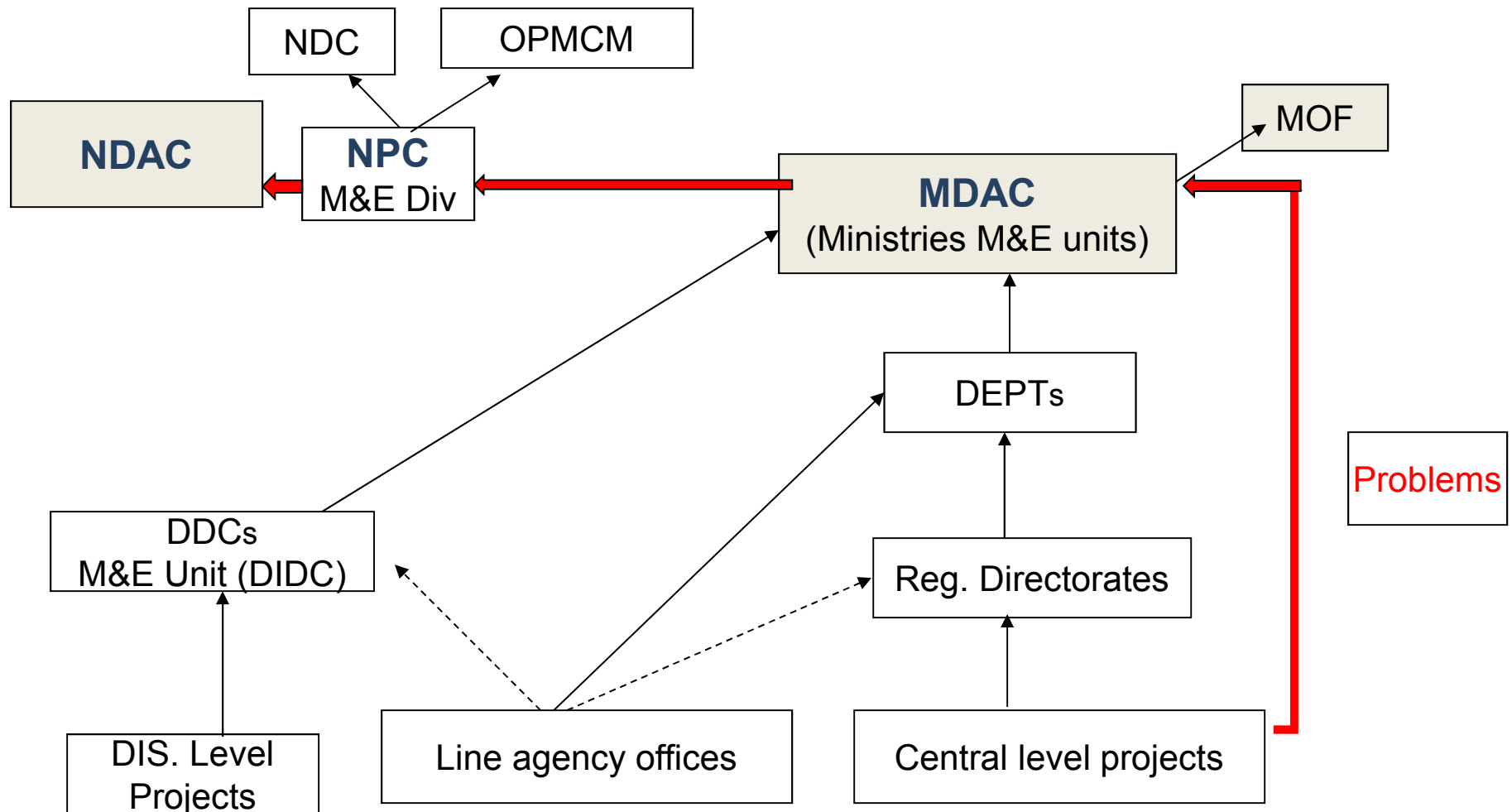
NPPR and the Thirteenth plan's results



NPPR and RF in Indicator Terms

Sectors	NPPR output indicators	Sectoral outcome indicators (RFs)
Education	Classrooms constructed/ repaired/ retrofitted; Availability of textbooks	Learning achievement; survival rate, promotion rates
Agriculture	Increased production of crops, vegetables, fruits, milk etc.	Increased agricultural productivity; Food and nutrition security
Energy	Generation addition to grid; Extension of transmission /distribution lines; Household connection	Per capita electricity consumption NEA System Loss reduced
Roads	Construction of additional numbers of bridges; Construction of additional SRN	Reduced walking time to reach road head; Reliable and dependable transport services
Local Governance	% of DDCs/Municipalities spent targeted 35% budget of unconditional grants; VDCs connected with local road, No of suspension bridges constructed	Improved people's participation in and downward accountability of LBs Local infrastructures expanded

M&E mechanisms and Flow of Information



NDC- National Devt Council, **NDAC**- National Devt Action Committee, **MDAC**- Ministerial Level Devt Action Committee, **OPMCM**- Office of Prime Minister and Council of Ministers, **NPC**- National Planning Commission

Recent efforts: Key NDAC decisions to resolve implementation issues

- Enact Land acquisition, resettlement and rehabilitation policy
- Formulate M&E act
- Conduct O&M surveys of technical ministries to increase required technical staff
- Amend procurement act, education act, cooperatives act, etc.
- Task forces formed to recommend resolve transmission lines, HRD policy, measures to adopt increase exports
- Simplify programme approval and budget authorization process
- Amend travel regulation
- Coordinate consistent supply of construction materials by the Project Facilitation Committee chaired by the CS

Key recent efforts: Budget of 2015/16

- Implementation year 2015
- Simplified programme approval and authorization processes to boost capital spending.
- Multi-year contracting multi-year projects that automatically entitled to funds every year
- Discourage the approval of new programme in the middle of the fiscal year and the demand/release of budgets for new programmes at the end of the fiscal year
- Separate budget code for the purpose of project preparation
- Surrender of budget, if projects fail to use at least 50% of their allocated funds in the first 8 months of the fiscal year

Monitoring of the NPPR action plan

- **Review progress of the action plan in MDAC** in each trimester- resolve issues, if any, or send to the **NDAC** in case of inter-ministerial issues
- **MoF will lead consolidated reviews** in every six months with representation from selected sectors and NPC, MOGA, FCGO, PPMO and DPs
- MoF will review the NPPR action plan as **part of its mid-term budget review**

How to make the reformed NPPR sustainable?

- Institutional incentives to make it sustainable
- Strengthening capacities to institutionalize results-based approaches
- Consistent commitment both from GON and the DPs

Thank you