

Annex 1 Sector intervention framework

The results, indicators and means of verification specified in the present annex may need to evolve to take into account changes intervening during the programming period. In certain cases, baselines and/or target years are not available yet. They will be provided in the Action Document)

SECTOR 1: SUSTAINABLE RURAL DEVELOPMENT		
Specific objective 1: Profitable agricultural commercialization with improved connectivity and market infrastructure		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
ER1.1: Competitive agricultural value chains that increase value added and benefits to smallholder farmers and agroenterprises	1) Increased marketed surplus Target: 680 % of agricultural production Baseline: less than 50 % in 2010	ADS monitoring framework
ER1.2: Rural roads/bridge network expanded	1) Rural road network expansion Target: ADS target of expanding road network by 50 km per district in the first five years Baseline: Rural road network 40,000 km in 2010/2011	ADS monitoring framework
ER1.3: Increased access and promotion of renewable energy resources in rural communities	1) Access to renewable energy resources (solar, wind, biogas) in rural communities Target: Increase renewable energy access to about 15% of households by 2020. Baseline: The share of renewable energy is only about 1% in the energy sector of Nepal in 2013.	Reports of Ministry of Science, Technology and Environment (Renewable Energy Data Book); Ministry of Finance (Economic Survey); Water and Energy Commission Secretariat (Energy Synopsis Report); Consultants/I-NGOs report
Specific objective 2: Efficient and sustainable agriculture sector guaranteeing food security in rural areas		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
Increased agricultural productivity and better functioning extension services	1) Agricultural land productivity Target: \$2.938 / ha in 2020 Baseline: \$1,804 / ha in 2010	ADS monitoring framework

Improved food security	1) Food poverty Target: 11 % in 2020 Baseline: 24 % in 2010	ADS monitoring framework
Specific objective 3 Improve maternal, infant and child nutrition in rural areas		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
ER2.1: Policies, plans and multi-sector coordination improved at national and local levels	1) Prevalence of stunting among children under 5 years of age Target: reduced below 29 % in 2017 Baseline: 41 % in 2011	NDHS
ER2.2: Practices that promote optimal use of nutrition 'specific' and nutrition 'sensitive' services improved	2) Prevalence of underweight among under-5 children Target: reduced below 20 % in 2017 Baseline: 29 % in 2011	NDHS
ER2.3: Strengthened capacity of central and local governments to provide nutrition-related basic services in an inclusive and equitable manner	3) Prevalence of wasting among under-5 children Target: reduced below 5 % in 2017 Baseline: 11 % in 2011	NDHS
	4) Implementation status of the Multi-sector Nutrition Plan, including the following milestones: <ul style="list-style-type: none"> • Multi-sector commitment and resources for nutrition are increased to at least 2 % • By the end of 2017, annual and multiyear plan of all the relevant sectors reflect indicators and targets on contribution for reduction of malnutrition • By the end of 2017, nutrition related targets and indicators incorporated in district and Village Development Committee (VDC) level plans and programmes • Sector-specific MSNP indicators show progress in the following four sectors: health, education, WASH, 	Annual NPC report Plan documents of relevant sectors as well as VDCs and DDCs MSNP monitoring framework Annual report by sector ministries and local bodies

	<p>and agriculture</p> <ul style="list-style-type: none"> • Nutrition capacity of MSNP implementing agencies is strengthened as per evidence-based capacity building strategy • Collaboration between local bodies' health, agriculture, and education sector strengthened at District Development Committee (DDC) and VDC level 	
<p>Specific objective 4: Strengthen response, preparedness and recovery capacities of communities exposed and vulnerable to recurrent and predictable disasters</p>		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
ER3.1: Disaster Risk Management mainstreamed in existing national rural development strategies and policies, particularly at the community and sectoral level	<p>1) Implementation status of disaster risk management in national policies and strategies, including the following milestones by 2020:</p> <ul style="list-style-type: none"> • DRM mainstreamed in the agriculture, environmental protection and food security policies, strategies and plans 	Climate Change Adaptation and DRM in Agriculture, Priority Framework for action, 2011-2020
ER3.2: Local bodies (DDC and VDC) capacity developed to incorporate disaster risk reduction and preparedness in their development plans, programmes and activities	<p>1) Proportion of Local bodies' annual investment of their annual fund in DRR</p> <p>Target: at least 5% of annual fund by 2017</p> <p>Baseline: NA (<u>baseline not available yet; will be provided in the Action Document</u>)</p>	MoFALD reports
ER3.3: Most vulnerable groups increase their resilience capacity and the resilience of their livelihoods taking into account risks including climate change.	<p>1) Resilience of livelihoods of vulnerable VDCs (25 %) enhanced.</p> <p>Target: at least 1000 by 2019</p> <p>Baseline: 500 in 2013</p> <p>2) Reduction of losses in crop production and livestock in areas prone to extreme climate change by 2020.</p>	<p>NRRC reports</p> <p>Climate Change Adaptation and DRM in Agriculture, Priority Framework for action, 2011-2020</p>

<p>Specific Objective 5: Maximise the development impact of migration and to minimise its negative consequences in rural areas</p>		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
ER4.1: Productive use of remittances increased and migrants' skills improved	<p>1) % of returnees using targeted assistance from the employment services aimed at their reintegration in the labour market</p> <p>Target: N/A</p> <p>Baseline: N/A</p> <p>(indicator based on the EC Sector Indicator Guidance for Programming. Baseline and target to be provided in the Action Document).</p>	World Bank/Central Bank
ER4.2: Improved rural livelihoods and increased on-farm and off-farm job opportunities	<p>2) Decreased poverty in rural areas</p> <p>Target: 16 % in 2020</p> <p>Baseline: 27 % in 2010</p>	ADS monitoring framework
<p>SECTOR 2: EDUCATION</p> <p>Specific Objective 1: Increase access to and completion of education</p>		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
ER.1.1.: More girls and boys go to school	<p>1) Net enrolment rate at primary level 99 %, basic 90% and secondary 40% by 2017.</p> <p>Baseline: in 2009/10: 93.7%, 83.2% and 23.9%</p>	MoE and DoE School Sector Reform Plan annual reports including Annual Flash Reports Consolidated Report

ER.1.2.: More girls and boys complete their education	<p>2) Survival Rate¹ at Grade 5, 90% and at Grade 8, 76% by 2017.</p> <p>Baseline: in 2009/10 77.9%, 62.0%)</p>	Annual Status Report
Specific Objective 2: Reduce inequalities in education		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
ER 2.1.: More equal representation and greater inclusion of targeted populations in the school system.	<p>1) Gender Parity Index at primary, basic and secondary levels 1.00 by 2017.</p> <p>Baseline: in 2009/10 0.99, 0.99, 0.98 with inclusion of disaggregated data on girls and boys from marginalized groups</p> <p>2) Increased share of women teachers: 44% in primary, 39% in basic and 12% in secondary schools by 2017.</p> <p>Baseline: in 2009/10 39.6%, 36.5%, 12.0%</p>	As above
Specific Objective 3: Improve the quality of education		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
ER 3.1.: Reduced repetition rate at grade 1, grade 5 and grade 8	<p>1) Repetition rate reduced at 10 % in grade 1, 3 % at grade 5 and 3 % at grade 8 by 2017.</p> <p>Baseline: in 2009/10: 26.5%, 6.7 % and 6.5 % at grade 1, grade 5 and grade 8 respectively.</p>	As above
ER 3.2.: Improved learning achievements at grade 5 and grade 8	<p>1) Increased learning achievement 68 % at grade 5 and 56 % grade 8 by 2017.</p> <p>Baseline 2008/09: 53 % at grade 5 and 46 % at grade 8</p> <p>2) Increased School Leaving Certificates pass rate to 50 % by 2017.</p>	

¹ Survival rate calculated using cohort method

	Baseline 2012/13: 41.6%.	
ER 3.3.: Improved school and teacher management in community schools	<p>1) Increased rate of teachers with required qualification and training (95 % in basic and 91% in secondary levels) by 2017.</p> <p>Baseline 2009/10: 70 % in basic and 80 % in secondary level by 2017,</p>	
ER 3.4.: Improved education system governance	<p>1) Schools complete annual social and financial audit as per guidelines and school improvement plan (SIP)</p> <p>Target: 85 % of schools organize social audit on annual basis by 2017.</p> <p>Baseline: in 2013, 30 % estimated</p>	
Specific Objective 4: Expand access to literacy		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
ER 4.2.: More adults gain access to relevant and meaningful literacy opportunities	<p>1) 15 + age group literacy rate increases to at least 75% by 2018.</p> <p>Baseline 57% NLSS 2010/11</p> <p>2) Increased literacy gender parity index of 15 + year) to 75 by 2018.</p> <p>Baseline 2010/11: 57, NLSS</p>	As above
Specific Objective 5: Provide a safer educational environment		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
ER 5.1.: Schools have safer disaster resilient building and infrastructure	<p>1) Number of schools retrofitted</p> <p>Target: at least 700 school building retrofitted by 2020.</p> <p>Baseline: in 2013, 130 school buildings retrofitted by MoE (with ADB support).</p>	<u>Statistical reports of DoE/MoE</u>
ER 5.2.: Schools incorporate disaster risk reduction in preparing their Schools Improvement Plan (SIPs) and school based disaster preparedness rolled out	2) Number of schools with disaster preparedness and evacuation plan in place	As above reports and SIP of CDC/MoE

	<p>Target: at least 500 schools and effective by 2018.</p> <p>Baseline: in 2013, 250 schools (with UNICEF support).</p>	
ER 5.3.: Education curricula are formulated providing adequate knowledge and skills for mainstreaming disaster risk reduction and environmental issues	<p>3) The Curriculum Development Centre under Ministry of Education integrates and revises disaster management and environment issues in basic and secondary school curricula (e.g. science, environment, social study) by 2018.</p>	Curriculum, textbooks, teacher's guides and self-learning materials
<p>Specific Objective 6: Strengthen the vocational training system</p>		
ER 6.1: TVET system is more responsive to labour market needs and requirements	<p>1) Share of vocational training graduates finding a job within three months from their graduation</p> <p>Target: increased by at least 5 % from baseline in 2020</p> <p>Baseline: N/A (<u>baseline not available yet; will be provided in the Action Document</u>)</p>	<p>Labour Force Survey</p> <p>Labour Market information</p>

SECTOR3: STRENGTHENING DEMOCRACY AND DECENTRALISATION		
Specific objective 1: Support democratisation, domestic accountability and human rights through electoral assistance but also through capacity-building of democratic legislative bodies, justice institutions and other key institutions.		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
ER 1.1: The Election Commission and other key electoral stakeholders are well equipped to carry out national and local democratic, credible, transparent and peaceful elections.	<p>1) Total voters registered (target by 2017/8: 85% of 16 years and above-55% of which women)</p> <p>Baseline: for 2013 election there were 12.5 million voters registered (Out of which 49.51% are male; 50.49% are female and 159 are third gender) out of 16.6 million (16 year or above) computed in the Census 2011. The voter registration was thus 75%.</p> <p>2) Number of EU observation mission recommendations implemented</p> <p>Baseline: not applicable</p> <p>3) Voter turnout (voters who cast their vote/eligible voters) (tentative target by 2019: voter turnout maintained or increased. Number of female voters at least 52%)</p> <p>Baseline: CA election 2013 estimated turnout 70% + (number of female voters 50.77%)</p>	<p>ECN reports, Voters list, census data</p> <p>EU observation mission report, ECN reports</p> <p>ECN reports, observers reports</p>
ER 1.2: Increased domestic accountability through developing democratic capacity in national/local parliaments as well as selected other key institutions and constitutional bodies (judiciary, political parties, supreme audit institutions, national human rights institutions, media, civil society).	<p>1) Number of laws passed and number of amendments proposed by Parliament</p> <p>Baseline: not applicable</p> <p>2) Ranking in the World Bank's World Wide Governance sub-indicator on voice and accountability (target by 2018: improvement from previous rating)</p> <p>Baseline: Nepal's ranking decreased sharply between 2000 (43.8) and 2005 (13.9). The ranking then increased to 29.8 but largely</p>	<p>National laws/amendments</p> <p>The World Bank's World Wide Governance sub-indicator on voice and accountability</p>

	<p>plateaued from 2008 until now. The most recent (2011) ranking was 31.46.</p> <p>3) Ranking in the Bertelsmann Transformation Index (BTI) on the stability of democratic institutions (target by 2020: improvement from previous rating)</p> <p>Baseline: In 2012, Nepal scored 4.5.</p>	Bertelsmann Transformation Index (BTI)
ER 1.3: Eradication of impunity, improvement of rule of law environment and access to justice for all.	<p>1) Establishment and effective functioning of transitional justice institutions consistent with international standards (i.e. a Commission of Inquiry on Disappearances and Truth and Reconciliation Commission).</p> <p>Baseline: 2006 Comprehensive Peace Accord foresees the establishment of transitional justice mechanisms.</p> <p>2) Enactment and/or implementation of key national legislation and national action plans in the area of human rights, including on the criminalisation of torture as well as the elimination of all forms of gender- and caste-based discrimination.</p> <p>Baseline: laws inexistent or partially implemented.</p>	<p>National laws/enactments</p> <p>National laws/enactments</p>
<p>Specific objective 2: Support to Nepal's decentralisation and state restructuring in the context of a new federal state, to ensure quality service delivery to citizens at local level.</p>		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
<p>ER2.1.: Increased decentralisation and improved local governance for effective service delivery:</p> <p>2.1.1: Sound and comprehensive institutional framework for devolution and local governance;</p>	<p>1) Rating in the World Governance Indicator for Government Effectiveness (target by 2018: improvement from previous rating)².</p> <p>Baseline: Nepal's rating for government effectiveness decreased between 1996 (percentile rank of</p>	<p>World Governance Indicator for Government Effectiveness</p>

² This is a composite indicator that captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

<p>2.1.2: Capable local bodies' in place that secure and improve citizen's access to services and information;</p> <p>2.1.3: Citizens and communities enabled to hold the local bodies accountable.</p>	<p>39.5) and 2011 (23)</p> <p>2) % of VDC and municipalities (local bodies) that have conducted a ward level planning workshop to prepare the annual plan (target by 2020: 100%);</p> <p>Baseline: around 50% in 2012/2013.</p> <p>3) Extent of change in citizens perceptions of the quality and access to services.</p> <p>Target: 70% of citizens perceive and improvement of quality and access to services).</p> <p>Baseline: not available.</p>	<p>Survey</p>
<p>ER2.2: Policies developed and plan implemented for federalism and state restructuring:</p> <p>2.2.1: Transitional arrangements for federalism are in place and transitional plans for concerned national institutions (ministry of general administration, Prime Minister Office, parliament, public service commission, etc.) are developed and implemented.</p> <p>2.2.2: Reforms for federalism are implemented, including civil service reform, capacity building of new federal structures, information campaign for citizens, etc.</p>	<p>1) Implementation status of federalism and state restructuring plan, including the following milestones:</p> <ul style="list-style-type: none"> • Structures of Federal government set up and capacitated to work effectively and to provide quality services to citizens in an accountable manner. • Devolution policies defined and institutional framework developed for federalism which ensures equal participation, representation and access for excluded/marginalised groups, including Dalits <p>Baseline: polices for federalism and state restructuring inexistent.</p>	<p>law and act, implementing regulations</p>
<p>Specific objective 3: Improve effectiveness, efficiency, transparency and accountability of public finance management and reduce corruption at national and local level.</p>		
<p><u>Expected Results</u></p>	<p><u>Indicators</u></p>	<p><u>Means of verification</u></p>
<p>E.R 3.1. National and local government's fiscal management capacities in terms of planning, budgeting, execution, procurement, reporting and auditing are enhanced</p>	<p>1) Nepali PFM system is scored overall more positive by the 3d PEFA Assessment and other national and international PFM assessments (tentative target by 2019).</p>	<p>National Development Strategy, Three-Year Plans, Development Co-operation Strategy, National PFM Reform Program, Sector Fiduciary Risks Reduction Plans,</p>
<p>E.R. 3.2. Central government and local authorities are held to account for their fiscal and expenditure policies and their implementation through effective mechanisms of external scrutiny and</p>	<p>Baseline: not yet available; 2nd PEFA Assessment to be conducted in 2014.</p>	

audit;		Local Development Plans, etc.
E.R. 3.3. Mechanisms enabling citizens to be involved in governance processes and to exercise control over the management of public resources at national and local level are reinforced;		2 nd PEFA Assessment, National PFM Reform Program Phase II Repeater PEFA Assessment, national and international PFM assessments
E.R. 3.4. Anti-corruption legal and institutional framework is enhanced leading to a reduction of the level of corruption and of impunity for misuse of public resources.	<p>1) World Bank’s Indicator on Control of Corruption, Transparency International Index, Global Integrity rating.</p> <p>Baseline: World Bank Indicator on Control of Corruption 2012 (Nepal at 23 %); Transparency International Index 2013 (Nepal scored 116th)</p>	World Bank’s Indicator on Control of Corruption, Reports of Transparency International, national and international assessments