

COUNTRY STRATEGY AND PROGRAM RESULTS FRAMEWORK (FY2005–2009)

Long-Term Development Goals	Medium-Term Development Agenda ^a		Asian Development Bank Strategic Focus		Risks and Assumptions
	Strategic Goals ^b	Key Constraints ^c	Intermediate Outcomes ^d	Intermediate Indicators ^e	
Pillar I: Broad-based Economic Growth					
<ul style="list-style-type: none"> Accelerate broadbased economic growth to 8.3% per annum by FY2017 Reduce poverty level to 10% by 2017. 	<ul style="list-style-type: none"> Achieve annual average growth rate of 6.2% during 2002–2007. Increase overall private investment to 23.5% of GDP by 2007. Achieve annual average agricultural growth of 4.1% by 2007. 	<ul style="list-style-type: none"> Political instability and conflict. Poor linkages between urban and rural areas, and to markets. Regional, ecological, and rural–urban disparity in income and economic opportunity. Weak infrastructure, particularly transport and ICT. Weak financial service delivery mechanism. Low productivity and slow growth of output in agriculture sector Lack of rural infrastructure to connect production pockets to markets Poor access to basic productive resources for agriculture (irrigation, rural credit, and electrification). 	<ul style="list-style-type: none"> Improved connectivity of different parts of the country, particularly of the rural poor, to markets and livelihood opportunities. Improved economic status of backward regions and rural areas. Enhanced access of the rural poor to financial services. Strengthened financial intermediaries. Higher agricultural productivity to rates nearer regional average. Increase agricultural income and employment opportunities of rural people. Increased commercialization of agriculture. 	<ul style="list-style-type: none"> Expanded national road network. Enhanced domestic air transport services. Improved access of communications services to VDCs. Increased number of districts connected through road network. Reduction in nonperforming assets of the Agricultural Development Bank of Nepal Increased number of small loans and borrowers. Improved access to key inputs, outputs, and markets Increased rural road density Increased access to irrigation, especially shallow tubewells. Increased rural electrification ratio. Increased cash crop ratio and livestock production Increased agricultural and rural credit availability 	<ul style="list-style-type: none"> No further deterioration of conflict or political instability. Public confidence. Project designs are appropriate to country conditions. Timely implementation of projects. Continued government commitment to restructuring and reform of financial sector. Improved institutional capacity and financial viability of financial institutions. Unimpeded access of projects to rural areas APP targets supported by appropriate national budgetary allocations. Presence of community and private sector organizations that can be empowered to deliver rural services
Pillar II: Inclusive Social Development					
<ul style="list-style-type: none"> Improve livelihoods and human resource capacity. 	<ul style="list-style-type: none"> Improve the availability and quality of social 	<ul style="list-style-type: none"> Weak basic social services and infrastructure 	<ul style="list-style-type: none"> Improved quality of basic education. Improved access to 	<ul style="list-style-type: none"> Increased proportion of trained teachers. Increased participation in 	<ul style="list-style-type: none"> Insecurity in rural areas. Institutional capability and accountability at

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	<p>infrastructure and services:</p> <ul style="list-style-type: none"> - Improve access to, and quality of basic education; - Increase sustainable access to safe drinking water and sanitation in urban and rural areas. <ul style="list-style-type: none"> • Promote social and economic inclusion of women and the disadvantaged by removing social, legal, economic, and other constraints. 	<p>(education, safe drinking water, and sanitation).</p> <ul style="list-style-type: none"> • Social and ethnic-based exclusion. • Gender disparity. 	<p>vocational training.</p> <ul style="list-style-type: none"> • Improved access to clean drinking water and sanitation. • Reduced water borne diseases. • Increased women's participation in income-generating activities. <ul style="list-style-type: none"> • Mainstreamed participation by women and excluded groups in development and decision-making roles. • Increased economic and social benefits to women and excluded groups. 	<p>vocational training.</p> <ul style="list-style-type: none"> • Enhanced literacy of women • Increased scholarships to deprived groups and women. • Improved access to clean drinking water and sanitation • Reduced water-borne diseases. • Increased participation of women and excluded groups in all ADB-assisted projects. • Increased representation of women and disadvantaged groups in civil service and political positions. • Increased proportion of women teachers. 	<p>local level.</p> <ul style="list-style-type: none"> • Continued public consensus and government commitment.
Pillar III: Good Governance					
<ul style="list-style-type: none"> • Make governance efficient, accountable, and transparent. 	<ul style="list-style-type: none"> • Promote people-centered and inclusive governance. • Enhance efficiency of public services. • Enhance government accountability and transparency. 	<ul style="list-style-type: none"> • Overcentralization. • Low participation by women and excluded groups in public service and political positions. • Absence of elected local bodies. • Weak institutional capacity of local organizations. • Accelerate decentralization. 	<ul style="list-style-type: none"> • Enhanced participation and empowerment of excluded groups in the governance process. • Increased decentralization. • Enhanced capacity of local organizations. • Improved resource management at local level. • Low resource mobilization at local level. 	<ul style="list-style-type: none"> • Implementation of affirmative action measures in the Governance Reform Roadmap. • Increased proportion of women and disadvantaged groups in public and political positions. • Increased devolution of service delivery to local bodies and improved fiscal resource management: <ul style="list-style-type: none"> - Further progress on devolving responsibilities for key services in education and agriculture; - Increased development resources to local bodies 	<ul style="list-style-type: none"> • Continued government commitment to the spirit of good governance and decentralization. • Improvement of need-responsive service delivery at local level. • No further deterioration of conflict or political instability.

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	<ul style="list-style-type: none"> Control corruption. 	<ul style="list-style-type: none"> Weak institutional, legal, and judicial capacity. Limited measures to prevent and control corruption. 	<ul style="list-style-type: none"> Improved budget implementation. Improve access, quality, accountability and responsiveness of public service delivery. Strengthened anticorruption institutions. 	<ul style="list-style-type: none"> Increased share of internal resources to total development budget of the districts. Strengthened preventive/punitive measures to combat corruption: <ul style="list-style-type: none"> Anticorruption Strategy implemented; Increased number of corruption cases prosecuted and convicted; Technical audit agencies established and made operational. 	<ul style="list-style-type: none"> Political support. Public consensus for, awareness of, and support for clean government.
Pillar IV: Mechanisms to Deliver Results					
<ul style="list-style-type: none"> Improve development effectiveness. 	<ul style="list-style-type: none"> Enhance efficient utilization of resources. Improve service delivery 	<ul style="list-style-type: none"> Weak institutional capacity to utilize resources. Political instability and conflict. Absence of Parliament and local bodies. Weak monitoring and evaluation systems, and use of available information. 	<ul style="list-style-type: none"> Improved management of public spending. Enhanced efficiency of public investment. Strengthened country ownership and commitment. Enhanced effectiveness of ADB operations. Enhanced institutional capacity of central and local bodies, users groups, NGOs, and CBOs. Increased role of private sector in service delivery. Improved M&E capacity. Strengthened public audit system at local level. 	<ul style="list-style-type: none"> Clear prioritization of government projects and programs. Improved flexibility in project/program implementation modality. Improved disbursement performance. Reduced project delays. Improved project performance rating. Increased program focus at local level. Increased number of quality district plans prepared. Increased partnerships with private sector, NGOs, and CBOs in service delivery. Public audit reports at local level published. 	<ul style="list-style-type: none"> Improved project design and modality appropriate to country conditions Political commitment to prioritization and to boosting aid utilization. Adequate budgetary allocation. Adequate implementation capacity of government agencies, CBOs, and private sector. Emergence of local accountability mechanisms.

ADB = Asian Development Bank, APP = Agricultural Perspective Plan, CBO = community-based organization, GDP = gross domestic product, ICT = information and communications technology, M&E = monitoring and evaluation, NGO = nongovernment organization, VDC = village development committee.

^a Selected components of national agenda that overlap with ADB's strategic priorities in Nepal.

^b Strategic goals of the Tenth Plan. c As identified in the Tenth Plan to achieve the strategic goals.

^d Achievement of these outcomes is the combined responsibility of the Government and its development partners, including ADB, the civil society, private sector, and other development aid agencies.

^e Indicators to track success of implementation toward expected outcomes. Baselines, targets, and indicators for monitoring progress have been identified and will be updated regularly.

Source: Nepal Country Strategy and Program (2005-2009).

COUNTRY PARTNERSHIP STRATEGY RESULTS FRAMEWORK
 (Changes to the country partnership strategy results framework contained in the
 country partnership strategy [2005–2009] are highlighted in bold)

Pillar I: Broad-Based Economic Growth

Medium-term Goals	CSP Strategic Focus		Tracking Indicators	Baseline FY02/10 th Plan	FY03	FY04	FY05	FY06	FY07	Milestone s/Targets FY2007	Monitor -ing	Sources of Informat -ion
	Intermediate Outcomes ^b	Intermediate Indicators ^c										
<ul style="list-style-type: none"> • Achieve annual average growth rate of 6.2% during 2002–2007 • Increase overall private investment to 23.5% if GDP by 2007 	<ul style="list-style-type: none"> • Improved connectivity of different parts of the country, particularly of the rural areas, to markets and livelihood opportunities • Improved economic status of less-developed regions and rural areas • Strengthened financial intermediaries • Enhanced access of the rural poor to financial services 	• Expanded national road network	• Length of additional SRN constructed (km)	1132	113	235	97	154	206	870	Yearly	ES/ TYIP, 2007
			• Length of additional SRN paved/sealed (km)	215	30	60	40	137	179	1500	Yearly	ES, 2007
		• Increased number of districts connected through road network	• Number of district HQs connected by roads	60	60	60	60	61	63	70	Yearly	ES/ TYIP, 2007
		• Enhanced air transport services	• Number of additional domestic airports with year-round services (paved)	4	6	0	1	0	2	15	Yearly	CAAN, 2007
		• Improved access of communications services to VDCs	• Number of telecenters (e-service) in VDCs	0	6	4	18	16	15	1,275	Yearly	NITC and, HLCIT, 2007
		• Affirmative policies for regional development	• Implementat -ion of Regional Development Strategy	—	—	—	—	—	—	Strategy incorporated in TYIP	5 yearly	NPC, 2007

Not for Quotation: Work-in-Progress

Appendix 4

Medium-term Goals	CSP Strategic Focus		Tracking Indicators	Baseline FY02/10 th Plan	FY03	FY04	FY05	FY06	FY07	Milestones/Targets FY2007	Monitoring	Sources of Information	
	Intermediate Outcomes ^b	Intermediate Indicators ^c											
		<ul style="list-style-type: none"> Improved corporate and financial governance 	<ul style="list-style-type: none"> Enactment of pieces of legislation 	—	9 key economic laws were developed and all of them enacted by Jan 2008.								MOF
			<ul style="list-style-type: none"> Total Fixed investment of New Industries registered (Rs Million) 	20609	10175	9497	16704	8018	4231	—	Yearly	DOI, 2007	
			<ul style="list-style-type: none"> Non-performing loan as of total loan commercial banks (%) 	30.4	28.8	22.8	18.94	14.22	9.65		Yearly	BFS-NRB, 2007	
			<ul style="list-style-type: none"> Population per Bank Branches (000) 	57.3	54.1	58.5	60.0	59.2	47.9	—	Yearly	BFS-NRB, 2007	
			<ul style="list-style-type: none"> Per capita credit (Rs.) 	4889	5379	6049	7072	6991	9166	—	Yearly	BFS-NRB, 2007	
			<ul style="list-style-type: none"> Length of additional local roads constructed (km) 	2,361	905	840		934	987	957	Yearly	ES, TYIP, 2007	
Achieve annual average agricultural growth of 4.1% by 2007	<ul style="list-style-type: none"> Increased agricultural production Increased agricultural income and employment opportunities of rural people Increased commercialization of agriculture Strengthened rural financial services 	<ul style="list-style-type: none"> Improved access to key inputs, outputs, and markets. Expanded rural road network 	<ul style="list-style-type: none"> Total marketable surplus of the agricultural produce ('000 mt cereal) 	80	75.0	213.0	162.8	(21.6)	—	FY2010 627	Yearly	DOA, 2007	
			<ul style="list-style-type: none"> Additional area under year-round irrigation (ha) 	2,705	4,506	4,509	8,764	10638	19266	65,000	Yearly	ES, 2007	

Medium-term Goals	CSP Strategic Focus		Tracking Indicators	Baseline FY02/10 th Plan	FY03	FY04	FY05	FY06	FY07	Milestones/Targets FY2007	Monitoring	Sources of Information
	Intermediate Outcomes ^b	Intermediate Indicators ^c										
		• Increased rural electrification ratio	• Proportion of households electrified (cumulative %)	40	42	44	46	48	48.5	53	Yearly	NPC, 2007
		• Increased cash crop and livestock production	• Cash crop/total agriculture GDP ratio	31.2	31.9	31.9	34	35.6	37.5	FY2010 40	Yearly	CBS, MOAC 2007
			• Livestock (total agriculture GDP ratio)									
			• Rural Microfinance Development Center Disbursements (NRs million)	25.2	25.1	25.6	25.0	25.5	25.7	FY2010 41.5	Yearly	CBS, DLS, 2007
		• Expansion of rural credit availability	• ADBN Disbursements (NRs million)	108	245	364	684	983	1944	432 (additional per year)	Yearly	ES, RMDC 2007
			• ADBN NPL level	8858	10115	10149	11817	12857	13460	11962	Yearly	ADBN, 2007
				—	—	37	19.2	20.6 ^e	18.0 ^e	24	Yearly	ADBN, 2007, Business Plan 2004

Not for Quotation: Work-in-Progress

— = not available, ADBN = Agriculture Bank of Nepal, BFS = Banking and Financial Statistics, CAAN = Civil Aviation Authority of Nepal, CBS = Central Bureau of Statistics, CRO = Chief Registrar's Office, CRP = Country Result Profile, CSP = country strategy and program, CFG = Corporate and Financial Governance, DOA = Department of Agriculture, DoLIDAR = Department of Local Infrastructure Development and Agricultural Roads, DOI = Department of Irrigation, DOR = Department of Roads, DLS = Department of Livestock Services, ES = Economic Survey, FY = fiscal year, GDP = gross domestic product, ha = hectare, HLCIT = High Level Commission on Information Technology, km = kilometer, mt = metric tonnes, MOAC = Ministry of Agriculture and Cooperatives, MOF = Ministry of Finance, MOIC = Ministry of Industry and Commerce, NEA = Nepal Electricity Authority, NERC = Nepal Electricity Regulatory Commission, NITC = Nepal Information Technology Centre, NPL = non-performing loans, NRB = Nepal Rastra Bank, NRs = Nepalese rupees, RMDC = Rural Microfinance Development Centre, SEBO = Securities Board, SRN = Strategic Road Network, SRP = Sector Result Profile, TYIP = Three-Year Interim Plan, VDCs = village development committees.

^a Strategic goals of the Tenth Plan.

^b Achievement of these outcomes is the combined responsibility of the Government and its development partners, including ADB, the civil society, private sector, and other development agencies.

^c Indicators to track success of implementation towards expected outcomes. Baseline, targets, and indicators for monitoring progress have been identified and will be updated regularly.

^d Projected based on nine months progress.

^e Followed central bank definition.

Source: Relevant government agencies.

Pillar II: Inclusive Social Development

Medium-term Goals	CSP Strategic Focus		Tracking Indicators	Baseline FY02/10 th Plan	FY03	FY04	FY05	FY06	FY07	Milestones/ Targets FY2007	Monitoring	Sources of Information
	Intermediate Outcomes	Intermediate Indicators										
• Improve the availability and quality of social infrastructure and services	• Improved access to and quality of basic education • Increased access to vocational training • Improved access to clean drinking water and sanitation	• Increased enrollment and improved performance of students	• Net enrollment ratio in primary school (%)	81.1	82.4	84	87	87	87.4	90.0	Yearly	MOES, 2007
			• Survival rate to grade 5	60.0	67.7	76.2	79.1	80.3	81.1	—	Yearly	MOES, 2007
		• Increased proportion of trained teachers	• Proportion of trained teachers (%)	20.1	23.0	32.8	40.0	58.3	60.2	100.0	Yearly	ASIP/DOE, 2007
		• Improved access to vocational training	• Number of persons trained in vocational skills ('000)	3.8	4.6	6.5	6.0	5.0	5.0	7.1	Yearly	Annual Program NPC, 2007
		• Improved access to clean drinking water and sanitation	• Proportion of people served with clean drinking water (%)	71.6	72.8	73.5	74.8	76.9	76.6	83.0	Yearly	NPC PRSP 2006/ TYIP, 2007
			• Proportion of households with sanitation facilities (%)	20.0	26.2	39	46.3	46.3	45.8	50.0	Yearly	NPC PRSP 2006/ TYIP, 2007

Medium-term Goals	CSP Strategic Focus		Tracking Indicators	Baseline FY02/10 th Plan	FY03	FY04	FY05	FY06	FY07	Milestones/ Targets FY2007	Monitoring	Sources of Information
	Intermediate Outcomes	Intermediate Indicators										
• Promote social and economic inclusion of women and the disadvantaged by removing social, legal, economic and other constraints	<ul style="list-style-type: none"> • Mainstreamed participation by women and excluded groups in development and decision making • Increased economic and social benefits to women and excluded groups 	• Increased participation of women in development projects	• Proportion of ADB-assisted projects having interventions with women (%)	—	25	25	28	41	41	—	Yearly	ADB,2008
		• Increased representation of women and disadvantaged groups in civil service	• Number of women in civil service	8,008.0	8,042	—	—	—	8722	10,000	Yearly	Office of Civil Service Record,2007; PRSP-2006,NPC
		• Increased participation of women and disadvantaged groups in labor force	• Proportion of women teachers in primary school (%)	21.4	22.1	21.1	30	31.1	30.6	30	Yearly	EFA-MOES, 2007

— = not available, ASIP = Annual Strategic Implementation Plan, CSP = country strategy and program, EFA = Education for All, FY = fiscal year, MOES = Ministry of Education and Sports, MOGA = Ministry of General Administration, MPPW = Ministry of Physical Planning and Works and NPC = National Planning Commission. Source: Relevant government agencies.

Pillar III: Good Governance

Medium-term Goals	CSP Strategic Focus		Tracking Indicators	Baseline FY02/10 th Plan	FY03	FY04	FY05	FY06	FY07	Milestones/ Targets FY2007	Monitoring	Sources of Information
	Intermediate Outcomes	Intermediate Indicators										
• Promote people-centered and inclusive governance	<ul style="list-style-type: none"> • Enhanced local participation • Enhanced participation and empowerment of excluded groups • Enhanced capacity 	• Implementation of affirmative action measures	• Measures to promote inclusion and decentralization	—	—	—	—	—	Promulgated	Local Service Act to be promulgated in FY2006	Yearly	MOGA, 2007
		• Progressive devolution of services delivery	• Number of DDCs with citizen charters	—	43	54	75	75	75	Completed (75 districts)	Yearly	NPC, 2006

Medium-term Goals	CSP Strategic Focus		Tracking Indicators	Baseline FY02/10 th Plan	FY03	FY04	FY05	FY06	FY07	Milestones/ Targets FY2007	Monitoring	Sources of Information
	Intermediate Outcomes	Intermediate Indicators										
<ul style="list-style-type: none"> Enhance quality and efficiency of public services Promote decentralization 	<ul style="list-style-type: none"> of local organizations Sound local management and greater resource transfers 	responsibilities to local bodies	<ul style="list-style-type: none"> Number of schools transferred to community 	—	90	1,500	2,091	2,326	2304	2,000 in FY2006	Yearly	NPC, 2006; DOA Flash report 2007
		<ul style="list-style-type: none"> Increased development resources to local bodies 	<ul style="list-style-type: none"> Grant allocation to DDC bodies on poverty based formula (NRs million) 	810	842.5	810	1010	1054	1242	900	Yearly	PRSP-2006, Annual Program 2007
<ul style="list-style-type: none"> Prevent corruption Enhance government accountability and transparency 	<ul style="list-style-type: none"> Strengthened anticorruption institutions Transparent allocation of budget 	<ul style="list-style-type: none"> Increased number of corruption cases prosecuted and convicted 	<ul style="list-style-type: none"> Number of complaints to CIAA 	2,522	3,966	3,732	4759	4324	3564	5,000	Yearly	CIAA Annual Report 2007
			<ul style="list-style-type: none"> Number of cases prosecuted/ convicted 	162	228	183	222	197	260	500	Yearly	CIAA Annual Report 2007
		<ul style="list-style-type: none"> Anticorruption institutions strengthened 	<ul style="list-style-type: none"> Legislation on anti-money laundering promulgated 	—	—	—	—	—	Promulgated Jan 2008	To be promulgated in FY2007	Yearly	MOF
		<ul style="list-style-type: none"> Technical audit agencies established and made operational 	<ul style="list-style-type: none"> National Vigilance Center established and technical audits conducted 	—	Established	8	13	33	44	35 in FY2006	Yearly	National Vigilance Center, 2007
			<ul style="list-style-type: none"> Project-based social audits conducted in districts 	25	25	37	37	41	41	MLD to monitor public hearing by local bodies from FY2006	Yearly	MLD

— = not available, CIAA = Commission for Investigation of Abuse of Authority, CSP = country strategy and program, DDC = district development committee, FY = fiscal year, MOF = Ministry of Finance, MOGA = Ministry of General Administration, MLD = Ministry of Local Development, NPC = National Planning Commission, NVC = National Vigilance Centre, OPMCM = Office of the Prime Minister and Council of Ministers.
Source: Relevant government agencies.

Pillar IV: Mechanisms to Deliver Results

Medium-term Goals	CSP Strategic Focus		Tracking Indicators	Baseline FY02/10 th Plan	FY03	FY04	FY05	FY06	FY07	Milestones/ Targets FY2007	Monitoring	Sources of Information	
	Intermediate Outcomes	Intermediate Indicators											
<ul style="list-style-type: none"> Enhance efficient and effective utilization of resources 	<ul style="list-style-type: none"> Improved management of public spending Strengthened country ownership and commitment Enhanced development effectiveness of ADB operations 	<ul style="list-style-type: none"> Clear prioritization of government projects and programs 	<ul style="list-style-type: none"> Proportion of projects under P1, P2, and P3 (%) 	NA	P1-59 P2-33 P3-8	P1-69 P2-25 P3-6	P1-58 P2-32 P3-10	P1-68 P2-29 P3-3	P1-67 P2-27 P3-6	—	Yearly	NPC, 2006	
		<ul style="list-style-type: none"> Improved procurement practices 	<ul style="list-style-type: none"> Promulgation of Procurement Law 	—	—	—	Draft law prepared	Law enacted	Regulation issued	—	Yearly	ADB, 2007	
		<ul style="list-style-type: none"> Improved disbursement performance 	<ul style="list-style-type: none"> Nepal's disbursement ratio (%) 	—	7.1	4.4	7.7	20	20	20%	Yearly	ADB	
<ul style="list-style-type: none"> Improve service delivery 	<ul style="list-style-type: none"> Enhanced institutional capacity of public bodies and civil society institutions Increased role of private sector and civil society in service delivery Strengthened public/social audit system at local level Improved M&E capacity 	<ul style="list-style-type: none"> Increased partnerships with private sector, NGOs, and CBOs in service delivery 	<ul style="list-style-type: none"> Proportion of ADB supported projects being implemented in partnership with NGOs and CBOs 	—	—	—	—	43	52	—	Yearly	ADB	
		<ul style="list-style-type: none"> Increased number of quality district plans prepared 	<ul style="list-style-type: none"> Number of districts completing and updating DPPs 	—	52	52	52	52	52	52	75	Yearly	NPC, 2006
		<ul style="list-style-type: none"> Institutionalization of RBM practices in key line ministries 	<ul style="list-style-type: none"> Use of results framework in key line ministries 	—	—	—	—	—	—	Draft prepared in three Ministries	2 ministries	Yearly	ADB, 2007

— = not available, ADB = Asian Development Bank, CBO = community based organization, CSP = country strategy and program, DDC = district development committee, DPP = district periodic plan, FY = fiscal year, MOF= Ministry of Finance, MLD = Ministry of Local Development, NGO = nongovernment organization, NRs = Nepalese rupees, P1; P2; P3 = Priority, 1, 2, and 3, SBD = standard bidding document, RBM = results based monitoring.
Source: Relevant government agencies.

Not for Quotation: Work-in-Progress