

Performance Based Grant System to the Local Bodies of Nepal: A Good Practice for the Grant Allocation

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Abstract

Performance based grant system (PBGS) is the forefront for the development of innovative practices within the areas of intergovernmental fiscal transfers and the capacity development of Local Governments in many countries. The Government of Nepal has been implementing Minimum Conditions (MCs) and Performance Measurements (PMs) system, the so called PBGS to the Local Bodies (LBs) from fiscal year 2004/05 in order to make LBs more transparent, accountable and effective in providing public goods and services at the local level.

The MCs and the PMs are the foundation to measure the performance of LBs. For the measurement of performance, the certain indicators have been designed from the legal and policy documents related to the LBs. The LBs should have to pass the indicators of MCs for the eligibility of the capital grant and PMs are such indicators associated to the range of grants.

In this paper, an attempt has been made to highlight the PBGS and its relation with the grant allocation in a brief descriptive way. The system has helped to enhance the transparency and accountability of LBs, improved dialogue between officials and politicians on ensuring better performance, promoted institutional building of the LBs and motivated for the better performance. Finally, the system has helped to identify the capacity gaps within LBs. The result analysis of PMs shows that the average performance score of DDCs and municipalities are 61 and 52 percent respectively. The overall results of PBGS have significantly improved, in planning, budgeting, financial management and transparency system of LBs.

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Background

The Government of Nepal (GoN) is applying performance based grant system to DDCs for a number of years. The system has also been replicated in VDCs and Municipalities. As per the mandate and spirit of the Local Self-Governance Act, 1999 (LSGA), District Development Committees (DDCs), Village Development Committees (VDCs), and Municipalities are recognized as Local Bodies (LBs) and are responsible in delivering the services to the people at the local level.

The LSGA also specifies providing an additional grant based on population, level of development, possibility and capability of mobilizing revenues, degree of the resource gap, adequacy and quality of financial transactions, audit reports, and so on. Similarly, rule 273 "Gha" of the Local Self-Governance Regulation, 2000 (LSGR) provides for a performance based grant system (PBGS) to LBs. According to these provisions, the Ministry of Local Development (MLD), on recommendation of the Local Bodies Fiscal Commission (LBFC) can develop Minimum conditions and Performance Measures (MC/PMs) indicators for LBs and link the size of the capital development grant to the performance of the LBs. Under this system, the grants for LBs can be disbursed on the basis of the LBs performance. The grant under this system is based on the performance of the LB.

On this background, the PBGS was initiated in 20 districts from the fiscal year 2004/05 by MLD with the support of Decentralized Financing and Development Programme (DFDP). In November 2006, the Government decided to roll out this system in all 75 districts through the LBFC, as per the budget speech for the fiscal year 2006/07.

The Local Governance and Community Development Programme (LGCDP) a multi donor supported Programme towards a spirit of sector wise approach (SWAP) for the Ministry of Local Development is backstopping with the financial and technical support to LBFC for the assessment of MC/PMs to all LBs and has provided an additional grant to all LBs.

After approving separate manuals of MC/PMs for the LBs, the secretariat of Local Body Fiscal Commission (LBFC) is operating MC/PMs assessments annually. In accordance to this, the country wide assessment of DDCs and municipalities has started from the fiscal year 2007/08 and 2008/09 respectively. Likewise, the MCs system was also initiated in all VDCs from the fiscal year 2008/09. In VDCs, only MCs system is operating. As of today, no PMs indicators are in place. The MC/PMs assessment has been linked with the capital grants to be provided by the GoN to DDCs and additional block grants available from the LGCDP since fiscal year 2007/08. However, for the Municipalities it would be linked to GON capital grant from the fiscal year 2010/11. The LGCDP grant for Municipalities and VDCs was linked from fiscal year 2009/10. In case of VDCs, yet the MCs system, is not linked with the GON grant. The LBFC has decided to link the VDCs grant provided from the GON on top of MCs system on gradual basis.

The result of the MC/PMs of the last fiscal year directly affects the capital grants for the coming fiscal year. The performance of last fiscal year (t-1) is assessed in current fiscal year (t) and its impact on grant allocation would be for the coming fiscal year (t +1).

The indicators of MCs to all LBs and the results of MC/PMs are included in appendix and annexes respectively. This paper attempts to highlight the PBGS and to go over the results evaluated only by the LBFC (excluded the period of DFDP) in a concise form. The detail comprehensive result analysis and MC/PMs assessment manuals to all LBs can be viewed at www.lgcdp.gov.np and www.localfinance.org.np.

Objective of PBGS in Nepal

The main objectives of PBGS are as follows:

To improve LBs performance through incentives and penalty mechanism,

- To adapt the size of the grants to the expenditure and performance capacity in the key functional areas,
- To identify the capacity gaps of LBs in different functional areas, and
- To strengthen the general monitoring and evaluation (M/E) system through the annual assessment.

The PBGS was introduced to put pressure on LBs for the compliance with rules/regulations, to improve the service delivery and to improve accountability, transparency, good governance, etc. The system provides incentives to LBs for the improvement of institutional performance, change in functions, systems and procedures and enhance accountability to citizens. The performances of LBs in Nepal are assessed on the basis of indicators of Minimum Conditions (MCs) and Performance Measures (PMs).

Minimum Conditions (MCs)

Minimum conditions are such indicators by which the LBs are assessed to see whether they observed the laws which are compulsory to them. The amount of capital grants receivable by the LBs shall be determined on the basis of MCs assessment. They are the minimum safeguards for proper utilization of public resources and for identifying the basic absorption capacity followed by the financial discipline. Indicators for MCs are statutory requirements of LBs as provisioned in the LSGA and associated rules and regulations. Indicators for MCs are core service delivery functional areas of LBs such as planning and budgeting, financial management, functioning of various committees, transparency etc. In order to receive an annual capital grant, the LBs must have met all indicators of MCs. In case the LBs cannot fulfill the minimum conditions, there shall be reduction in capital grants receivable by them. The responsible officer and staffs may be awarded if additional more capital grant would receive and sanctioned if allocated capital grant is deducted.

Table: 3 Distribution of DDCs Receiving and Non Receiving Capital Grants for the Last Three Years

FY	Loose all formula based capital grant	Static	Loose 20 %	Bonus 20 %	Bonus 25%	Bonus 30%
2006/07	28	6	7	19	15	0
2007/08	8	3	4	18	29	13
2008/09	11	0	6	32	23	3

Table 4 below shows the overall aggregate performance rate in the same consecutive years. As stated in the table, out of the eight functional areas, organizations, service delivery and property management and the budget release and programme execution have received the highest and the lowest score respectively. This indicates that, the Ministry needs to focus more for the improvements in the functional area of budget releases and programme execution.

Table: 4 Aggregate Performance rate for the last 3 year's assessment

PMs Areas	Marks				
	Number of indicators	Full marks	Pass marks	Average Marks Received	%
1. Planning & Programme Management	8	15	6	10	67
2. Budget Management	6	11	4	7	64
3. Financial Management	9	15	6	8	53
4. Fiscal Resource Mobilization Capacity	6	11	4	6	55
5. Budget Release and Programme Execution	7	12	4	6	50
6. Communication And Transparency	8	14	5	9	64
7. Monitoring and Evaluations	5	10	3	6	60
8. Organizations, Service Delivery and Property Management	8	12	4	9	75
Total	57	100	36	61	61

PBGS for Municipalities

As per MC/PMs manual of municipalities, the total functional areas are four and total numbers of indicators are 15. Out of total 15 indicators only 13 are active. The functional areas and indicators are included in Appendix 1. The result of MCs for the last two fiscal years is included in annex 2. For the measurement of the performance, five working areas consisting 40 indicators have been fixed; the total weighting score are 100. The details of the indicators and obtainable score under each of the working areas are categories as follows in Table 5.

Table: 5 Working Areas and Number of Indicators of PMs

Working areas	No of Indicators	Weighting Score
Local Self- Governance	9	22
Financial Management	11	28
Planning and Program Management	7	18
Organization and Human Resource development	6	14
Urban Basic Service Management	7	18
Total	40	100

In these PMs Indicators, each has given 2, 1 and 0 scores, and each of the indicators have been weighted by the virtue of its importance. The score obtainable in each indicator shall be determined from the result of multiplication of designated weight with the designated score. On the basis of this score, the performance shall be measured and capital grant may be expanded or reduced. The result of PMs for the last two fiscal years has been included in Appendix 3. The annex shows that the average performance score of Municipalities for the two years is 52 which are lower than the DDCs.

Grant Allocation Criteria

The criteria for the grant allocation are quite different with the DDCs. The procedure for the grant allocation for the Municipalities is highlighted as follows:

- a) First of all average of the scores secured by all municipalities would be determined;
- b) Then 14 municipalities that secures highest scores need to be identify;
- c) Then 14 municipalities that secures the lowest scores should also be identified;
- d) Then remaining 30 municipalities should be put into average category;
- e) The municipalities falling under average category should be divided into two subgroups.

The first subgroup comprises those municipalities that secure more than the average score of performance indicator, while second subgroup comprises lower than average score of performance indicator;

- f) The 25 percent or 14 municipalities that secure highest score in performance indicator should be provided with additional 25 percent capital grants as an incentive and 25 percent or 14 municipalities that secure lowest score in performance indicator should be deducted by 25 percent capital grants.
- g) In the case of 30 municipalities of average score categories, those municipalities that secure above than average score shall be provided with 10 percent additional capital grants and those securing lower than average score shall be deducted by 10 percent capital grants.

- h) Those municipalities which fall under the highest performance categories shall be entitled to 25 percent additional capital grants only if they fulfill minimum conditions and secure more than 50 score in performance measures. For the entitlement of additional 10 percent capital grant, should be crossed 35 pass marks.

Staff Incentives

- Three Municipalities will be awarded each by Rs. 1.5 lakh (securing highest marks in Performance Measures after fulfilling the required Minimum Conditions).
- Followed by next 3 municipalities (securing highest marks in Performance Measures after fulfilling required Minimum Conditions), will be rewarded each by Rs. 75 thousand.

Result Analysis

Two Municipalities, Kathmandu and Khadbari, could not comply with the MCs in fiscal year 2007/08. In fiscal year, 2008/09 the number of failed Municipalities increased to 5. The name of municipalities which could not comply in MCs are: Kathmandu, Birgunj, Gaur, Malangawa and Rajbiraj. These municipalities missed a huge amount of formula based capital grant from the government and LGCDP. Table 6 indicates the capital grants received by the Municipalities as per the MC/PMs results. Besides, the Table 7 shows the aggregate performance rate of Municipalities for the last two years.

Table: 6 Category of Capital Grant Distribution for the Last Two Years

FY	Loose all formula based capital grant	Loose 25 %	Loose 10 %	Bonus 10%	Bonus 25%
2007/08	2	17	10	16	13
2008/09	5	10	15	14	14

Table: 7 Aggregate Performance Rate for the Last Two Years Assessment

PMs Areas	Marks			
	Number of indicators	Full marks	Average Marks Received	%
1. Local Self-Governance	9	22	12	55
2. Financial Management	11	28	12	43
3. Planning and Program Management	7	18	6	33
4. Organization and Human Resource Development	6	14	10	71
5. Urban Basic Service Management	7	18	12	67
Total Marks	40	100	52	52

Out of five functional areas, Organizations and Human Resource Development shows the highest score while Planning and Program Management the lowest score. This is very much crucial and highly important to begin the capacity related programme for the Municipalities for the improvements in the functional area of financial management.

PBGS for VDCs

VDCs are the closest government for the local people. VDCs are directly participated and involved in the task of delivering the services and daily activities of the people. As the functions performed by the VDCs reflect the attitude of the people towards the government, so it is essential that there should be uniformity, transparency, accountability and expertise in the tasks of these bodies. In this context, the indicators of MCs have been prepared by deeming the areas of functions, to be performed by the VDCs. Ten indicators have been included for assessing the MCs. Five and eight indicators were active in fiscal year 2007/08 and 2008/09 respectively. All ten indicators would be effective only from the fiscal year 2009/10. The indicators of MCs are included in Appendix 1.

Table: 8 Total Number of VDCs not Complying in MCs for the Last Two Years Assessment

Indicator No	FY	Total No of Non complying VDCs	Total No of Non complying VDCs for the 2 Year's
1	2007/08	83	112
	2008/09	29	
2	2008/09	113	113
3	2007/08	151	224
	2008/09	73	
5	2008/09	97	97
6	2007/08	85	142
	2008/09	57	
7	2008/09	148	148
9	2007/08	99	193
	2008/09	94	
10	2007/08	266	387
	2008/09	121	

The MCs assessment of the VDCs for the fiscal year 2007/08 was organized for the first time by LBFC through the concerned DDCs. The assessment was contracted out to the local firms/evaluators by the DDCs. MCs assessment of VDCs were carried out in all the districts with the exception Mahotari (76 VDCs) and partially Sarlahi (9 VDCs) district. Out of MCs assessed 3,830 VDCs, 3409 VDCs passed in MCs. The MCs assessment of all VDCs for the fiscal year 2008/9 was carried out in all districts except

Sarlahi (99), Mahotari (76) and Saptari (114). Out of MCs assessed VDCs, 3356 passed and 270 failed in the MCs. The VDCs who fulfilled the MCs received topping up grant from LGCDP. LGCDP allocated the grant on formula: population (60 %) weightage, cost (30 %) and area (10 %). The total number of VDCs which failed and passed in the last two years assessment is also included in Tables 8 and 9 respectively.

Table: 9 Total Number of VDCs complying in MCs for the Last Two Years Assessment

Fiscal Year	Total No Assessed	Total No. Not Assessed	MCs Comply
2007/08	3830	85	3409
2008/09	3626	289	3356

The above table shows that out of total assessed VDCs 3409 were passed in the first year and in second year the passed VDCs were only 3356. Total No of VDCs with compliance and non-compliance with MCs including the result of MC/PMs assessment of DDCs is included in Appendix 4 and distribution of VDCs failing to comply with MCs is included in Appendix 5.

As per Appendix 5, all VDCs from the 33 DDCs were able to pass all the indicators of MCs in the first year assessment and in second year the number increased to 42. Similarly, only one VDCs was failed from the 12 DDCs in the first year assessment and in second year the number increased to 13.

Lessons Learned

It has been possible within short time to roll out PBGS to all LBs – a tremendous task considering the size and the geographical nature of the country. It is found that this system has taken root and all stakeholders are familiar with it, including the VDCs. Besides, the system has helped to enhance the transparency and accountability of LB's; improved dialogue between officials and politicians on ensuring better performance; promoted institutional building of the LBs and motivated for the better performance. Finally, the system has helped to identify the capacity gaps within LBs. The key findings and lesson learned from this system is also highlighted as follows:

- a) PBGS has enhanced transparency and accountability. People have become more aware and have been pressurizing LBs to deliver better services. It has helped LBs to be more accountable, conscious and efficient.
- b) PBGS has helped for the institution building and has motivated for better performance. Institutionalization and capacity building is visible in many respects, for instance planning processes, documentation, information centers and real work performance of the LBs.
- c) This process has helped in creating awareness and ownership at community and beneficiary levels.

- d) The LBs can meet their basic requirements and enhance capacity to achieve certain level of performance with some strategic and meaningful support and continuous supervision and monitoring.
- e) Some clear guidelines, strict enforcement of rules regarding “reward” and “punishment” do have strong positive impacts on the performance of the DDCs and Municipalities.
- f) Imparting requisite and need based trainings to the LBs staff may help to improve the performance.

As stated above, the overall efficacy of the procedures and systems envisaged under this method are highly noteworthy and encouraging.

Issues on PBGS

There is no alternative to performance based grant system in Nepal. This system has been institutionalized in the country. As a result of successful implementation of MC/PMs, the general public concerned is that if the LBs could perform in a better way the government would give more grants. There is a competition among LBs to improve the performance to receive additional grants. However, there are some issues to effectively implement this system, which are:

1. Capacity Issues
 - Inadequate capacity in the implementation process
 - Lack of sufficient capacity building programs of LBs to those who do not comply with the MC/PM and remain failure.
 - Inadequate orientation about the MC/PM manuals to LBs.
2. Administrative/ Management Issues
 - Lack of effectively implementation of reward/punishment system to responsible staff, etc.
 - Vacant position of VDCs secretaries
 - Frequent transfer of staffs
 - Delay releases/authorization of budget
3. Political/ Security Issues
 - Absence of elected representatives
 - Threats from unidentified groups especially in the Terai and eastern hill
 - Political rivalry among the political parties
4. Monitoring/Evaluation Issues
 - Inadequate monitoring from central authority

- Poor Quality Assurance/control
- Inadequate dissemination of the results.

Conclusion

The main objective of PBGS is to allocate the capital grants to LBs on the basis of accomplishments against the minimum conditions and performance measures. This requires effective assessments. Besides this, the aim is to improve the service delivery, accountability, transparency and to strengthen the monitoring and evaluation system of LBs through the MC/PMs.

The analysis of the performance results, clearly point out the fact that the MC/PM system in general has been successful to bring several positive impacts on LB performance. The results show that this system has significantly improved in planning, budgeting, financial management, transparency, etc system of LBs. There is a strong belief amongst all the stakeholders ranging from central and local government politicians and officials, DPs and associations that the system has an overall positive impact despite the introduction in a challenging environment, the absence of elected local bodies, vulnerable peace and security situation, administrative instability and so on. Finally, the overall performance of LBs stands at the average level. Therefore, there is a need to scale up the performance of LBs by improving their actual operation of their activities in the days to come.

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Indicators of Minimum Conditions

1.1 DDCs

1. Planning and Management

- 1.1 Approved annual plan and budget for the current fiscal year by district council in previous fiscal Year : MC-1
- 1.2 Annual budget ceiling and planning guidelines provided to Municipalities and VDCs by DDC . In case central government did not provide such guidelines and ceilings to DDCs, even then the DDC should have provided them from its internal resources:MC-2
- 1.3 DDC has publicly informed the Municipalities, VDCs and relevant stakeholders about the approved annual budget and programs:MC-3
- 1.4 Annual progress review of the previous year conducted by the DDC :MC-4
- 1.5 DDC has submitted its reports as per the provision mentioned in grant guideline:MC-5

2. Financial Management

- 2.1 Accounts and financial details of the previous of the previous FY should be completed and submitted for the final audit: MC-6
- 2.2 DDC has prepared the annual statement of income and expenditures of District Development Fund (DDF) and financial statements for the previous FY: MC-7
- 2.3 DDC must release the budget or grant from DDF (non-operating account) to VDCs, Municipalities, sectors and other organizations as per approved work plans and budgets. No transfer should be made in the operating account prior to council approval: MC-8
- 2.4 Internal Audit Section established and functioning in accordance with LBFAR : MC-9
- 2.5 Due and timely response have been made upon comments and reactions made in the Office of the Auditor's General Report within 35 days : MC-10
- 2.6 Cumulative Records of unsettled irregularities documented and updated : MC-11
- 2.7 DDC appointed auditors for the final audit of last FY of the last FY of VDCs final accounts : MC-12

2. Formation and Functioning of Committees

- 3.1 Formulation and functioning of supervision and monitoring committees: MC-13 (this indicator is not active)

- 3.2 Formulation and functioning of account committees: MC-14 (this indicator is not active)

3. Transparency

- 4.1 Information and documentation centre established and need to keep all information and records as specified : MC-15

1.2 Municipalities

A. Local Self-Governance

1. Planning and Budget approval: MC-1
2. Progress Assessment: MC-2

B. Financial Management

3. Municipality Fund: MC-3
4. Detail Record of Tax and Income Sources: MC-4
5. Auditing System: MC-5
6. Procurement Planning: MC-6
7. Inventory Management: MC-7
8. Financial Irregularities and Action for Clearance: MC-8

C. Service Delivery and Transparency

9. Citizen Charter: MC-9
10. Provision of Building Permit: MC-10
11. Publicizing the Income-Expenditure and Rates of Tax and Duties: MC-11

D. Formation and Function of Committees

12. Formation and Function of Accounts Committee: MC-12
13. Formation and Function of Municipal level Revenue Advisory Committee: MC-13
14. Formation and Function of Supervision and Monitoring Committee: MC-14
15. Formation and Function of Staff Recruitment Committee: MC-15

1.3 VDCs

1. The Village Council must have approved previous year's VDC plan, programme and budget : MC-1
2. VDC must have conducted annual review of previous year's programmes and projects : MC-2
3. VDC must have taken at least 90% of the total VDC Grant (capital) allocated by GoN of last FY : MC-3

Zone	Districts	MCs			PMs			Average
		2006/07	2007/08	2008/09	2006/07	2007/08	2008/09	
	Lamjung	Not met	Met	Not Met	60	74	64	66
	Manang	Not met	Met	Met	43	71	57	57
	Syangja	Met	Met	Met	58	81	79	73
	Tanahun	Met	Met	Met	64	83	66	71
Dhaulagiri	Baglung	Not met	Met	Met	49	74	74	66
	Mustang	Not met	Met	Met	42	53	67	54
	Myagdi	Not met	Met	Met	45	63	68	59
	Parbat	Met	Met	Met	40	73	64	59
Karnali	Dolpa	Not met	Met	Met	41	58	55	51
	Humla	Not met	Met	Met	62	70	75	69
	Jumla	Met	Met	Met	56	74	70	67
	Kalikot	Not met	Met	Met	38	65	45	49
	Mugu	Not met	Not met	Met	51	44	54	50
Rapti	Dang	Met	Met	Met	64	68	61	64
	Pyuthan	Not met	Met	Met	67	64	67	66
	Rolpa	Met	Met	Met	58	55	52	55
	Rukum	Met	Met	Met	67	58	60	62
	Salyan	Met	Met	Met	77	78	76	77
Bheri	Banke	Met	Met	Met	50	66	66	61
	Bardia	Met	Not met	Met	49	49	67	55
	Dailekh	Not met	Met	Met	42	62	62	55
	Jajarkot	Met	Met	Met	69	62	63	65
	Surkhet	Met	Met	Met	54	61	61	59
Seti	Achham	Met	Met	Met	59	50	52	54
	Bajhang	Met	Met	Not Met	71	71	56	66
	Bajura	Met	Met	Met	63	67	52	61
	Doti	Met	Met	Met	59	66	57	61
	Kailali	Met	Met	Met	59	62	64	62
Mahakali	Baitadi	Met	Met	Met	54	66	62	61
	Dadeldhura	Not met	Met	Met	52	59	63	58
	Darchula	Met	Met	Met	61	77	62	67
	Kanchanpur	Not met	Met	Not Met	58	58	55	57
Result Analysis	Total marks in PMs				4174	4959	4658	4597
	Average				56	66	62	61
	Max				80	93	90	79
	Min				18	44	25	38
	S.D				11.87	11.48	10.77	8.97

**Result of Minimum Conditions (MCs) and
Performance Measures (PMs) of Municipalities**

Zone	Municipalities	MCs		PMs		Average
		2007/8	2008/9	2007/8	2008/9	
Mechi	Ilam	Met	Met	45	56	51
	Mechinagar	Met	Met	57	57	57
	Bhadrapur	Met	Met	54	58	56
	Damak	Met	Met	62	78	70
Koshi	Itahari	Met	Met	50	57	54
	Dharan	Met	Met	59	62	61
	Dhankuta	Met	Met	58	62	60
	Khadbari	Not met	Met	28	48	38
	Biratnagar	Met	Met	44	42	43
	Inaruwa	Met	Met	35	48	42
Sagarmatha	Rajbiraj	Met	Not met	26	43	35
	Triyuga	Met	Met	44	59	52
	Siraha	Met	Met	44	38	41
	Lahan	Met	Met	51	36	44
Janakpur	Janakpur	Met	Met	53	53	53
	Jaleswor	Met	Met	52	53	53
	Malangawa	Met	Not met	37	26	32
	Kamalamai	Met	Met	43	45	44
	Bhimeshwor	Met	Met	56	54	55
Bagmati	Kathmandu	Not met	Not met	38	57	48
	Kirtipur	Met	Met	44	61	53
	Lalitpur	Met	Met	44	48	46
	Bhaktapur	Met	Met	51	58	55
	Madhyapur- Thimi	Met	Met	40	50	45
	Bidur	Met	Met	50	53	52
	Dhulikhel	Met	Met	51	60	56
	Banepa	Met	Met	50	58	54
Panauti	Met	Met	47	52	50	
Narayani	Hetauda	Met	Met	60	67	64
	Gaur	Met	Not met	38	43	41
	Birjung	Met	Not met	45	46	46
	Kalैया	Met	Met	55	53	54
	Ratnanagar	Met	Met	65	66	66
	Bharatpur	Met	Met	47	61	54
Lumbinai	Tansen	Met	Met	63	63	63
	Butwal	Met	Met	47	54	51
	Ramgram	Met	Met	41	50	46
	Siddharthanagar	Met	Met	37	58	48
	Kapilbastu	Met	Met	48	52	50
Gandaki	Gorkha	Met	Met	42	50	46
	Byas	Met	Met	48	58	53

Zone	Municipalities	MCs		PMs		Average
		2007/8	2008/9	2007/8	2008/9	
	Lekhnath	Met	Met	49	54	52
	Pokhara	Met	Met	48	44	46
	Putalibazar	Met	Met	55	53	54
	Waling	Met	Met	58	65	62
Dhaulagiri	Baglung	Met	Met	59	60	60
Rapti	Ghorahi	Met	Met	60	76	68
	Tulshipur	Met	Met	56	75	66
Bheri	Birendranagar	Met	Met	57	69	63
	Narayan	Met	Met	55	66	61
	Nepalgunj	Met	Met	43	56	50
Seti	Gulariya	Met	Met	44	54	49
	Tikapur	Met	Met	59	64	62
	Dhangadhi	Met	Met	56	60	58
	Dipayal-Silgadhi	Met	Met	46	50	48
Mahakali	Dashrathchand	Met	Met	43	48	46
	Amargadhi	Met	Met	46	47	47
	Bhimdatta	Met	Met	61	56	59
Result Analysis	Total Marks in PMs			2844	3190	3017
	Average			49	55	52
	Max			65	78	70
	Min			26	26	32
	S.D.			8.51	9	8.19

Appendix 4

Total No of VDCs with Compliance and Non-compliance with MCs Including the
Result of MC/PMs Assessment of DDCs

S. N.	District	Total No of VDCs	Total No of Non compliance VDCs			Result of MC/PMs for DDCs					
			2007 /08	2008 /09	Total	MCs			PMs		
						2006/07	2007/08	2008/09	2006 /07	2007 /08	2008 /09
1	Dhanusha	101	50	47	97	Met	Met	Not Met	35	68	67
2	Bara	98	33	41	74	Met	Not met	Met	46	55	58
3	Solukhumbu	34	33	33	66	Met	Met	Met	53	52	52
4	Bhojpur	63	35	22	57	Not met	Met	Met	49	51	38
5	Siraha	106	3	43	46	Not met	Not met	Not Met	58	55	40
6	Okhaldhunga	56	29	5	34	Met	Met	Met	47	45	53
7	Kapilwastu	77	21	12	33	Met	Not met	Not Met	69	61	52
8	Ramechhap	55	28	3	31	Met	Met	Met	70	66	69
9	Sarlahi	99	30	NA	30	Not met	Not met	Not Met	44	50	44
10	Bajura	27	12	10	22	Met	Met	Met	63	67	52
11	Saptari	114	22	NA	22	Not met	Not met	Not Met	49	59	51
12	Rupandekhi	69	11	8	19	Met	Met	Met	53	49	54
13	Gorkha	66	12	4	16	Met	Met	Met	47	65	60
14	Parsa	82	13	2	15	Not met	Met	Met	43	52	63
15	Sindhuli	53	11	3	14	Met	Met	Met	45	44	57
16	Darchula	41	5	5	10	Met	Met	Met	61	77	62
17	Sankhuwasabha	33	7	1	8	Not met	Met	Met	36	86	57
18	Syanja	60	5	3	8	Met	Met	Met	58	81	79
19	Jumla	30	2	5	7	Met	Met	Met	56	74	70
20	Sindhupalchowk	79	6	1	7	Met	Met	Met	60	67	68
21	Taplejung	50	5	2	7	Met	Met	Met	52	67	71
22	Baglung	59	6	0	6	Not met	Met	Met	49	74	74
23	Bankey	46	5	1	6	Met	Met	Met	50	66	66
24	Dolakha	51	6	0	6	Met	Met	Met	60	61	68
25	Palpa	65	1	5	6	Not met	Met	Met	57	83	90
26	Bardiya	31	5	0	5	Met	Not met	Met	49	49	67
27	Humla	27	4	1	5	Not met	Met	Met	62	70	75
28	Bajanj	47	4	0	4	Met	Met	Not Met	71	71	56
29	Baitadi	62	1	2	3	Met	Met	Met	54	66	62
30	Dadeldhura	20	3	0	3	Not met	Met	Met	52	59	63
31	Lalitpur	41	3	0	3	Met	Met	Met	66	52	61
32	Nawalparasi	73	1	2	3	Met	Met	Met	67	75	67
33	Pyuthan	49	1	1	2	Not met	Met	Met	67	64	67
34	Rautahat	96	1	1	2	Not met	Met	Met	18	54	53
35	Achham	75	0	1	1	Met	Met	Met	59	50	52
36	Dailekh	55	0	1	1	Not met	Met	Met	42	62	62
37	Dang	39	1	0	1	Met	Met	Met	64	68	61
38	Dhading	50	0	1	1	Met	Met	Met	77	93	58
39	Jajarkot	30	1	0	1	Met	Met	Met	69	62	63
40	Kavreplanchowk	87	1	0	1	Met	Met	Met	79	81	67
41	Kailali	42	0	1	1	Met	Met	Met	59	62	64
42	Kaski	43	0	1	1	Not met	Met	Met	54	82	77
43	Morang	65	0	1	1	Met	Met	Met	63	84	73
44	Nuwakot	61	1	0	1	Met	Met	Not Met	55	77	64
45	Panchthar	41	0	1	1	Not met	Met	Met	34	69	63

S. N.	District	Total No of VDCs	Total No of Non compliance VDCs			Result of MC/PMs for DDCs					
			2007 /08	2008 /09	Total	MCs			PMs		
						2006/07	2007/08	2008/09	2006 /07	2007 /08	2008 /09
46	Parbat	55	1	0	1	Met	Met	Met	40	73	64
47	Rasuwa	18	1	0	1	Not met	Met	Not Met	43	69	46
48	Udayapur	44	1	0	1	Met	Met	Met	71	81	81
49	Arghakhanchi	42	0	0	0	Met	Met	Met	66	67	64
50	Bhaktapur	16	0	0	0	Met	Met	Met	66	66	63
51	Chitawan	36	0	0	0	Met	Met	Met	51	69	66
52	Dhankuta	35	0	0	0	Met	Met	Met	67	85	85
53	Dolpa	23	0	0	0	Not met	Met	Met	41	58	55
54	Doti	50	0	0	0	Met	Met	Met	59	66	57
55	Gulmi	79	0	0	0	Met	Met	Met	50	81	79
56	Ilam	48	0	0	0	Not met	Met	Met	51	69	60
57	Jhapa	47	0	0	0	Met	Met	Met	61	73	74
58	Kalikot	30	0	0	0	Not met	Met	Met	38	65	45
60	Kanchanpur	19	0	0	0	Not met	Met	Not Met	58	58	55
59	Kathmandu	57	0	0	0	Not met	Met	Met	80	56	64
61	Khotang	76	0	0	0	Met	Met	Met	67	83	68
62	Lamjung	61	0	0	0	Not met	Met	Not Met	60	74	64
63	Mahottari	76	NA	NA	NA	Not met	Not met	Not Met	39	51	25
64	Makawanpur	43	0	0	0	Met	Met	Met	68	73	75
65	Manang	13	0	0	0	Not met	Met	Met	43	71	57
66	Mugu	24	0	0	0	Not met	Not met	Met	51	44	54
67	Mustang	16	0	0	0	Not met	Met	Met	42	53	67
68	Myagdi	41	0	0	0	Not met	Met	Met	45	63	68
69	Rolpa	51	0	0	0	Met	Met	Met	58	55	52
70	Rukkum	43	0	0	0	Met	Met	Met	67	58	60
71	Salyan	47	0	0	0	Met	Met	Met	77	78	76
72	Sunsari	49	0	0	0	Not met	Met	Met	56	69	52
73	Surkhet	50	0	0	0	Met	Met	Met	54	61	61
74	Tanahun	46	0	0	0	Met	Met	Met	64	83	66
75	Terathum	32	0	0	0	Met	Met	Met	70	82	65

Appendix 5

Distribution of VDCs Failing to Comply with MCs

No of VDCs could not comply with MCs	No of Districts		Total no. of VDCs failing to comply with MCs
	2007/08	2008/09	
None	33	42	75
1	12	13	25
2-5	11	12	23
6-10	4	2	6
11-15	5	1	6
16-20	0	0	0
≥ 21	10	5	15
Total	75	75	150