

Country Name	<b>Strengthening the Monitoring and Evaluation System in Nepal (Phase 1 project)</b>
Federal Democratic Republic of Nepal	<b>Project for Strengthening the Monitoring and Evaluation System in Nepal Phase 2 (Phase 2 project)</b>

**I. Project Outline**

Background	<p>In the “Poverty Reduction Strategy Paper (PRSP)” (2002/3-2006/7), the Government of Nepal aimed at implementing effective development projects and providing effective administrative services, and “good governance” was set as a primary strategy to achieve these objectives. In PRSP, in order to realize “good governance,” a policy was launched to strengthen the Monitoring and Evaluation (M&amp;E) system to ensure more credible and transparent decision-making and public spending. However, there were problems such as insufficient institutional and organizational development of the Government of Nepal, lack of understanding of high rank government officials on M&amp;E, shortage of M&amp;E trained staff, lack of accumulation and analysis of information on development projects, as well as inadequate communication of information among major ministries, and so on. As a result, M&amp;E was not implemented effectively.</p>																						
Objectives of the Project	<p>Through conducting M&amp;E training, developing M&amp;E guidelines and upgrading monitoring formats, enhancing M&amp;E capacities and mechanism of NPCS, Partner Ministries* and Pilot Districts, formulating coordination mechanisms, the projects aimed at improving M&amp;E mechanism which M&amp;E results were reflected in the planning process, and thereby contributing to formulation of plans based on M&amp;E results.</p> <p>*Partner Ministries: Ministry of Federal Affairs and General Administration (MoFAGA), Ministry of Agriculture and Livestock Development (MoALD), Ministry of Education, Science and Technology (MoEST), Ministry of Forests and Environment (MoFE), and Ministry of Physical Infrastructure and Transport (MoPIT)</p> <p>[Phase 1]</p> <ol style="list-style-type: none"> <li>Overall Goal: Results of monitoring and evaluation (M&amp;E) are reflected in the process of policy formulation, project planning and implementation</li> <li>Project Purpose: M&amp;E capabilities of National Planning Commission Secretariat (NPCS), sectoral ministries, and key projects and programs are strengthened.</li> </ol> <p>[Phase 2]</p> <ol style="list-style-type: none"> <li>Overall Goal: NPCS and Ministries formulate plan based on the results of monitoring and evaluation (M&amp;E).</li> <li>Project Purpose: M&amp;E mechanism which M&amp;E results are reflected in the planning process is improved with coordination among NPCS, Ministries, and Districts.</li> </ol>																						
Activities of the project	<ol style="list-style-type: none"> <li>Project site: <ul style="list-style-type: none"> <li>[Phase 1] (1) Kathmandu, (2) Parbat, Jumla and Morang districts (Pilot districts)</li> <li>[Phase 2] (1) Kathmandu, (2) Dolakha, Kavrepalanchok, Ramechhap, Sindhupalchowk, and Sindhuli districts (Pilot districts)</li> </ul> </li> <li>Main activities: <ul style="list-style-type: none"> <li>[Phase 1] (1) developing training modules and conducting training, (2) developing M&amp;E guidelines and upgrading monitoring formats and Project Design Matrix (PDM) manual, and others.</li> <li>[Phase 2] (1) enhancing NPCS’s capacity of formulating M&amp;E reports,(2) improving M&amp;E mechanism of Partner Ministries, (3) enhancing M&amp;E reporting mechanism from Pilot Districts to Partner Ministries and NPCS, and (4) strengthening coordination mechanisms among divisions of NPCS and between NPCS and Partner Ministries</li> </ul> </li> <li>Inputs (to carry out above activities) <ul style="list-style-type: none"> <li>[Phase 1] <table border="0"> <tr> <td>Japanese Side</td> <td>Nepali Side</td> </tr> <tr> <td>1) Experts: 7 persons</td> <td>1) Staff allocated: 33 persons</td> </tr> <tr> <td>2) Trainees received:21 persons</td> <td>2) Land and facilities: Project office and utilities</td> </tr> <tr> <td>3) Equipment: computers, photocopying machine, generators and others</td> <td></td> </tr> <tr> <td>4) Local expenses: Operating cost</td> <td></td> </tr> </table> </li> <li>[Phase 2] <table border="0"> <tr> <td>Japanese Side</td> <td>Nepali Side</td> </tr> <tr> <td>1) Experts: 6 persons</td> <td>1) Staff allocated: 22 persons</td> </tr> <tr> <td>2) Trainees in Japan and the third country training: 45 persons</td> <td>2) Land and facilities: Project office and utilities</td> </tr> <tr> <td>3) Equipment: Printers, Photocopy machine, computers and others</td> <td>3) Local cost: Part of training expenses, monitoring expenses</td> </tr> <tr> <td>4) Local expenses: Operating cost, local consultants and others</td> <td></td> </tr> </table> </li> </ul> </li> </ol>			Japanese Side	Nepali Side	1) Experts: 7 persons	1) Staff allocated: 33 persons	2) Trainees received:21 persons	2) Land and facilities: Project office and utilities	3) Equipment: computers, photocopying machine, generators and others		4) Local expenses: Operating cost		Japanese Side	Nepali Side	1) Experts: 6 persons	1) Staff allocated: 22 persons	2) Trainees in Japan and the third country training: 45 persons	2) Land and facilities: Project office and utilities	3) Equipment: Printers, Photocopy machine, computers and others	3) Local cost: Part of training expenses, monitoring expenses	4) Local expenses: Operating cost, local consultants and others	
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Project Period	[Phase 1] October 2006-December 2009	Project Cost	[Phase 1]																				

	[Phase 2] December 2011-May 2015		(ex-ante) 197 million yen, (actual) 213 million yen [Phase 2] (ex-ante) 230 million yen, (actual) 359 million yen
Implementing Agency	[Phase 1 and 2] National Planning Commission Secretariat (NPCS)		
Cooperation Agency in Japan	[Phase 1 and 2] International Development Center of Japan Inc.		

## II. Result of the Evaluation

<Special perspective of evaluation to be considered>

1. Judgement of effectiveness/Impact: The Overall Goal and Project Purpose of phase 2 are used as common in the log-frame, however, judgement on the achievement of Project Purpose at the time of project completion was made individually.
2. Judgement of Efficiency: Efficiency was evaluated by comparing the planned total (phase 1 and phase 2) project period/cost and actual total project period/cost.

1 Relevance
<p>&lt;Consistency with the Development Policy of Nepal at the Time of Ex-Ante Evaluation and Project Completion&gt; The project was consistent with the development policy of Nepal. M&amp;E was prioritized under PRSP (2002/3-2006/7), “Three Year Interim Plan” (2010/11-2012/13) and the “13th Plan” (2013-2016)</p> <p>&lt;Consistency with the Development Needs of Nepal at the Time of Ex-Ante Evaluation and Project Completion &gt; The project was consistent with the development needs of Nepal for the strengthening of M&amp;E. At the time of ex-ante evaluation, although PRSP aimed at strengthening M&amp;E system to ensure more credible and transparent decision-making, M&amp;E was not be implemented effectively. At the time of project completion, the development needs was high as the target groups of the project, ; NPCS, Partner ministries and Pilot districts were key agencies to formulate plans based on the results of M&amp;E.</p> <p>&lt;Consistency with Japan’s ODA Policy at the Time of Ex-Ante Evaluation&gt; The project was consistent with Japan’s ODA policy to Nepal. At the time of ex-ante evaluation of the Phase1 and Phase 2 projects, “Democratization and Peacebuilding” was one of the prioritized areas of ODA to Nepal<sup>1</sup>.</p> <p>&lt;Evaluation Result&gt; In light of the above, the relevance of the project is high.</p>
2 Effectiveness/Impact
<p>&lt;Status of Achievement of the Project Purpose at the time of Project Completion&gt;</p> <p>[Phase 1] The Project Purpose was partially achieved by the time of project completion. “The number and technical level of the M&amp;E training sessions taught (outside the Project) by the trainers trained by the SMES Project” (Indicator 4), and “The number of trainers who have taught more than 2 M&amp;E topics/sessions within/outside the Project” (Indicator 5) were achieved. “Percentage of Priority-1 (P1) projects which complete monitoring reporting in time increased by 25%” (Indicator 1), “A periodic monitoring report of NPCS produced within 5 weeks after trimester/year” (Indicator 2) and “No. of M&amp;E reports and results published through the Web-site of NPCS or the sectoral ministries” (Indicator 3) were partially achieved.</p> <p>[Phase 2] The Project Purpose was achieved by the time of project completion. “Analysis report based on the M&amp;E results is submitted to the National Development Action Committee (NDAC) regularly” (Indicator 1) and “M&amp;E report by NPCS is utilized by PMO, the Ministry of Finance (MoF), and Partner Ministries for planning.” (Indicator 2) were achieved and “Three Year Plan (TYP) review documents include description of M&amp;E results” (Indicator 3) was partially achieved.</p> <p>&lt;Continuation Status of Project Effects at the time of Ex-post Evaluation&gt; The effects of the project have partially continued after the project was completed. As to the Partner Ministries, the improved M&amp;E mechanism of the Partner Ministries in accordance with the result-based National M&amp;E Guideline prepared by NPC supported by the project, have continued after the project was completed. The Partner Ministries have continuously formulated M&amp;E plans every year in accordance with the National M&amp;E Guideline published by NPC. They have conducted scheduled monthly, trimester and annual progress review M&amp;E meetings. The progress has been reported monthly to the Office of the Prime Minister and the Council of Ministers (OPMCM) and concerned organizations, the Ministerial Development Action Committee (MDAC) and NDAC. Based on their M&amp;E plans, they have also conducted field visits. As to the Ministries other than the Partner Ministries, they have also made Annual Plans based on the M&amp;E Guideline published by NPC. As to the Pilot Districts, during the project implementation, the project supported that the reporting M&amp;E results from the Pilot Districts to the Partner Ministries and NPCS had been enhanced. With the introduction of the new Constitution, the Nepal’s administrative structure has been changed to three tiers of government (Federal, Provincial and Local). At the time of ex-post evaluation, the district system has existed, but not the District Development Committee (DDC), which the project supported its capacity strengthening. The previous system of reporting from DDCs to line Ministries for planning purpose has not existed in the current existing ministries because the three tiers of government have been non-hierarchy and independent of planning. The M&amp;E training system supported by the project have been somewhat institutionalized. NPC has had regular annual own action plan of M&amp;E such as internal monitoring and the third-party monitoring reports. NPC has had its own experts and collaborated with experts from other institutions and has provided training to applicable personnel from all other ministries and offices. The main objectives of training have been to solve the upcoming problems of development projects and programs through strengthening M&amp;E activities. It has also helped strengthen MDAC in line ministries. The personnel trained under the project has been utilized as trainers. However, it is difficult to sustain particular officials in the same organization due to regular transfer of officials from one organization to another. So, this has created challenge to perform the specific task in the area of M&amp;E.</p>

<sup>1</sup> Source: ODA Country Databook 2006 and ODA Country Databook 2011

<Status of Achievement for Overall Goal at the time of Ex-post Evaluation>

The Overall Goal has been achieved by the time of ex-post evaluation.

Periodic plan has been formulated based on the results of M&E (Indicator 1). For example; NPC has currently developed the “15th Plan (Approach Paper)” which contains the Monitoring and Evaluation section under the Plan Formulation, Implementation and Monitoring and Evaluation chapter. It has developed focusing the key strategies and working policies based on the feedback from previous plan’s results and feedback from diverse scholars, subject experts and reports from public officials who are involved in different types of monitoring and evaluation activities of development projects/programs.

Sectors plan (annual, periodic) have been formulated based on the results of M&E (Indicator 2). MDAC meetings have been regularly conducted where M&E results are discussed. NPC sends reminder letters to the ministries to conduct MDAC on time.

Projects/programs have been approved based on the M&E reports (Indicator 3). NPC has continuously prepared M&E reports for the NDAC meetings. The NDAC meetings have been held three times in a year and monitoring reports of all P1 projects have been submitted. It is confirmed that there has been improvement in the quality of monitoring reports. NPC has compiled the information by asking all concerned ministries to send the progress reports before organizing a schedule of the NDAC meetings. It also has asked updated information if it is thought essential or there is needs of any specific information from ministries. NPC prepares reports including NDAC decisions, previous NDAC meeting decisions and its progress; current progress of the development programs, current progress of the National Pride projects, proposed issues need to be addressed by the NDAC meetings, recommendations from field monitoring of the National Pride projects and MDAC documents from all ministries. The recommendations from M&E results are responded through different ways in relevant organizations in their annual budgets, plans, programs and policies.

The reports have been utilized by OPMCM, MoF and the Partner Ministries responsible for planning by reflecting in work performance, directions, high level meetings and their progress submission period.

<Other Impacts at the time of Ex-post Evaluation>

No negative impact on the natural environment by this project has been observed, and there has been no land acquisition and resettlement.

<Evaluation Result>

Therefore, the effectiveness/impact of the project is high.

Achievement of Project Purpose and Overall Goal

Aim	Indicators	Results
[Phase 1] (Project Purpose) M&E capabilities of National Planning Commission Secretariat (NPCS), sectoral ministries, and key projects and programs are strengthened.	Indicator 1: Percentage of Priority-1 (P1) projects which complete monitoring reporting in time increased by 25%	Status of the achievement: partially achieved (Project Completion) High submission rate was maintained (86% in 1st trimester 2007/2008, 92% in 2006/2007 and 78% in 2005/2006.)
	Indicator 2: A periodic monitoring report of NPCS produced within 5 weeks after trimester/year	Status of the achievement: partially achieved (Project Completion) NPC prepares the Annual Program, including the progress of the projects and plans for the next fiscal year at central and district levels every year by July 15. Because no NDAC has been held since 2004, NPCS does not produce monitoring report periodically.
	Indicator 3: No. of M&E reports and results published through the Web-site of NPCS or the sectoral ministries	Status of the achievement: partially achieved (Project Completion) As of May 2009, 8 evaluation reports out of total 22 reports which were completed before 2004 are published in the NPCS web-site. No project/program evaluation studies were conducted at NPCS.
	Indicator 4: No. and technical level of the M&E training sessions taught (outside the Project) by the trainers trained by SMES Project	Status of the achievement: achieved (Project Completion) 142 sessions were taught outside the SMES Project.
	Indicator 5: No. of trainers who have taught more than 2 M&E topics/sessions within/outside the Project	Status of the achievement: achieved (Project Completion) 15 core trainers taught more than two M&E topics/sessions. 7 national trainers taught more than two M&E topics/sessions
[Phase 2] (Project Purpose) M&E mechanism which M&E results are reflected in the planning process is improved with coordination among NPCS, Ministries, and Districts.)	Indicator 1: Analysis report based on the M&E results is submitted to NDAC regularly	Status of the achievement: achieved (Terminal evaluation) Analysis reports including monitoring results of P1 projects were submitted to NDAC regularly.
	Indicator 2: M&E report by NPCS is utilized by PMO, MoF, and Partner Ministries for planning.	Status of the achievement: achieved (Project Completion) The mean value of answers to the question “Is M&E report by NPCS utilized by OPMCM, MoF, and Partner Ministries for planning?” was 2.50 (More than “Significantly”) for OPMCM and MoF and 1.80 (More than “Significantly”) for Partner Ministries.
	Indicator 3: TYP review documents include description of M&E results	Status of the achievement: partially achieved (Project Completion) There are no TYP review documents, but the 13th Plan includes description of M&E results of the sectors in its review chapter.
(Overall Goal) NPCS and Ministries formulate plan based on the results of monitoring	Indicator 1: Periodic Plan is formulated based on the results of M&E.	Status of Achievement: Achieved (Ex-post Evaluation) Periodic plan is formulated based on the results of M&E. For example; NPC has currently developed the 15th plan (Approach paper) which contains Monitoring and Evaluation section.

and evaluation (M&E).	(Indicator 2) Sector Plan (Annual, Periodic) is formulated based on the results of M&E.	Status of Achievement: Achieved (Ex-post Evaluation) Sectors plan (Annual, Periodic) have been formulated based on the results of M&E. MDAC meeting have been conducted regularly where M&E results have been discussed.
	(Indicator 3) Project/program are approved based on the M&E results.	Status of Achievement: Achieved (Ex-post Evaluation) a) Project/program have been approved based on the M&E reports. NPC (Research and Monitoring Division) has continuously prepared M&E reports for the NDAC meetings. The NDAC meeting has been held three times in a year and monitoring reports of all P1 projects are submitted. The recommendations from M&E results have been responded through different ways in relevant organizations in their annual budgets, plans, programs and policies. b) The reports have been utilized by OPMCM, MoF and the Partner Ministries responsible for planning by reflecting in work performance, directions, high level meetings and their progress submission period.

Source : JICA documents, questionnaires and interviews with NPC and the Partner Ministries

### 3 Efficiency

Both the project cost and project period exceeded the plan (the ratio against the plan: 134%, 104%). The outputs were produced as planned. Therefore, the efficiency of the project is fair.

### 4 Sustainability

#### <Policy Aspect>

There has been policy support for promoting M&E. The “15th plan (Approach Paper)”, including broader concept of M&E, has been formulated. In addition, the M&E Act is in the approval process. By the “Executive Order of National Planning Commission Formation and Operation Ordinance 2018”, M&E is the main responsibility provided to NPC specially reflecting M&E results to the sector plans.

#### <Institutional Aspect>

The Research and Evaluation Division of NPC has been responsible for promoting M&E practices and strengthening the M&E system in the government through NDAC and MDAC linking to the Ministries and field monitoring, evaluation report accumulation, joint monitoring within the division or outside the NPC as well as involving online progress submission to OPMCM regularly. Although 12 staff members allocated has been basically sufficient, it has depended on the work volume and sometimes they were not able to spare staff to some activities. As NDAC and MDAC meetings have been regularly held, NPC has coordinated among divisions in NPC, ministries and OPMCM.

As for the Partner Ministries, most of them have had institutional setups to strengthen linkage between M&E and planning. MoALD has practiced the linkage well, but organizational setting has not been adequate. Insufficient manpower, 3 staff for MoPIT, 7 for MoFAGOA, 4 for MoALD, 4 for MoEST and 4 for MoFE, has been a common problem for them.

#### <Technical Aspect>

NPC has sufficient skills to conduct M&E activities especially in terms of preparing effective and useful M&E reports as well as coordinating and strengthening M&E activities of ministries.

As for the Partner Ministries, after the restructuring of the government and readjusted its governance system, periodic plans, M&E plans are not made and implemented in the subnational level. Therefore, they seek more training and capacity development program down to the subnational level of the government to make periodic plans, M&E plans and its implementations. M&E has been limited to routine reporting and monitoring.

NPC has had regular training programs related to M&E for their own NPC staff as well as personnel from the Planning and Monitoring sections of all ministries.

#### <Financial Aspect>

Funds have been secured for maintaining and promoting M&E activities at NPC.

#### **Budget of NPC for M&E**

(Unit: NRs)

	2016	2017	2018	2019
Allocated budget	11,885,000	930,700	7,048,209	10,700,000

Ministries have some difficulty in securing budget for M&E separately, however, certain budget has been secured for M&E activities. .

#### <Evaluation Result>

Therefore, as there have been some problems in the institutional and technical aspects, the sustainability of the effects through the project is fair.

### 5 Summary of the Evaluation

The Phase 1 project partially achieved the Project Purpose while the Phase 2 project achieved the one by the time of project completion. The effects of the projects have partially continued, as the improved M&E mechanism of the Partner Ministries have continued after the project was completed, though the reporting flow from the Pilot Districts to the Partner Ministries has not continued due to the change of Nepal’s administrative structure. The Overall Goal was achieved as Periodic plan as well as Sectors plan have been formulated based on the M&E results, and Project/program have been approved based on the M&E results. As for the sustainability, there have been some problems on the institutional and technical, however, there has been no problem on the policy and financial aspects. As for the efficiency, both the project cost and project period exceeded the plan.

Considering all of the above points, this project is evaluated to be satisfactory.

## III. Recommendations & Lessons Learned

### Recommendations for Implementing Agency:

- NPC is recommended to enhance the utilization of the National M&E Guideline and monitor the compliance of the Guideline in Federal, Provincial and local governments. Ultimately, NPC is recommended to work on the enactment of the M&E Act. In order to do so, it is recommended to organize “Policy Forums” to promote the utilization of the M&E Guideline, discuss on the revision/learnings of the National M&E Guideline in each tiers of government to coordinate with the upcoming Provincial and Local Governance Support Programme (PLGSP) program which has the component of M&E.
- M&E Division/Section in Ministries, Departments and District Coordination Committee (DCC) and local governments are recommended to allocate separate (adequate) budget for M&E activities in order to make sure M&E activities are carried out, to show the result of the program/project to general public, and to strengthen/review the planning process.
- NPC is recommended to formulate a mechanism to enhance the capacity of elected representatives and government officials to conduct M&E of programs/projects by conducting training on M&E and produce “core trainers” on M&E who can train further and become resource persons.

### Lessons Learned for JICA:

- The project outputs have been continued by the powerful counterpart agency and the Partner Ministries after the completion of the project to achieve the project goal. Selection of effective and powerful counterpart agency having sufficient authority to implement activities and influence other stakeholders is important.
- The third-party M&E reports, which were initiated under the project, are very useful to evaluate the program/project for high level policy makers to take major decisions. This also ascertains allocation of budget for continuation of M&E activities. Project activities should be selected very carefully aligning with the policies as well as activities of counterpart agency so that it will be easy to continue the activities after the project completes. (e.g. The third party evaluations in this case)
- Several core/national trainers who were trained under the project were retired and transferred. Ministries and organizations have M&E Division/Section in their organization. However, M&E Divisions and Sections lacks sufficient human resource who could give work as core trainers to give training on M&E. The mechanism of training new core/national trainers after the completion of the project should be confirmed while designing project activities.



Mr. Sagar Dhakal  
Senior Social Development Officer  
in Kamalamai Municipality



Mr. Dik Bahadur Karki  
District Coordination Officer  
in DCC Sindhuli District