

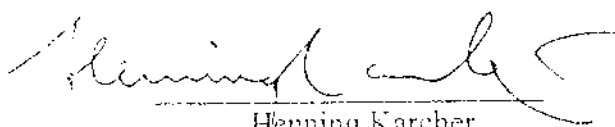


Joint Note on the Management of the National Execution (NEX) Modality in Nepal


The UNDP Country Cooperation Framework (CCF) for Nepal for the period 1997-2001 mentions National Execution as the preferred modality for UNDP assistance to His Majesty's Government of Nepal (HMG). Over the past few years, there has been a rapid acceleration in national execution which represents now the chosen execution modality for 61 % of all projects and programmes supported by UNDP. In line with the Executive Board decision of 7 February 1997 and at the request of HMG, the UNDP Country Office (CO) is assisting the Foreign Aid Coordination Division (FACD) of the Ministry of Finance and various line Ministries in the implementation of their programmes and projects under the NEX modality.

Principal areas of support relate to recruitment, awarding of subcontracts, procurement, training and disbursement of funds. A broad indication of the person-hours involved is provided as an attachment. UNDP has recruited a number of staff-members who work primarily on NEX support in addition to the time dedicated by regular staff to this purpose. In this context, HMG has agreed that a 3% support costs from projects under NEX modality will be charged to bear the cost of UNDP Country Office support activities. This charge will be made two times per year at the time when consolidated delivery reports are received.

The intention of UNDP is to gradually transfer the functions related to the NEX modality to HMG at an appropriate time in the future. Specifically, following a review of performance at the end of the CCF cycle, due consideration will be given to promoting a closer integration of the NEX modality into the FACD administrative structure under joint HMG/UNDP oversight.


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Date: 11/6/99


Madhav P. Ghimire
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Date: 4/7/99

