

**Minimum Condition and Performance Measure Assessment
Manual, of District Development Committee 2008**

(with amendment and Revision)

**Government of Nepal
Secretariat of Local Bodies Fiscal Commission**

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Acronyms

FY:	Fiscal Year
IFA:	Internal Financial Audit
FAG:	Financial and Administrative Guideline
Act:	Local Self Governance Act, 1998
FFCO:	Fund and Financial Control Office
VDC:	Village Development Committee
DDC:	District Development Committee
MCPM:	Minimum Conditions and Performance Measures
MP:	Municipality
Regulation:	Local Self Governance Regulation, 1999
LBFC:	Local Bodies Fiscal Commission
DPMAS:	District Poverty Monitoring and Analysis System
DTMP:	District Transport Master Plan
EMP:	Environment Management Plan
MCs:	Minimum Conditions
PMs:	Performance Measures
OD:	Organizational Development
ODF:	Open Defecation Free

Chapter 1

Preliminary

1.1 Preamble

As per the provision of chapter 8 of Local Self Governance Act (LSGA) 1998, municipalities are authorized to collected revenue and Government of Nepal (GoN) is to be provided grant as per section 236. In the LSGA financial regulation 1999 of law 273 "Gha" assessing indicator based Minimum Conditions and Performance Measures (MCPM) addition and deduction on the annual block grant is provisioned based on the best performance of local bodies and rewarding the local bodies for the best performance is provisioned. To implement the provision LBFC has been endorsed Minimum Conditions and Performance Measures (with amendment and revision).

1.2 Short Title and Commencement

a) Name of this operational manual is "District Development Committee-Minimum Conditions and Performance Measures Operational Manual 2065, (With amendment and revision)

b) This guideline enacted immediately

1.3 Definition

Unless the subject or context otherwise required, in this manual,

a) "Act" means the Local Self Governance Act, 1998,

b)"Regulations" means Local Self Governance Regulations, 1999

c)"Financial and Administration Regulation" means Local Bodies Financial and Administration Regulation 2064,

d)"District Development Committee" means formed District Development Committee under article 176 of Local Self Governance Act 1998

e) "Municipality" means formed Metropolitan, Sub-metropolitan and Municipality under article 80 and categorization 88 of Local Self Governance Act 1998

f) "Village Development Committee" means formed Village Development Committee under article 4 of Local Self Governance Act 1998

g) "District Council" means, formed District Development Council under article 172 of Local Self Governance Act 1998

- h) "Board" means District Development Committee (Executive) formed under article 172 of Local Self Governance Act, 1998.
- i) "Commission" means Local Bodies Fiscal Commission,
- j) "Ministry" means, Ministry of Federal Affairs and Local Development,
- k) "Secretariat means" secretariat of Local Bodies Fiscal Commission (LBFC)
- l) "Secretary" means secretary of Ministry
- m) "Member-secretary" means member-secretary of Local Body Fiscal Commission
- n) "Local Development Officer" means, secretary of District Development Committee
- o) "Fiscal Year" means period of started from Shrawan 1 (July/Aug) to end of Ashad (June/July)
- p) "Minimum Conditions" means indicators and their measurement as mentioned Minimum Conditions in chapter 2 of this manual.
- q) "Performance measure" means the indicators of performance measures including methods of measurement mentioned in chapter three (3) of this guideline
- r) "Resource Mobilization Guideline" means Local Bodies Resource Mobilization and Management guideline 2012
- s) "Current FY" means FY when the evaluator teams undertake evaluation
- t) "Last FY" means the previous FY when the evaluator teams undertake evaluation
- u) "Previous FY of Last FY)" means two years back FY of the current FY

Chapter- II

Indicators of the Minimum Conditions and its measurement method

2.1 Minimum Conditions (MCs)

There are following 9 Minimum Condition (MC) indicators. District Development Committee fulfill these indicators. If in case even one indicator will not fulfill, no additional capital budget can get what so ever points receive in the performance measures.

Indicator No	Name of the Indicator
1	Approval of Annual Program and budget
2	Annual Progress Review
3	Annual and Trimester Progress Report
4	Internal Financial Audit and Final Financial Audit of Village Development Committee
5	Account operation of District Development Committee Fund
6	Information Documentation and Management
7	Final Financial Audit and Details of unstated amount
8	Commodity Goods Management
9	Personnel Management

2.2. Explanation of the Minimum Conditions and Measurement Method

Indicator: 1 Approval of Annual plan and budget

1.1 Explanation of the indicator and basement of its law/policy

Under the Article 188, 195, 197, 200 and law 199 of regulation, annual planning, program and budget (Annual District Development Plan) of the current fiscal year be approved by the DDC council before the end of Fagun (Feb-March).

1.2 Table for measurement

SN	Status of the approval of annual program and budget	Yes	No
1	After completing pre planning workshop, budget ceiling ¹ and guidelines forwarded to VDC before the end of Magsir (Nov-Dec).		

¹ If the budget ceiling is not arrived from the center, DDC forward its budget ceiling based on the internal resources

2	Annual program and budget approved by DDC council before the end of Fagun (Feb-March) after completing Ilaka (area) level planning workshop, and Integrated Planning Committee planning workshop, subject-wise planning committee meeting.		
3	Pre feasibility study and detail budget estimate of physical infrastructure related project that require more than 5 million budgets prepared before getting approval from the DDC council.		
4	Project-wise allocation of the budget done by the DDC council.		
5	Forwarded annual program and budget to concern line ministries and national planning commission before 10th calendar day of Chait (March-April)		

1.3 Measurement Method: If there will be (√) in all boxes Minimum Conditions shall be met.

1.4 Sources of verification

- Notice published, invitation letters forwarded to participate/attend the workshop, attendance in the workshop and decision book related to pre-planning workshops
- Letter and documents forwarded to VDCs and Municipalities in last FY regarding the budget ceiling, guidelines and other documents with respect to current FY.
- Attendance and decision register of DDC council
- Council's decision on budget allocation by projects in the plan
- Approved annual plan and budget book
- Covering letter on forward of approved annual plan and budget to line ministries and national planning commission
- Separate feasibility study report of projects.

Indicator: 2 Annual Progress Review

2.1 Explanation of the indicator and basement of its law/policy

According to article 211 of the Act, DDC undertake annual progress review of previous FY of last FY within the first trimester of last FY in presence of all stakeholders.

2.2 Table for measurement

SN	Status of annual progress review	Yes	No
1	Invitation for all stakeholders for annual progress review ²		
2	Completed annual progress review workshop in presence of all stakeholders within the first trimester of last FY		
3	Publicize the summary of progress review in notice board and website within 15 days of completion of the review		
4	Submission of progress review report to the ministry with covering letter within one month from the date of progress review		

2.3 Measurement Method: If there will by (√) in all boxes Minimum Conditions shall be fulfilled.

2.4 Sources of verification

- Issued invitation letter to concern stakeholders to attend in the review meeting
- Attendance register of the meeting
- Decision of the review with report
- Proof of publication of the summary
- Covering letter of the submission of report to ministry

Indicator: 3 Annual and trimester progress report

3.1 Explanation of the indicator and basement of its law/policy

As per law 196 (4 and 5) of financial and administrative regulation and "Source Mobilization Manual" trimester and annual progress reports forwarded to ministry is specified time frame

3.3 Measurement Table

SN	Status of forwarding annual and trimester reports	Yes	No
1	Annual financial details of last fiscal year under the District Development Fund (DDF) forwarded to Ministry and District Treasury Office (DTO) (<i>Kosh Tatha Lekha Niyantaran Karalaya</i>) with 35 days of start of current FY		
2	First trimester report forwarded to ministry before Magsir 7 (Nov-Dec) of		

² Stakeholders means line agencies, active political parties at local level, journalists, representatives from the civil society, involved NGOs in district plan, Federation of Chamber of Commerce and Industry etc

	last FY		
3	Second trimester report forwarded to ministry before Chait 7 (March-April) of last FY		
4	Third trimester and annual progress report forwarded to ministry before Shrawan- 15 (July-Aug) of last FY		

Note: Verification of forward of the reports shall be done from the concern section of the Ministry.

3.3. Methods of measurement: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

3.4 Sources of verification

- Covering letters for mentioned reports, reports, details of physical and financial progress report
- Letter forwarded means i.e. post office, courier, personal or other means and bill or receipt paper

Indicator: 4. Internal Financial Audit and Final Financial Audit of VDCs

4.1 Explanation of the indicator and basement of its law/policy

Based on the Article 69 of the Act and laws 57 and 58 of regulation, DDC establish an internal financial audit section and is being functional. Similarly according to law 59 of the regulation, final financial audit of all VDCs be done.

4.2 Table for measurement

SN	Status on Internal Financial Audit and VDC Final Financial Audit	Yes	No
1	Internal audit section is active and internal financial audit of DDC done in trimester basis		
2	Internal financial audit of previous FY of last FY of all VDCs in the district done within first trimester of last FY		
3	The Internal audit report of DDC and all VDCs submitted to Local Development Officer within 15 days of completion of internal financial audit		
4	Appoint auditors to perform final audit of previous FY of last FY for all VDCs within six (6) months of last FY.		

Note: If in the auditor could not be appointed because the VDC did not recommend the name of auditors, yes mark will be put in SN 4 of above table.

4.3 Method of measurement: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

4.4 Basis for verification

- Establishment of internal audit section, appoint the permanent staff, section chief with details of job description
- Report of internal financial audit submitted to Local Development Officer and District Development Committee
- Details on the appointment of financial auditor

Indicator: 5 District Development Fund Account Operations

5.1 Explanation of the indicator and basement of its law/policy

According to law 43 and 44 of financial and administrative regulation, transfer of budget from non operating account to operating account is done in accordance with the approved annual plan and activities.

5.2 Measurement table

SN	Status on the operation of DDF account	Yes	No
1	All the received budget in the name of of DDC deposited in non operating account (Ga 4)		
2	Expenditure done transferring to operating account (Ga 2) as per approved program by DDC council		
3	Reconciliation of operating account to zero (0) balance at the end of FY		
4	Freeze done all the freezable budget at the end of FY		

5.3 Method of measurement: If there will be (√) in all boxes Minimum Conditions shall be met.

5.4 Basis for verification

- District Development Plan (annual program and budget) book, minute of DDC council, letters regarding to transfer of budget and status of account at the end of FY
- Proof of freeze done of all freezable budget

Indicator: 6 Information documentation and management

6.1 Explanation of the indicator and basement of its law/policy

According to article 212 and article 6 of Act related to information right 2007 (BS 2064), and law 3 of regulation, information documentation center should be established and specified documents be kept in the center.

6.2 Measurement table

SN	Status on information documentation and management	Yes	No
1	Establishment of information and documentation section		
2	Information officer appointed as per right to information Act		
3	Provision of providing information by the information officer		
4	District Development Plan, progress review report, annual financial audit (Internal and final audit) of last two FY are duly registered and kept information and documents appropriately.		
5	Operation and update of website		

6.3 Method of measurement: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

6.4 Basis for verification

- Concern reports in information and documentation center
- Authorized letter on appointment of information officer and detail job description
- Methods of providing information
- Updated website in operation

Indicator: 7 Final Financial Audit and details of unseated amount

7.1 Explanation of the indicator and basement of its law/policy

Final financial audit be done as per law 203 and 205 of financial and administrative regulation and details of audit objection be maintained as per law 60 annex: 75.

7.2 Measurement table

SN	Status on final financial audit and details of audit objection	Yes	No
1	Audit and financial details of previous FY of last FY submitted and final financial audit done		
2	Tabled the final financial audit to the DDC council discussed and decision done		
3	Comments on the noted subjects (all program/projects including grant fund) in the final financial audit forwarded within 35 days		
4	Detail of updated unstated amount is kept as per law 60, annex		

	75 of financial and administrative regulations.		
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7.3 Method of measurement: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

7.4 Basis for verification

- Annual income and expenditure details forwarded to ministry and fund and District Treasury Office (DTO) in accordance to financial and administrative regulation 2064 and its law 196.
- Updated unstated amount kept as per annex: 75
- Covering letter with comments on the financial audit report
- Decision of DDC council

Indicator: 8 Commodity goods management

8.1 Explanation of the indicator and basement of its law/policy

Commodity goods management as per section ten (10) of financial and administrative regulations and its law 212 and commodity goods monitoring be done as per law 214 (1) and received report as per sub law (2), (3) and (4) and take action as per the same section.

8.2 Measurement table

SN	Status on commodity goods management	Yes	No
1	All the expendable and non expendable commodity goods under DDC's ownership of last FY kept in separate book and kept as income		
2	Conducting commodity goods monitoring in last FY and prepared report.		
3	Commodity goods monitoring report have following details:		
	<ul style="list-style-type: none"> • Details of the commodity goods that are not mentioned as income • Details on protection and maintenance situation of commodity goods • Details of commodity goods that are required for maintenance and auction to be done 		
4	Auction and maintenance done as per the report and commodity goods kept as income if it is not taken as income.		

8.3 Method of measurement: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

8.4 Basis for verification

- Commodity goods monitoring report done in last FY
- Action taken and decisions done in last FY based on the commodity goods monitoring report.

Indicator: 9 Personal Management

9.1 Explanation of the indicator and basement of its law/policy

In accordance to Article 249 of Act, Local Bodies prepare list of manpower based on the work load with detailed Terms of reference (ToR) and take approval from the VDC council. The council manages the budget required for salary, allowance, money to deduct for provident fund; gratuity and pension should be managed while deciding the personnel requirement setting. Also the person who is recommended by the position fulfillment committee under the law 251 be appointed under the law 216.

9.2 Table for measurement

SN	Status on the personnel management	Yes	No
1	The staff positions approved by the council following all the process provisioned in the Article 249 of act		
2	In case of the project staff follow article 251 of the act		
3	Appointment done in the approved position, in recommendation with position fulfillment committee paying due attention that the administrative expenditure will not cross the limit		
4	Decision of the position fulfillment done in presence of representative of public service commission		
5	No permanent appointment done beyond going to the approved position		
6	No temporary appointment done in the permanent positions		

Note: All the above mentioned provisions should be undertaken while taking any action of creating position and fulfilling the positions in last FY.

9.3 Measurement Method: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

9.4 Sources for verification

- Decision of the DDC council
- Process documents while creating the position
- Minute of position fulfillment committee and decisions

- Final financial audit report
- Approved positions and details of position fulfillment

Chapter III

Indicators for Performance Measures, allocated points and methods of measurement

3.1 Indicators of performance measures and allocated points

There are forty six (46) indicators and five (5) areas under DDC performance measures measurement allocating 100 points. Depending up on the nature and importance of the indicator 4, 3, 2 and 1 point have been allocated. Minimum of 40 percent point be obtained. Twenty (20) percent additional capital budget will be cut down of those DDC who fails to receive minimum points. Number of indicators, weightage/ point for each area and minimum points to be received is mentioned in following table:

Table: 3.1 Areas of performance measure, no of indicators, total point and required minimum

Indicator	Name of Indicator	# of indicator	Total point allocated	Minimum point to be received
1	Planning and budget management	8	16	7
2	Resource mobilization and financial management	11	25	10
3	Budget disbursement, expenditure and activity implementation	6	16	6
4	Monitoring, evaluation, communication and transparency	12	26	10
5	Organization management and job description	9	17	7
	Total points	46	100	40

3.2 Explanation of indicators and its measurement method

Explanation of work area and method of measurement is as follows:

Working area group no: 1 Planning and budget management

Indicator #	Name of Indicator	Allocated point	Total point of group	Minimum point to be received
1	Prioritization of projects and basis of	3	16	6

	project selection			
2	Estimated project cost and budget allocation	2		
3	Operation and maintenance of the project	2		
4	District Development Periodic Plan	1		
5	District Transport Master Plan and its implementation	2		
6	Management of environment and energy	2		
7	Participatory planning and cross cutting sectors	2		
8	Targeted group development program	2		

Indicator: 1 Prioritization of projects and basis of project selection

1.1 Explanation of the indicator and basement of its law/policy

Projects selection, prioritization criteria and the indicators be set and project be selected on the basis of indicators lying within the article 199, 201 and 202 of Act and law 197, 198 and 199 of regulations. The indicators and approved projects utilizing these selection criteria must be inform to the district people within first week of Poush (Dec-Jan).

1.2 Table for measurement

SN	Status of project prioritization and selection	Yes	No
1	Develop the project selection criteria and publicize it displaying in website, notice board and other means.		
2	Approved criteria for project selection and project prioritization as per the indicators		
3	Prioritized the projects selected		
4	The physical infrastructure projects having cost estimate less than 500 thousand do not implement of own.		

1.3 Method of providing points: If there will be (v) in all boxes of "Yes", three points, if there is (v) in three boxes of "Yes" two points and zero for otherwise.

1.4 Sources for verification

- Criteria for project selection, indicators, decisions of fixing the points and proof of publicizing it, annual district development plan of current FY.

Indicator: 2 Budget estimate for the project and allocation of budget

2.1 Explanation of the indicator and basement of its law/policy

There must be linkage between the program and budget during program planning. Enough attention must be paid when the decision is made on project, budget estimate and available budget. According to resource mobilization manual, detailed cost must be done for the physical infrastructure projects that has cost estimate 500 thousand and budgets must be allocated based on the cost estimate.

2.2 Table for measurement

SN	Status on cost estimate and budget allocation	Yes	No
1	Budget allocation done after doing detailed cost estimate of all the physical infrastructure project that has cost estimate 500 thousand or more		
2	Budget allocation done after doing detailed cost estimate of 75 percent physical infrastructure project that has cost estimate 500 thousand or more		
3	In case of carryover projects, after doing detailed cost estimate, required budget for the current FY allocated		

2.3 Method of providing points: If there will be (v) in first and third boxes of "Yes", two points, if there is (v) in second and third box of "Yes" one point, and zero otherwise.

2.4 Sources for verification

Detailed list of projects that have cost estimate 500 thousand or more for current FY that are was approved by DDC council in last FY , annual district development plan.

Indicator: 3 Operation and Maintenance of projects

3.1 Explanation of the indicator and basement of its law/policy

As per article 214 If Act, completed projects must be handed over to users committee or concern agency and implementation and maintenance must be done. Similarly, according to law 54 of regulation 2064, maintenance fund must be established and transfer the budget accordingly.

3.2 Table for measurement

SN	Status of maintenance fund	Yes	No
1	Updated record/inventory of completed physical infrastructure projects mentioning the status of the project.		
2	Establishment of operation and maintenance special fund and disburse at least 3 percent from internal income to it.		
3	Service charge collected from the users for maintenance		
4	Maintenance of the project done from the operation and maintenance fund after formulating activity.		

3.3 Method of providing points: If there will be (√) in all boxes of "Yes", two points, if there is (√) in any three box of "Yes" one point, and zero otherwise.

3.4 Sources for verification

- Inventory of all completed physical infrastructure project, decision on establishment of operation and maintenance special fund and details of account, decision to collect service charge and financial details.

Indicator: 4 Periodic District Development Plan

4.1 Explanation of the indicator and basement of its law/policy

According to article 195 of the Act, there must be periodic district development plan and annual district development plan must be prepared duly addressing it.

4.2 Table for measurement

SN	Status on the Periodic District Development Plan	Yes	No
1	Periodic District Development Plan in place		
2	District Development Plan of current FY developed duly addressing the goal, objectives and indicators of it		

4.3 Method of providing points: If there will be (v) in all boxes of "Yes", 1 point, and zero otherwise.

4.4 Sources for verification

- Periodic district development plan and annual district development plan

Indicator: 5 District Transport Master Plan (DTMP)

5.1 Explanation of the indicator and basement of its law/policy

Roads, bridge and rural roads must be selected and implemented in accordance with DTMP.

5.2 Table for measurement

SN	Implementation status of District Transport Master Plan (DTMP)	Yes	No
1	Approved District Transport Master Plan (DTMP) covering the current fiscal year in place		
2	The roads, bridge and rural roads in the district selected from the DTMP.		

5.3 Method of providing points: If there will be (v) in all boxes of "Yes", two points, if there is (v) in one box of "Yes" one points, and zero otherwise.

5.4 Sources for verification

- Observation of District Transport Mater Plan (DTMP) and annual district development plan

Indicator: 6 Environments and Energy Management

6.1 Explanation of the indicator and basement of its law/policy

According to the provision made in article 189 (1)(GA) and (GHA), district development plan must allocate the budget for water, electricity, forest and environment and expenditure done accordingly.

6.2 Table for measurement

SN	Status on electricity and environment management	Yes	No
1	Environment Management Plan (EMP) provisioned in infrastructure development projects.		
2	Planning and implementation of water, electricity and energy sector done		
3	Planned and implemented activities that minimize the effect of climate change		
4	District level policy on heavy machinery and equipment approved and implemented		

Note: "Heavy equipment and machinery" means equipment that make hazard for environment (Bulldozer, Excavator, Roller, Loader etc) that displace the labor work.

6.3 Method of providing points: If there will be (v) in any three of "Yes", 2 points, if there is (v) in any two box of "Yes" one point, and zero otherwise.

6.4 Sources for verification

- District development plan, approved district level policy on heavy machinery and equipment in place

Indicator: 7 Cross cutting sectors included in participatory plan implementation

7.1 Explanation of the indicator and basement of its law/policy

Sectors like environment protection, disaster risk management and child friendly governance must be anchor with participatory planning process and take approval from the DDC council.

7.2 Table for measurement

SN	Status on village profile	Yes	No
1	DDC has district level policy in place on environment protection, disaster risk management and child friendly governance		
2	District development plan having program and activities to implement the policy, allocate the budget and made expenditure accordingly.		

7.3 Method of providing points: If there will be (v) in boxes of "Yes", two points, and zero otherwise.

7.4 Sources for verification

- Measurement table of DDC containing policy for all mentioned sector, annual progress report

Indicator: 8 Targeted Group Development Program

8.1 Explanation of the indicator and basement of its law/policy

Program and activity-wise budget as specified in the resource management plan must be allocated for the direct benefit of targeted groups.

8.2 Table for measurement

SN	Status on targeted group development	Yes	No
1	Targeted group development criteria and prioritization for overall district in place and use it for the development of targeted group development program.		
2	Projects selected based on the prioritization done by		

	participatory planning process		
3	Minimum budget as specified in the resource mobilization operational manual allocated for the targeted groups in current FY		

8.3 Method of providing points: If there will be (√) in all boxes of "Yes", two points, if there is (√) in any two box including 3 of "Yes" one point, and zero otherwise.

8.4 Sources for verification

- District development plan, decision book of DDC board, details of selected program from the participatory planning process.

Working area group no: 2 Planning and budget management

Indicator #	Name of Indicator	Allocated point	Total point of group	Minimum point to be received
9	Revenue/resource projection	2	25	10
10	Projection and collection of internal income	4		
11	Distribution of internal income	2		
12	Establishment and operation of special funds	1		
13	Project contract and budget expenditure	3		
14	Quality of financial transaction	2		
15	Donation/financial assistance (<i>arthik sahayeta</i>)	1		
16	Financial audit and unstated amount	3		
17	Settlement of the unstated amount	3		
18	Procurement management	3		
19	Implementation of refundable account/deposit account (<i>Dharauti Khata</i>)	1		

Indicator: 9 Revenue/resource Projections**9.1 Explanation of the indicator and basement of its law/policy**

As specified in the article 196 of the Act, entire resource that can be generated in the district must be projected before preparing annual plan and program.

9.2 Table for measurement

SN	Resource projection	Yes	No
1	Entire revenue/resource projected before preparing annual plan and program		

9.3 Method of providing points: If there will be (v) in box of "Yes", two points, and zero otherwise.

9.4 Sources for verification

- Revenue/resource projection study report, district development plan

Indicator: 10 Projection and collection of internal income**10.1 Explanation of the indicator and basement of its law/policy**

Internal income must be projected using the right of DDC mentioned in article 215, 216, 217 and 218 of the Act. Revenue must be collected accordingly with the projection.

10.2 Table for measurement

SN	Status on collection of revenue	Yes	No
1	Internal income projected in every FY		
2	Collected more than 20 percent revenue compare to previous FY of last FY,		
3	Collected 10-20 more revenue compare to previous FY of last FY,		

Note: Revenue distribution, loan, donation are not included under this provision.

10.3 Method of providing points: If there will be (v) in first and second boxes of "Yes", four points, if there is (v) in first and third boxes "Yes" two points, and zero otherwise.

10.4 Sources for verification

- Feasibility study report on revenue/internal income, annual district development plan and annual financial details.

Indicator: 11 Distribution of Internal revenue/resources**11.1 Explanation of the indicator and basement of its law/policy**

According to article 215 and sub article (3) and article 218, 35 to 50 percent of the total revenue collected from tax and sales must be distributed to concern municipalities and VDCs.

11.2 Table for measurement

SN	Status on distribution of internal revenue	Yes	No
1	Prepare the details of internal revenue to be distributed to the municipality and VDCs specifying the name of municipality and VDCs.		
2	Distributed 35-50 percent collected total revenue that must be distributed to concern municipality/VDCs		
3	All the budget that must be distributed disbursed in the same FY		

Note: Out of revenue collected in previous FY of last FY, distribution done in the last FY will be based.

11.3 Method of providing points: If there will be (√) in all boxes of "Yes", two points, If there will be (√) in any two boxes "Yes", one (1) and zero for otherwise.

11.4 Sources for verification

- Annual program and budget of DDC, details of disbursement of budget to concern VDC, municipality as specified by law.

Indicator: 12 Establishment of special funds and its implementation**12.1 Explanation of the indicator and basement of its law/policy**

According to law 54 of financial and administrative regulation, 2007, special funds must be established and allocate budget to it.

12.2 Table for measurement

SN	Status on the establishment and implementation of special funds	Yes	No
1	Established all funds and allocate budget to all funds		
2	Program/activity implemented out of the budget to concern sector		

12.3 Method of providing points: If there will be (√) in all boxes of "Yes", one (1) points, and zero for otherwise.

12.4 Sources for verification

- District development plan, approved decisions from the DDC council, manual and criteria.

Indicator: 13 Project contract and budget expenditure

13.1 Explanation of the indicator and basement of its law/policy

It is strictly prohibited to make more than 40 percent expenditure of total allocated capital budget from Baisakh-Asar (May-July) of FY and more than 20 percent expenditure in Ashar (June-July) of every FY. DDC cannot distribute to new activity/program, disburse budget, contract out of activity/project, issuing advance or delegate authority of expenditure from the end of Baisakh (May-June) onward of FY.

13.2 Table for measurement

SN	Status on coordination between budget disbursement and project implementation	Yes	No
1	Sixty (60) percent of annual allocated budget expenditure done at the end of Chait (April-May) of FY		
2	No more than 40 percent expenditure of total allocated capital budget from Baisakh-Asar (May-July) of FY and no more than 20 percent expenditure in Ashar (June-July) done		
3	No any contract out done after the end of Baisakh (May-June) against capital budget project.		

13.3 Method of providing points: If there will be (v) in all boxes of "Yes", three (3) points, If there will be (v) in any one box "Yes", two (2) and zero for otherwise.

13.4 Sources for verification

- Situation of DDF, district development plan, progress review report, authority of expenditure, monthly expenditure details from Chait- Ashar (April-June), decisions of DDC board meeting.

Indicator: 14 Quality of financial transactions

14.1 Explanation of the indicator and basement of its law/policy

According to law 190, 191 and 192 of financial and administrative regulation, advance settlement must be done in specified time maintained updated details of it.

14.2 Table for measurement

SN	Status on quality of financial transactions	Yes	No
1	No advance due remain in last FY's expenditure		
2	Up to five percent advance remain on the expenditure of last FY		

3	Settlement of 75 percent of total advance of previous FY of last FY		
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Note: Measurement will be done if the DDC has advance balance at the end of FY after deducting the grant to VDCs and municipalities

14.3 Method of providing points: If there will be (√) in first and third boxes of "Yes", two (2) points, If there will be (√) in second and third boxes "Yes", one (1) and zero for otherwise.

14.4 Sources for verification

- Details of advance on total expenditure in last FY, details of advance remain in previous FY of last FY and details of total settlement.

Indicator: 15 Donation/financial assistance

15.1 Explanation of the indicator and basement of its law/policy

Financial assistance must be done within the specified limit as mentioned in law 53 of financial and administrative regulation. Financial assistance can be done only after allocating the budget as per headings mentioned in the financial and administrative regulation as provisioned in law 53 of financial and administrative regulation and duly approved by DDC council. No financial assistance can be done for political parties, their sister organizations, institutions, association or individual.

15.2 Table for measurement

SN	Status on the donation/financial assistance	Yes	No
1	Donation/financial assistance do not cross the limit as specified in law		
2	No donation/financial assistance done to political parties, their sister organizations and institutions		
3	No donation/financial assistance done for civil servant organization		

15.3 Method of providing points: If there will be (√) in all boxes of "Yes", one (1) points, and zero for otherwise.

15.4 Sources for verification

- Decision of DDC board meeting and details of expenditure

Indicator: 16 Financial audit and unstated amount (Beruju)

16.1 Explanation of the indicator and basement of its law/policy

Total audit objection of previous FY of last FY of DDF when the financial audit was done, unstated amount must be within the limit as specified by the ministry.

16.2 Table for measurement

SN	Limit of unstated amount	Yes	No
1	There is 1.25 percent or less unstated amount of the total financial transaction (total expenditure and income)		
2	There is more than 1.25 percent but less than 2.0 percent audit objection of the total financial transaction (total expenditure and income)		

16.3 Method of providing points: If there will be (v) in first box of "Yes", three (3) points, and if there will be (v) in second box of "Yes" two (2) point and zero for otherwise.

16.4 Sources for verification

- Final audit report of auditor general and conversation letters from ministry

Indicator: 17 Settlement of unstated amount (*Beruju*)

17.1 Explanation of the indicator and basement of its law/policy

Total audit objection of DDF until the date of previous FY of last FY, settlement done as specified percentage by the ministry and updated inventory of audit objection is kept.

17.2 Table for measurement

SN	Status on settlement of audit objection	Yes	No
1	Out of total unstated amount, 75 percent or more settlement done		
2	Out of total unstated amount, minimum of 45 percent and less than 75 percent settlement done		

17.3 Method of providing points: If there will be (v) in first box of "Yes", three (3) points, and if there will be (v) in second box of "Yes" two (2) point and zero for otherwise.

17.4 Sources for verification

- Deletion of audit objection from the record of unstated amount in the last year, proof of the settlement, status of unstated amount of previous FY of last FY, report of auditor general, correspondence from the ministry, covering letter of settled unstated amount, progress report of ministry on settlement of unstated amount, record of unstated amount.

Indicator: 18 Procurement Management

18.1 Explanation of the indicator and basement of its law/policy

Annual procurement plan must be prepared as mentioned in law 5 incorporating sub-law 6 of law 62 of financial and administrative regulation 2007. If incase the approved program/budget amended, procurement plan must be amended and get approval accordingly. E-bidding and annual work operation table should be in operation.

18.2 Table for measurement

SN	Status on annual procurement plan	Yes	No
1	Annual procurement plan of approved program/activities for the current FY prepared and approved by DDC before the end of Ashad (June-July)		
2	Approved procurement plan forwarded to ministry before the end of shrawan (July-Aug)		
3	The implementation plan/calendar of operation of all project and activities for current FY approved by DDC in last FY.		
4	Approved calendar of operation publicized keeping in website and published notice		
5	E-bidding system in operation		

18.3 Method of providing points: If there will be (v) in all boxes of "Yes", three (3) points, if there will be (v) in four including first and fifth boxes of "Yes" two (2) point, if there will be (v) in three including first boxes of "Yes" one (1) point and zero for otherwise.

18.4 Sources for verification

- Proven procurement plan for DDC for current FY, calendar of operation/work plan, annual progress review report, proof of e-bidding system in operation.

Indicator: 19 Refundable/deposit account operations

19.1 Explanation of the indicator and basement of its law/policy

Trust deposit account must be in operation under the financial and administrative regulation 2007 and its law 173, 175, 180 and 181. No expenditure from the trust deposit account can be done in other purpose and when the purpose is finished the money should be deposited to DDF.

19.2 Table for measurement

SN	Status on operation of trust deposit account	Yes	No
1	Money deposited in deposit account is not used for other purpose and pay back done the amount that must be pay back.		
2	Record of no payback of the deposit maintained well within the time frame		
3	Transfer of deposit done to DDF that was not pay back and the purpose has been finished to DDF as income		

19.3 Method of providing points: If there will be (v) in all boxes of "Yes", one (1) points, and zero for otherwise.

19.4 Sources for verification

- Details of refundable/deposit account

Working area group no: 3 Budget disbursement, expenditure and program implementation

Indicator #	Name of Indicator	Allocated point	Total point of group	Minimum point to be received
20	Revenue/resource projection	3	16	6
21	Projection and collection of internal income/revenue	3		
22	Distribution of internal income/revenue	3		
23	Establishment and operation of special funds	2		
24	Project contract and budget	3		

	expenditure			
25	Quality of financial transaction	2		

Indicator: 20 Expenditure of annual allocation

20.1 Explanation of the indicator and basement of its law/policy

Out of approved annual program and budget for last FY, all the annual allocated budget and total capital budget must be expended within the same FY.

20.2 Table for measurement

SN	Status on annual allocation and expenditure	Yes	No
1	Out of total approved budget for district development plan, 90 percent or more budget expended		
2	Out of total approved budget for district development plan, 80 percent or more budget expended		

20.3 Method of providing points: If there will be (√) in both boxes of "Yes", three (3) points, if there will be (√) in boxes of "Yes", two (2) points and zero for otherwise.

20.4 Sources for verification

- Approved annual program and budget, financial details, internal financial audit and report of financial audit of auditor general.

Indicator: 21 Expenditure of targeted group development program

21.1 Explanation of the indicator and basement of its law/policy

According to resource mobilization operational manual, budget allocated for the targeted group development must be expended for same group.

21.2 Table for measurement

SN	Status on allocation and expenditure to targeted groups	Yes	No
1	Out of total allocated budget for targeted group development in last FY, 80 percent or more expenditure done for the same		
2	Out of total allocated budget for targeted group development in last FY, 60-80 percent expenditure done for the same		

21.3 Method of providing points: If there will be (v) in first box of "Yes", three (3) points, if there will be (v) in second box of "Yes", two (2) points and zero for otherwise.

21.4 Sources for verification

- Decision register/book of budget allocation, annual district development plan, financial details, details of work completion as per allocation.

Indicator: 22 Administrative Expenditure

22.1 Explanation of the indicator and basement of its law/policy

According to article 220 of the Act, budget comes from revenue distribution (*rajashwo bandfand*) cannot be expended in administrative purpose. Under the law 55 of financial and administrative regulation, out of real income in last FY, expenditure must be done following limit as specified.

22.2 Table for measurement

SN	Status on administrative expenditure	Yes	No
1	Administrative expenditure done following the specified limit in law		
2	No expenditure done from the money received from revenue distribution (<i>rajashwo bandfand</i>)		

22.3 Method of providing points: If there will be (v) in boxes of "Yes", three (3) points, and zero for otherwise.

22.4 Sources for verification

- Details of expenditure budget received under revenue (*rajashwo bandfand*) and administrative expenditure from the internal income.

Indicator: 23 Budgets for Agriculture and Livestock Development Program

23.1 Explanation of the indicator and basement of its law/policy

According to article 189 (1) (KA), district policy on agriculture and livestock must be formulated and implement activities accordingly.

23.2 Table for measurement

SN	Status on program, budget for agriculture and livestock	Yes	No
1	Policy related to agriculture and livestock development formulated and implemented		
2	Budget allocated from the DDF in agriculture and livestock related		

	program in last FY		
3	At least 80 percent expenditure done out of allocation in last FY		

Note: Projects that fall under sectoral plan, area-wise plan or demanded project during participatory planning process should be addressed while allocating the budget.

23.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, if there will be (√) in two boxes including one of "Yes", one (1) points and zero for otherwise.

23.4 Sources for verification

- District agriculture and livestock development policy, allocated budget in district development plan for agriculture and livestock and expenditure against allocation.

Indicator: 24 Status on formation of user's committee

24.1 Explanation of the indicator and basement of its law/policy

Article 208 and 209 of act and law 155 and 156 of financial and administrative regulation must be followed while forming the user's committee.

24.2 Table for measurement

SN	Status on formation of users committee	Yes	No
1	The user's committee that fulfill the following conditions contracted out for project implementation: <ul style="list-style-type: none"> • Form after publicizing notice by DDC for the attendance from among the beneficiaries of the project • Committee formed in presence of representative nominated by the DDC in project site • At least 33 percent women participated in the committee including executive committee • Supervision and monitoring committee formed 		
2	Immediately after the contract out and before the project implementation orientation training provided to the users committee member		

24.3 Method of providing points: If there will be (√) in both boxes of "Yes", two (3) points, if there will be (√) in second box of "Yes", one (1) points and zero for otherwise.

24.4 Sources for verification

- Minute on formation of user's committee, project book, progress report submitted by the user's committee etc.

Indicator: 25 Management of drinking water and sanitation Sector

25.1 Explanation of the indicator and basement of its law/policy

Under the article 189 of act, DDC must work in drinking water and sanitation sector. Since it is insisted by the millennium development goal, DDC must work for the development of this sector.

25.2 Table for measurement

SN	Status on drinking water and sanitation sector management	Yes	No
1	Water Sanitation and Hygiene (WASH) plan prepared		
2	Allocated specified budget for drinking water hygiene and sanitation and additional allocation from other sources and expenditure done accordingly		
3	Under the "Open Defecation Free" campaign, at least 10 percent VDC declared as ODF and continue plan development to declared municipality and VDC ODF		
4	Continuous program implemented in the ODF declared VDC and municipality for the sustainability of ODF program ⁵		

25.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, if there will be (√) in any three boxes of "Yes", one (1) points and zero for otherwise.

25.4 Sources for verification

- Water Hygiene and Sanitation (WASH) plan in place, annual district development plan and annual progress review report.

Working area group no: 4 Monitoring, evaluation, communication and transparency

Indicator #	Name of Indicator	Allocated point	Total point of group	Minimum point to be received
26	Project Information Board	2	26	10
27	Condition of website	3		

28	Public hearing	2		
29	Social Audit	2		
30	Public Audit and Disbursement of budget to User's Committee	2		
31	Gender Responsive Budget	2		
32	Monitoring, evaluation and reporting	3		
33	Quality Assurance of Project and project completion and settlement	2		
34	Impact Evaluation of the Projects	2		
35	Social Protection Program	3		
36	Vital Registration and Inventory Management	2		
37	Implementation of District Poverty Monitoring and Analysis System	1		

Indicator: 26 Project Information Board

26.1 Explanation of the indicator and basement of its law/policy

Based on the resource mobilization operational manual, project information board (covering name of the project, brief detail of the work, total cost, sources to bear the cost, name of user's committee or the name of contractor, total beneficiary, project covered area, date of completion of the project etc) of the project that have estimated cost more than 500 thousand must be displayed. It must be displayed at the inception of the project at the project place provisioning in the contract.

26.2 Table for measurement

SN	Status on the information board	Yes	No
1	Before implementation of all the project that has cost estimate more than 500 thousand, project information board displayed at the project site		
2	Project information board displayed at the project site of 75 percent or more projects that have cost estimate more than 500 thousand, before the implementation of project		
3	Project information board displayed in DDC at eye place of all,		

	covering the information, name of the project, brief detail of the work, total cost, sources to bear the cost, name of user's committee or the name of contractor, total beneficiary, project covered area, date of completion of the project, of the projects that have project cost more than 500 thousand		
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26.3 Method of providing points: If there will be (√) in first and third boxes of "Yes", two (2) points, if there will be (√) in any second and third boxes of "Yes", one (1) points and zero for otherwise.

26.4 Sources for verification

- Decision of DDC, project inventory book and project contract, files of the projects that have been completed and in-situ observation.

Indicator: 27 Website and its management

27.1 Explanation of the indicator and basement of its law/policy

Footing on the Article 212 of Act and law 3 (KHA) of regulations regarding the right to information, all the information of DDC including VDCs on the income and expenditure, activities must be publicize publicly by the DDC as per specified format in the financial and administrative regulation. For the purpose updating website at least following information should be kept:

1. District Periodic Plan
2. Annual district development plan (program and budget) book of at least two FY including current FY
3. Financial Audit Report of at least two FY
4. Income and expenditure details of last two FY as specified in financial and administrative regulation annex 5 (related to sub law (1) section (KA) of law 60)
5. Income and expenditure details of last two FY of all VDCs as specified in financial and administrative regulation annex 2 (related to sub law (1) section (KAH) of law 18)
6. MCPM result of DDC and MC result of all VDCs until now
7. List of individuals who received social protection allowance in last two FY
8. District Profile
9. Citizen chartered and organizational structure
10. Details of staff

27.2 Table for measurement

SN	Status on website management	Yes	No
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1	Website in operation as keeping IP address as specified format by the ministry		
2	Provisioned responsible staff to disseminate the information from website and official e-mail		
3	Updated website keeping all the information mentioned above		

27.3 Method of providing points: If there will be (v) in all boxes of "Yes", three (3) points, if there will be (v) in any two including third boxes of "Yes", two (2) points and zero for otherwise.

27.4 Sources for verification

- Website address, kept specified information in the website, management of updating website.

Indicator: 28 Public hearing

28.1 Explanation of the indicator and basement of its law/policy

As provisioned in Good Governance (management and execution) act 2007, regulations 2008 and local body public hearing operational manual 2010, DDC must organize public hearing at least 3 times on development and service delivery in different trimester.

28.2 Table for measurement

SN	Status on conducting public hearing	Yes	No
1	At least three (3) public hearing conducted, assuring at least one in a trimester		
2	Addressed on the suggestions received in the public hearing		
3	Discuss and decision made in the DDC board meeting on the suggestions received in public hearing		

28.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, if there will be (v) in any two boxes of "Yes", one (1) points and zero for otherwise.

28.4 Sources for verification

- Attendance register of the public hearing, decision and report, DDC board meeting decision addressing suggestions in the public hearing.

Indicator: 29 Social Audits

29.1 Explanation of the indicator and basement of its law/policy

As provisioned in law 201 of financial and administrative regulation, social audit on the activities undertaken in one FY must be done within four (4) month of completion of FY. The social audit must be organized assuring access to all people in the social audit. Social audit report must cover the good job and weaknesses. The report must include strength, weakness as specified format in social audit operational manual.

29.2 Table for measurement

SN	Status on Conducting Social Audit	Yes	No
1	Social Audit done ³ within four (4) month of completion of last FY in presence of all stakeholders		
2	Prepare report and publicize the social audit report through website		

29.3 Method of providing points: If there will be (√) in both boxes of "Yes", two (2) points, if there will be (√) in one box of "Yes", one (1) points and zero for otherwise.

29.4 Sources for verification

- Notice published (photocopy of the published paper, record of the radio, proof of sticking notice in the notice board, invitation letter, attendance of social audit and decision).

Indicator: 30 Public audits and budget release for user's committee

30.1 Explanation of the indicator and basement of its law/policy

In addition to provisioned done in current manual related to user's committee, act and regulation, information on the budget received by the user's committee must be informed to the beneficiaries.

30.2 Table for measurement

SN	Status on disbursement of budget to user's committee	Yes	No
1	Provisioned done in the contract paper that the all the user's committee must inform the beneficiaries on the first and final installment budget received		
2	DDC disbursed the budget based on the proof of informing installment received to the beneficiaries		
3	Received report of public audit done during the time of project		

³ Stakeholders included line agencies, active political parties at local level, journalist, representatives of civil society, NGOs included in the district planning, federation of chamber of commerce and industry

	completion declaration		
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30.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, if there will be (√) in two boxes of "Yes", one (1) points and zero for otherwise.

30.4 Sources for verification

- Project contract paper, project completion report, report of public audit, project inventory book.

Indicator: 31 Gender responsive budget

31.1 Explanation of the indicator and basement of its law/policy

For the attainment of inclusive development in district development plan, DDC must prepare gender responsive and inclusive district development plan, implement it and gender responsive budget audit must be done in annual basis following the gender budget audit guideline 2007.

31.2 Table for measurement

SN	Status on planning and implementation of gender budget audit	Yes	No
1	Planned for gender responsive and inclusive activities done		
2	Activities and budget implemented as per planning		
3	Gender responsive budget audit done		

31.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, if there will be (√) in two boxes of "Yes", one (1) points and zero for otherwise.

31.4 Sources for verification

- District development plan, annual progress report and gender responsive and inclusive budget audit report.

Indicator: 32 Monitoring, evaluation and reporting

32.1 Explanation of the indicator and basement of its law/policy

As per resource mobilization operational manual, report must be submitted to the ministry in trimester basis forming supervision and monitoring committee and undertake the monitoring and evaluation of activities implemented in the district. Monitoring of the project and activities (including NGO and line agencies) must be done regularly selecting the project/activities to represent all geographical regions and report must be submitted to DDC.

32.2 Table for measurement

SN	Status on monitoring and evaluation	Yes	No
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1	Formation of monitoring and supervision committee		
2	DDC did field monitoring of at least 20 percent VDCs and submitted written report		
3	Conducting the monitoring of the project regularly, report submitted in trimester basis		
4	Discussion and decision done in DDC board meeting on monitoring report of monitoring of projects and activities implemented by DDC and VDCs.		

32.3 Method of providing points: If there will be (v) in all boxes of "Yes", three (3) points, if there will be (v) in three two boxes including first and fourth of "Yes", two (2) points and zero for otherwise.

32.4 Sources for verification

- Decision of the DDC board on the formation of monitoring and evaluation committee, details of monitoring and evaluation report, office copy of covering letters forwarded to ministry.

Indicator: 33 Project Completion and settlement

33.1 Explanation of the indicator and basement of its law/policy

As per article 213 of act, law 201 of regulation, law 51 of financial and administrative regulation and resource mobilization operational manual, project completion and settlement must be done.

33.2 Table for measurement

SN	Status on project completion and declaration of completion	Yes	No
1	Settlement of implemented and completed project done in the same FY		
2	Project settlement done within 35 days after receiving the written project completion report		
3	Handing over of the completed projects to the stakeholders for the proper operation		

33.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, if there will be (v) in second and third boxes of "Yes", one (1) points and zero for otherwise.

33.4 Sources for verification

- Project completion report, final monitoring, decision of project settlement and approval from DDC council.

Indicator: 34 Impact evaluations of projects and activities

34.1 Explanation of the indicator and basement of its law/policy

Impact study of the project of cost estimate more than 20 million implemented by DDC must be done two years after the completion of the projects as provisioned in law 206 of regulation.

34.2 Table for measurement

SN	Status on impact evaluation of projects	Yes	No
1	Impact evaluation of the specified project done in specified time frame		
2	Impact on poverty reduction, production, employment, ecology and environment covered in the impact evaluation		

Note: Impact evaluation means, change have been made in livelihood, employment, poverty reduction, access to services, social, environment, ecology and holistic development due to project implementation.

34.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, if there will be (√) in one box of "Yes", one (1) points and zero for otherwise.

34.4 Sources for verification

- Impact evaluation report of previous FY of last FY that was completed at the cost more than Rs. 20 million.

Indicator: 35 Social security/protection Program

35.1 Explanation of the indicator and basement of its law/policy

Detailed list of individual who are eligible to get social security/protection allowance in all VDCs and municipalities must be updated in forwarded to Ministry before Magh (Jan-Feb) of the current FY. Progress on distribution of social security/protection allowance must be forwarded on trimester and annual basis. The advance taken for social security/protection allowance must be settled in time as specified by the law

35.2 Table for measurement

SN	Status on social protection program	Yes	No
1	Updated list of individuals who are eligible to get social security/protection allowance in the current FY prepared at the		

	end of Magh (Jan-Feb) of last FY and forwarded to ministry.		
2	Detail updated list forwarded on trimester and annual basis after deleting the names		
3	Advance settled as specified by law and in time frame		

35.3 Method of providing points: If there will be (v) in all boxes of "Yes", three (3) points, if there will be (v) in two including one boxes of "Yes", two (2) points and zero for otherwise.

35.4 Sources for verification

- Updated list of individual who are eligible for getting social security/protection allowance of VDCs and municipalities, advance settlement and distribution details of social security/protection allowance forwarded to ministry in trimester and annual basis.

Indicator: 36 Vital registration and its inventory management

36.1 Explanation of the indicator and basement of its law/policy

Detailed list of vital registration forwarded to ministry in monthly and annual basis after collecting the details of vital registration from VDC and Municipalities.

36.2 Table for measurement

SN	Status on social protection program	Yes	No
1	Vital registration (birth, death, marriage, migration/immigration, divorce) officer nominated		
2	Vital registration (birth, death, marriage, migration/immigration, divorce) record collected from VDC and Municipality and prepared updated list		
3	Monthly and annual report forwarded to ministry		

36.3 Method of providing points: If there will be (v) in all boxes of "Yes", three (3) points, and zero for otherwise.

36.4 Sources for verification

- Letter of staff appointed and given ToR, inventory management and reports forwarded to ministry.

Indicator: 37 District Poverty Monitoring and Analysis System (DPMAS)

37.1 Explanation of the indicator and basement of its law/policy

Using the specified software DDC must analyzed the contribution done in poverty sector due to project implementation including contribution done by the line agencies and forwarded to ministry and national planning commission.

37.2 Table for measurement

SN	Status on social protection program	Yes	No
1	Installed DPMAS software		
2	After analyzing the poverty status at the end of last FY, report forwarded to ministry and national planning commission before the end of Shrawan (July-Aug) of current FY		

37.3 Method of providing points: If there will be (√) in both boxes of "Yes", one (1) points, and zero for otherwise.

37.4 Sources for verification

- Installation of DPMAS software and report forwarded to ministry and national planning commission

Working area group no: 5 Organization management and job responsibilities transparency

Indicator #	Name of Indicator	Allocated point	Total point of group	Minimum point to be received
38	Organizational Development (OD) study, reward and punishment	3	17	7
39	Details of property/assets	2		
40	MCPM measurement of VDC	2		
41	Staff meeting	1		
42	Inquiry desk and provision of nodal office	2		
43	Capacity development plan	1		
44	VDC social mobilization	2		
45	Local body consolidated /unified committee	1		

46	NGO coordination and mobilization	3		
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Indicator: 38 Organization development study, reward and punishment

38.1 Explanation of the indicator and basement of its law/policy

Organization development study must be done or the organizational structure must be updated in specified time frame (3 FY). List of the staff with clear job description must be prepared as per article 249 of the act and provided to each staff. Reward and punishment as per job description must be implemented.

38.2 Table for measurement

SN	Status on social protection program	Yes	No
1	Study on organization development or analysis of updated organization structure		
2	Provided detail job description to the staffs		
3	Section-wise responsibilities given to the staff considering the indicators of MCPM		
4	Based on the job description and developing indicators, evaluation on the job performance done and implemented reward and punishment		

38.3 Method of providing points: If there will be (v) in all boxes of "Yes", three (3) points, if there will be (v) in two boxes of "Yes", two (2) points and zero for otherwise.

38.4 Sources for verification

- Report on organization development study or review on the organizational structure and documents clarifying the job description of the staffs. Details, ensuring that the staff is working as per job description. Proof on the reward and punishment after evaluation the performance of the staff system applied to section-wise staff duly considering the MCPM indicator.

Indicator: 39 Property/asset details

39.1 Explanation of the indicator and basement of its law/policy

As per the corruption control act 1997 (2059), all the staff working in last FY should forward the property/asset detail to the concern authority in specified time frame of last FY.

39.2 Table for measurement

SN	Status on asset detail	Yes	No
1	All the staff under civil servant prepared their property/asset details and submitted and that report forwarded to civil servant inventory/book center (<i>Nijamati Kitabkhana</i>) in specified time frame		
2	All the staff under local bodies prepared their property/asset details and submitted and that report forwarded to place as specified by the ministry in specified time frame		

39.3 Method of providing points: If there will be (v) in both boxes of "Yes", two (2) points, if there will be (v) in one box of "Yes", one (1) points and zero for otherwise.

39.4 Sources for verification

- Registration of the property/assets details and forward details and information that detail is received.

Indicator: 40 VDC's MCPM measurement

40.1 Explanation of the indicator and basement of its law/policy

As per VDC MCPM operational manual 2009 (with amendment and revision) DDC must undertake VDC MCPM in time and forward to the secretariat.

40.2 Table for measurement

SN	Status on VDC MCPM measurement	Yes	No
1	Orient all the evaluators after selecting them in specified time		
2	Provided comments on preliminary draft report of MCPM after receiving the report from the evaluator		
3	Forwarded final report to secretariat in specified time		

40.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, and zero for otherwise.

40.4 Sources for verification

- Details on the evaluator selection, orientation, comments on the preliminary draft report and details of the report forwarded to secretariat.

Indicator: 41 Staff meeting

41.1 Explanation of the indicator and basement of its law/policy

Regular staff meeting must be hold, discuss and decision done on the DDC plan, progress of the activities, problems, solution measure and work done by the staff as per job description.

41.2 Table for measurement

SN	Status on VDC MCPM measurement	Yes	No
1	At least 3 meeting ensuring that at least one meeting hold in a trimester		
2	Decision done on the implementation status of previous meeting decision		

41.3 Method of providing points: If there will be (√) in all boxes of "Yes", one (1) points, and zero for otherwise.

41.4 Sources for verification

- Number of meeting, attendance register of the meeting and decision in the minute.

Indicator: 42 Establishment of inquiry desk and assign nodal officer

42.1 Explanation of the indicator and basement of its law/policy

DDC must establish inquiry desk and assure effective service delivery from the nodal officer.

42.2 Table for measurement

SN	Status on inquiry desk and nodal officer	Yes	No
1	Work done after establishing inquiry desk		
2	Assign nodal officer		
3	Collection of complain done and action taken on the complain		

42.3 Method of providing points: If there will be (√) in all boxes of "Yes", one (1) points, and zero for otherwise.

42.4 Sources for verification

- Decision on the establishment of inquiry desk of DDC council or DDC board, condition on the operation of inquiry desk, decision or letter of assign the nodal officer.

Indicator: 43 Capacity development plan

43.1 Explanation of the indicator and basement of its law/policy

As per the resource mobilization operational manual, DDC must prepare capacity development plan to meet the objective and responsibility of the organization. This plan must be approved by the DDC council and updated and included in the district development plan and budget.

43.2 Table for measurement

SN	Status on inquiry desk and nodal officer	Yes	No
1	Prepare capacity development plan and updated (in every 3 years)		
2	Capacity development plan and activity approved by the DDC council and 80 percent expenditure done out of allocation on it		

43.3 Method of providing points: If there will be (v) in both boxes of "Yes", one (1) points, and zero for otherwise.

43.4 Sources for verification

- Capacity development plan, DDC council decision, budget and activity details

Indicator: 44 VDC Social Mobilizations

44.1 Explanation of the indicator and basement of its law/policy

As per the social mobilization manual, DDC must select local service providers, social mobilize, and formation of ward citizen forum / citizen awareness center and planning, budgeting and allocation of budget must be done on the basis of prioritization.

44.2 Table for measurement

SN	Social mobilization in VDC	Yes	No
1	In the VDC where social mobilization implementing, ward citizen forum formed in all VDC and are in operation		
2	At least one citizen awareness center established and in operation in all the VDCs where social mobilization is implementing		
3	Out of received budget for social mobilization, 80 percent expenditure done		
4	Integrated annual report of work done by the social mobilize prepared		

44.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, and zero for otherwise.

44.4 Sources for verification

- Financial detail, annual progress report, social mobilization progress report

Indicator: 45 Local body consolidated (Samyouckta) committee

45.1 Explanation of the indicator and basement of its law/policy

As per the law 273 (GA) of regulation, unified committee among the local bodies must be formed. DDC council must approved the formed local body unified to increase income and its utilization for the sustainable development of natural resources, its management and well managed plan of other sectors.

45.2 Table for measurement

SN	Local body unified committee	Yes	No
1	Inter local body (DDC/VDC/Municipality) consolidated committee formed		
2	Unified committee functional and coordination done among the local bodies		

45.3 Method of providing points: If there will be (√) in both boxes of "Yes", one (1) points, and zero for otherwise.

45.4 Sources for verification

- Decision of the DDC council on the formation of local body consolidated committee, correspondence letter between the local bodies.

Indicator: 46 Coordination of NGO and mobilization

46.1 Explanation of the indicator and basement of its law/policy

To incorporate the program of budget of NGOs active in the district and to mobilize them there must be regular coordination and monitoring of the NGOs and NGO profile should be prepared.

46.2 Table for measurement

SN	Status on NGO coordination and mobilization	Yes	No
1	DDC assign contact officer or staff for NGO coordination		
2	Profile of NGOs active in the district prepared		
3	Recommendation for renewal for the last FY done based on the		

	financial audit and progress reports		
4	Incorporate the program budget in last FY and review done accordingly		
5	Monitoring of the program done that were included in last FY district development plan		

46.3 Method of providing points: If there will be (v) in all boxes of "Yes", three (3) points, if there will be (v) in any four boxes of "Yes", two (2) points, and zero for otherwise.

46.4 Sources for verification

- District development plan, annual progress review and monitoring report, assigned letter mentioning responsibility to the staff and NGO profiles.

Chapter IV

Quality Assurance Audit

Quality assurance audit is done to increase the level of confidence and truthfulness on the Minimum Conditions and Performance Measures that directly affect the capital grant provided by the Government of Nepal to the DDC. Following are the objectives of this audit:

- Make effective and reliability of MCPM process
- Make real and quality MCPM report
- Increase professional accountability of the evaluators
- Provide feed-back for improvement in the measurement process

4.2 Selection of the DDCs for quality assurance audit

Using the appropriate methods as specified by the secretariat 10 percent DDCs shall be selected. Prime basis for DDC selection shall be MCPM preliminary report.

4.3 Audit team and methods

As mentioned in this operational manual, audit team will be formed for quality assurance of MCPM. But no evaluator should be selected for quality assurance from among the evaluator who was involved in MCPM study of the same FY. The institution that did MCPM measurement for the same FY of DDC could not be eligible to do quality assurance study of the same district. Method of quality assurance study shall be as specified by the secretariat. The selected evaluator team should submit the report after completing assessment in specified format designed by the secretariat.

4.4 Result of the quality assurance audit

In case, quality assurance audit report identify and proof that the MCPM evaluator who report by twisting the information, wrong interpretation of the information or altering the result due to negligence or falling on the influence, remaining payment of such evaluators will be withheld and keep them in black list. However, before taking any action, concern evaluators is allowed time for their clarification on it.

Chapter V

Evaluation and implementation

5.1 Management of Minimum Conditions and Performance measures

MCPM shall be done by secretariat of local body fiscal commission as provisioned in the law 273 (GHA) of guideline. Additional capital budget to be granted by Government of Nepal to the DDC is determined duly on the result of MCPM study. Secretariat provides sufficient information to concern DDC before the initiation of MCPM study.

5.2 Pre planning before conducting MCPM

Secretariat shall select the institution and evaluators to undertake MCPM study using transparent method and process. Training on evaluation method, system and indicators will be provided to selected evaluation team. Secretariat shall depute facilitator to facilitate the MCPM study as per requirement.

Concern DDC will be informed on the tentative date of arrival of evaluation team by the secretariat well in advance. Before finalizing the report submitted by the evaluation team, the report shall be forwarded to concern DDC for their comment. After receiving the comments from the concern DDC, report will be finalized. The final result of the MCPM will be publicizing.

5.3 MCPM implementation and supervision management

5.3.1 Provision of supervision and management committee

Supervision and management committee for the analysis of MCPM measurement will be formed as follow. The committee will supervise, facilitate and take necessary action for solving the problems arise during study and function for smooth operation of MCPM study.

Supervision and Management Committee

a) Secretary- Ministry of Federal Affairs and Local Development (MoFALD)	Chairperson
b) Joint Secretaries (all divisions)- MoFALD	Member
c) Member Secretary, Local Bodies Fiscal Commission	Member
d) Director General- Infrastructure and Agriculture Road (DoLIDAR)	Member
e) Joint Secretary (Deputed to oversee Local Development), National Planning Commission Secretariat	Member

f) Joint Secretary (deputed to oversee Program and Budget)- Ministry of Finance	Member
g) Representative Federation of District Development Committee	Member
h) National Program Manager- LGCDP (until LGCDP in operation)	Member
i) Under Secretary, Secretariat of Local Body Fiscal Commission	Member

The committee shall invite the representatives of donor agencies, concern government and non government agencies during the course of its operation

5.3.1.1 Role, responsibility and rights of supervision and management committee

Following functions of supervision and management will be done by this committee:

- (1) Provide necessary directives to the secretariat to undertake MCPM study
- (2) Undertake and ask to undertake supervision and monitoring of the MCPM study
- (3) Provision of required mechanism to undertake quality assurance of MCPM study
- (4) Implement or ask to implement the MCPM study effectively and efficiently
- (5) Approve the MCPM result paying due consideration on the quality assurance study

5.3.2 Facilitation and management sub-committee

To assist the supervision and management committee and support secretariat for the management of MCPM measurement following facilitation and management sub-committee will be formed:

a) Member Secretary- Local Body Fiscal Commission	Coordinator
b) Under-Secretary, Local Body Assistance Section, Ministry of Federal Affairs and Local Development (MoFALD)	Member
c) Under-Secretary, MoFALD, Financial and Administrative Section	Member
d) Under-Secretary, MoFALD, Act, Law Consultation Section	Member
e) National Program Director, Local Governance and Community Development Program (LGCDP)	Member
f) Under-Secretary, Local Body Fiscal Commission	Member
g) Under-Secretary, MoFALD, Fiscal and Administrative Section	Member
h) Under-Secretary, MoFALD, Act, Law Consultation Section	Member??
i) Section Officer- Local Body Fiscal Commission	Member secretary

Note: Representatives from the concern donor agency shall be invited in the sub-committee meeting

5.4 The evaluation team

Individuals who have following qualification and experience as specified in the table underneath will be assigned for the evaluation. The team will undertake the MCPM study independently and submit the report to LBFC. Team formation will be as follows:

SN	Qualified individual	Nos	Study area	Qualification	Remarks
1	Evaluator (Local Governance)	1	Decentralization, planning, monitoring and evaluation, institutional development, good governance, planning process, local development and local good governance	At least five years of experience after having masters degree	Based on the work experience one person shall be team leader and other shall be a member among the two individual
2	Evaluator (Financial Management)	1	Income-expenditure analysis, budget management, commodity good management, resource mobilization and management	Masters degree in related subject and at least five years experience in related field	

5.5 Method of evaluation

The evaluation team should inform before they reach to the concern DDC. After reaching to the district, the team should organize orientation program inviting concern staff, political parties and other stakeholders in the district. Clear information should be given on the indicators, definition and explanation of the indicators, effects of evaluation in the future, required information and the time line for getting the information will be delivered in the orientation.

Certified documents of the information and facts should be collected from the concern section of DDC as per the MCPM indicators. Field verification visit or consultation/discussion with concern stakeholders should be done as per requirement to have better insight on the indicator. Conditions of different sections under the organization structure of the DDC, project-wise public hearing in the field, display of project information board in the project site should be observed.

If in case the facts and specified documents are cannot proved it is assumed that minimum condition is not meet. Similarly, in case of performance measures, specified point should be given. Departmental action on the basis of prevailing law will be taken the person who prepared/submit/certify the documents during the course of MCPM study.

5.6 Provision for Hearing on the result of MCPM

The evaluator shall be submitted MCPM study report Local Body Fiscal Commission (LBFC). LBFC will review the report and provide comments/suggestion (if any) to the evaluation team. After incorporating the comments/suggestion from the LBFC, the evaluation team will prepared final report and submitted to LBFC. This report will be forwarded to concern DDC for their review and comments. In case the DDC is not convinced with the report of evaluation team, DDC shall appeal for hearing to secretariat within 15 days of report received with support documents of the truth. The appeal will duly hear by the secretary in Ministry of Federal Affaire and Local Development shall review and final decision shall be done as follows:

- Examine the facts and figures submitted
- Ask additional information from the institution that conduced MCPM and the evaluation team member.
- If the additional means of verification is seems not sufficient, evaluation will be done from the next team.
- Thus the final decision on the appeal will stands on appeal hearing officer

No appeal will be hear without any proof. Departmental action shall be taken against the DDC staffs if appeal is done producing fault information.

If the appeal done by the DDC found correct, secretariat will bear the cost for re-evaluation. But if the appeal is not found correct, the cost occurred for the re-evaluation shall be charged to concern DDC. If in case, the DDC will not forward the charged amount; it will be taken after deducting from the grant allocated by ministry to DDC or other sources. If any serious fault observed on the evaluation done earlier, the list of such evaluator will be prepared and they will be ineligible for this evaluation in the times to come.

Note: The secretariat shall amend the evaluation team, method of evaluation and appeal hearing provision.

Chapter VI

Role of Central Level Agencies of Government of Nepal

It is not possible to apply the indicators as per MCPM operational manual with single efforts. It will be easy to fulfill the indicators as mentioned in this manual, if the central level agencies will perform the jobs related to local bodies in time. Effective and meaningful implementation of this manual will be assured only when the other agencies will bear following roles:

National Planning Commission

1. As per article 195 of Local Self Governance Act, budget ceiling and directives should be forwarded before the end of Kartik (Nov-Dec)
2. Approve and forward the annual program to be implemented at the grass root level in time.
3. Discourage the practice of approval and ask to implement the activities to the local bodies (that are not included in the annual program budget) at the middle or end of the FY.

Line Ministries

1. The directives on the planning under the own sectors/discipline should be forwarded before the end of Kartik (Nov-Dec).
2. Disburse the budget under revenue distribution as specified by the prevailing act, law, bylaw and manual in specified time by concern department and ministry.
3. Discourage the practice of approval and ask to implement the activities to the local bodies (that are not included in the annual program budget) at the middle or end of the FY.

4. Prepare DDC's capacity development plan and program for the effective implementation of activities related to own ministry.

Ministry of Finance

1. The directives on the planning under the own sectors/discipline should be forwarded before the end of Kartik (Nov-Dec).
2. Budget disbursement and authority of expenditure forward in time
3. Discourage the practice of approval and ask to implement the activities to the local bodies (that are not included in the annual program budget) at the middle or end of the FY.
4. Disburse the budget to the concern ministry that should be forwarded to local bodies under the revenue distribution to the local bodies so that the ministries shall forward it in time.

Ministry of General Administration

1. No transfer should be done at the middle of the fiscal year going beyond the civil servant act and law that adversely affects the activities of local bodies.
2. Unless there is any special situation occurs, if the request for transfer comes, never agree on the transfer at the middle of the fiscal year going beyond the civil servant act and law that adversely affects the activities of local bodies.

Ministry of Federal Affairs and Local Development

1. The directives on the planning under the own sectors/discipline should be forwarded before the end of Kartik (Nov-Dec).
2. Forward the directives that is to be done of own behalf
3. Discourage the practice of approval and ask to implement the activities to the local bodies (that are not included in the annual program budget) at the middle or end of the FY.
4. No staff transfer of staff going beyond the civil servant act and law that will adversely affect the work of local bodies
5. The human resource management related works like staff transfer, deputation, performance evaluation, reward, study tour or training should be integrated with MCPM measurement result.
6. Gradually consolidate the conditional grant budget with the result of MCPM measurement.

7. Forward the manual, operational guideline and directives before the inception of FY
8. Develop capacity development program for DDC and implement effectively

Chapter VII

Code of Conduct

1. Code of Conduct to be followed by evaluators

The selected institutions and evaluators should follow following code of conduct

- a) Participate in the orientation program that is conducted by the secretariat
- b) No any hospitality should be accepted from the DDC and not financial burden should be given to the DDC during the evaluation
- c) Both the evaluators should visit together to the DDC to conduct the evaluation in specified time
- d) No DDC vehicle should be used unless it requires to for field visit during the course of evaluation
- e) No any undue advantage taken by influencing or pressurizing them while conducting the evaluation
- f) After completing the field visit, the experiences and learning during the evaluation shall be discussed with the stakeholders but no result of MCPM measurement shall be flash out.
- g) No evaluation done in the way that affect on the service delivery of the DDC
- h) Evaluator should undertake evaluation job under their respective domain of professionalism but write the report together
- i) Leave the district after taking certified letter entitled "Evaluation work completed". No additional document should be asked from the DDC after back from the district.

2. Code of conduct to be bear by the DDC

- a) Manage the evaluation that will not incurred financial burden to the DDC
- b) No payment done against the lodge and food of the evaluators
- c) No vehicle offer to the evaluator unless it requires for field visit to undertake evaluation
- d) No influence done or exert the pressure to the evaluators for evaluation
- e) Assist the evaluators by providing the evidence document, facts, proves as requested by the evaluator
- f) No fault documents should be prepared with the objective of influencing the evaluation

- g) No any additional job (consultancies etc) should be offered to the evaluator before or after the evaluation with the objective of influencing the evaluation
- h) No any efforts should be done to receive the evaluation result as it will be publicized by the secretariat
- i) Forward the letter after the completion of evaluation of same subject

Chapter VIII

Grant distribution based on MCPM result

The additional unconditional grant to the DDC will be distributed based on the MCPM result using following criteria:

- a) If the DDC fail to perform minimum condition, no any additional capital grant shall be provided despite the specified minimum capital grant.
- b) If the minimum condition is fulfilled and minimum score/points in performance measure will not be met, 20 percent capital budget shall be deducted from the provisional capital budget.
- c) Among the MCPM passed DDCs three each best performing VDC will be provided additional 20 percent capital budget.

Distribution of the capital budget for the remaining DDCs will be done as follows:

- From among the list of higher score DDCs 25 percent DDC will receive 15 percent additional capital budget
- Next 25 percent DDCs from the list will receive 10 percent additional budget
- The capital budget will be deducted by 10 percent from among the next 25 percent DDCs from the list
- Remaining 25 percent DDCS who are at the bottom of the list will get capital budget deducting 15 percent from the allocation.