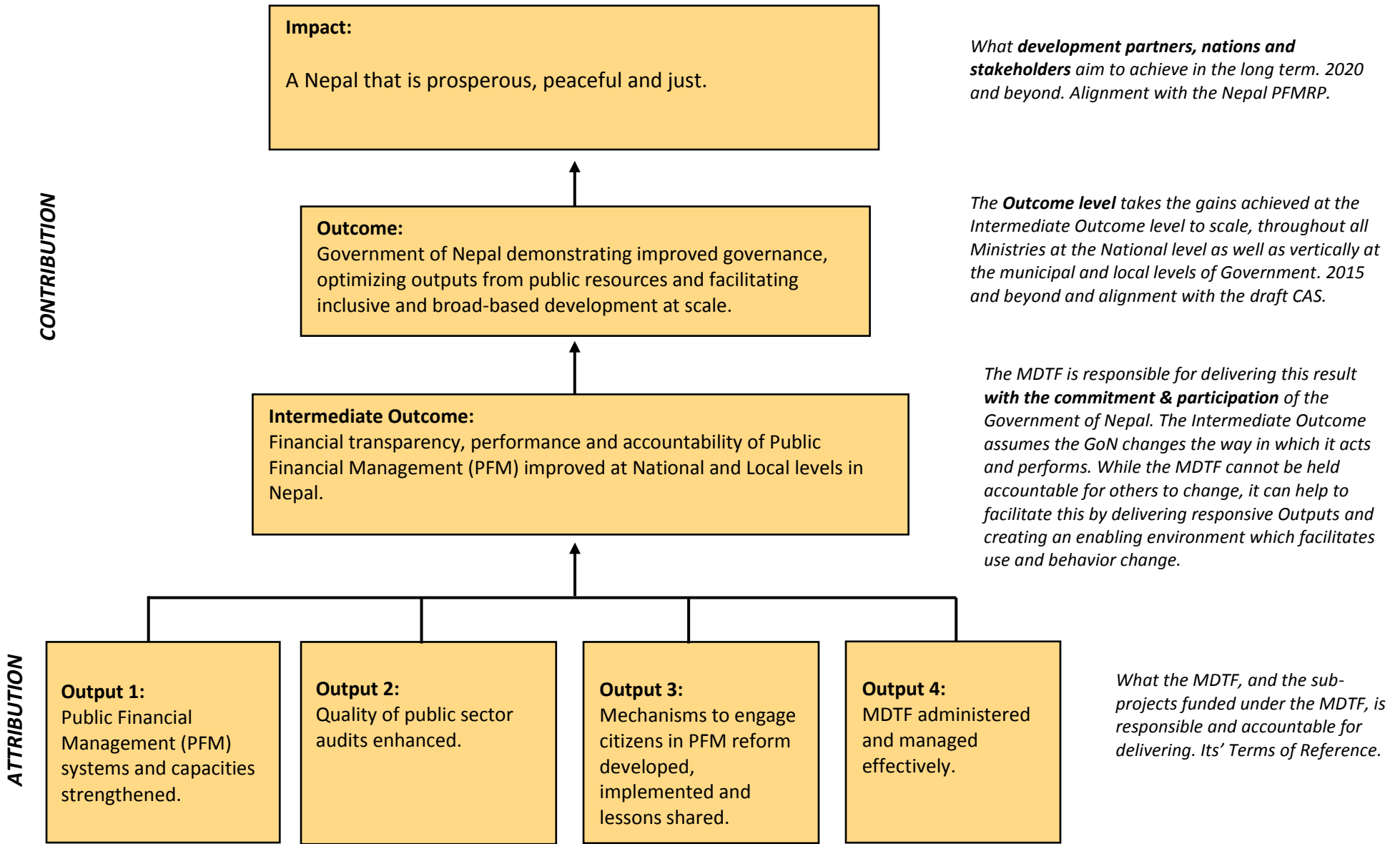


**Strengthening Public Financial Management of the Government of Nepal  
Results Chain for the Nepal Multi Donor Trust Fund (MDTF)  
May 2013**



**Nepal Public Financial Management (PFM) Multi Donor Trust Fund  
Results Framework for period 2011-2015  
May 2013**

Results Chain	Performance Indicators	Definition & Data Source
<p><b>Impact:</b></p> <p>A Nepal that is prosperous, peaceful and just.</p> <p>✓ Aligned with the Nepal PFMRP ✓ Results to which the MDTF can contribute in the long run</p>	1 Poverty reduction as measured by MDG targets.	Aligned with PFMRP
	2 Vulnerable and marginalized people accessing entitlements more often and on a regular basis.	Aligned with PFMRP
	3 Increased investment in Nepal by both public and private sectors.	Baseline: 5.2% of GDP in FY10
	4 Increased channeling of donor assistance through government systems.	Baseline: 2010 62% of donor aid flows use country PFM systems. 2011 35% use country procurement systems
	5 Government allocating resources based on needs/priorities.	Budget allocations based on two-year GoN strategic plans.
<p><b>Outcome:</b></p> <p>Government of Nepal demonstrating improved governance, optimizing outputs from public resources and facilitating inclusive and broad-based development at scale.</p> <p>✓ Aligned with the Nepal PFMRP ✓ Results to which the MDTF can contribute in the long run</p>	1 Bunching of capital expenditures in the last trimester reduced from 70% in 2012 to 60% in 2015.	Baseline: 70% Target: 60% Budget allocation and expenditure tracking.
	2 Information on budget allocation and expenditure in 3 sectors made public 3 times a year by 2015.	Baseline: 0 Target: 3 sector ministries 3 times/year Data collected by social accountability grantees through pro-poor budget analyses.
	3 Nepal CPIA rating on quality of budgetary and financial management improves from 2.5 in 2011 by EOP.	Baseline: 2.5 in 2011 Target: improvement in CPIA rating
	4 At least 2 Ministries running major entitlement programs undertake reform actions as a result of SA work by June 2015.	Baseline: 0 Target: 2 Data collected through social audits, done by national-level grantees
	5 90 VDCs and 15 District governments taking up reform recommendations proposed from local Social Accountability work by June 2015.	Baseline: 0 Target: 90 VDCs and 15 districts to pick up at least 1 recommendation
<p><b>Intermediate Outcome:</b></p> <p>Financial transparency, performance and accountability of Public Financial Management (PFM) improved at the National and Local levels in Nepal.</p>	1 98% of overall budget executed through the DTCOs, where the TSA system has been implemented by June 2015.	Baseline: 7% Target: 98% Data Source: TSA reports
	2 100% of budget execution reports and financial statements (meeting acceptable standards of quality, completeness and timeliness) prepared by FCGO using TSA system by June 2015.	Baseline: 0 Target: 100% Data Source: FCGO Budget reports
	3 50% of current year audit recommendations implemented within one year by June 2015.	Baseline: Less than 35% Data Source: OAG Records/Annual Report

Results Chain	Performance Indicators	Definition & Data Source
	4 PFM is covered in radio programs and print articles at least 20 times as a result of national social accountability work by June 2015.	Baseline: N/A Target: 20
	5 Within the 90 VDCs targeted, at least 75% of the VDCs show 10% increase of entitlements being disbursed to the correct beneficiaries, on time and of the correct amount by June 2015.	Baseline: 0 Target: 75% Data Source: District office registries to be reviewed by local level grantees
<b>Output 1: Systems Development &amp; Capacity Building</b>  Public Financial Management (PFM) systems and capacities strengthened.	1.1 Treasury Single Account (TSA) implemented in 60 districts by July 2012 and in all 75 districts by July 2013.	Baseline: 8 DTCOs Target: 75
	1.2 Nepalese Financial Reporting Standards (NFRSs) drafted in line with International Financial Reporting Standards (IFRSs) and issued by ICAN by June 2015.	Baseline: 0 Target: Standards drafted
	1.3 Spending Unit Bank Accounts reduced by 75% by June 2015.	Baseline: 14,000 bank accounts Target: At least 75% reduction
	1.4 Repeater PEFA study and 4 additional research studies completed and findings reports disseminated using various means (passive and active) by June 2015.	Baseline: 1 PEFA study Target: 5 studies Data source: Study papers
	1.5 Programs to raise awareness of GoN financial management staff on PFM reforms carried out in 75% of all districts in Nepal by June 2015.	Baseline: 0 Target: 75% of Districts Data source: Session agenda, attendance records
<b>Output 2: Audit Enhancement</b>  Quality of public sector audits enhanced.	2.1 Percentage of financial statement audits substantially meeting OAG auditing standards increased from 35% in 2011 to 60% by June 2015.	Baseline: 35% Target 60% Data Source: Quality assurance team records
	2.2 Frequency of in-depth performance audit reports increased from 1 per year in 2012 to 3 per year by June 2015.	Baseline: 1 audit/yr Target: 3 audits/yr by 2015 Data Source: OAG Nepal website
<b>Output 3: Social Accountability Mechanisms</b>  Mechanisms to engage citizens in PFM reform developed, implemented and lessons shared.	3.1 At least 5 independent budget analyses at national-level conducted and shared by Social Accountability (SA) grantees by June 2015.	Baseline: 0 Target: 5 Data Source: Pro Public Report
	3.2 SA media programs targeting entitlements, budget awareness-raising and key PFM issues developed and tested in at least 10 Districts by June 2014.	Baseline: 0 Target: Coverage in 10 Districts Data Source: Media concept notes and programme scripts Focus Group surveys
	3.3 Procurement monitoring, expenditure tracking and budget awareness-raising undertaken in at least 90 VDCs by June 2015.	Baseline: 0 Target: 90 VDCs Data source: Local-level Grantee reports
	3.4 At least 10 SA initiatives targeting entitlement programs are completed and the lessons drawn up and disseminated by June 2015.	Baseline: 0 Target: 10 Data source: Project reports, Entitlement program reports
	3.5 Grantee Performance Monitoring & Reporting System and SA Learning Strategy developed and operational by end of 2013.	Baseline: 0 Target: Functional system used by project team, grantees and

Results Chain	Performance Indicators	Definition & Data Source
		monitoring firm
<b>Output 4: Trust Fund Administration and Management</b>  MDTF administered and managed effectively.	4.1 Program Results Framework with performance indicators submitted to the PCC for their endorsement by June 2013.	Baseline: 0 Target: Approved MDTF Programmatic RF
	4.2 MDTF Progress Reporting based on Results Framework Performance Indicators and to include quantitative and qualitative performance assessments by December 2013.	Baseline: 0 Target: Qualitative and quantitative progress reports submitted by December 2013
	4.3 Operational risk assessment (ORA) on PFM completed and submitted to the Program Management by June 2013.	Baseline: 0 Target: Risk report submitted
	4.4 MDTF administration and management rated at least satisfactory in the Mid-term Performance Review and End of Program Evaluation.	Baseline: n/a Target: Satisfactory assessment in mid-term review and evaluations