



Ministry of Federal Affairs and General Administration
Provincial and Local Governance Support Programme

National Executive Committee Meeting

Aide Memoire

The 1st meeting of the National Executive Committee of the Provincial and Local Governance Support Programme (PLGSP) was held under the chair of Mr. Yadav Prasad Koirala, Secretary, Ministry of Federal and General Administration on 29 November 2019 to discuss and endorse the Annual Strategic Implementation Plan of PLGSP as well as the proposal on Technical Assistance Service Provider for PLGSP. The Head of the Missions, senior officials of line ministries, representatives from development partners and local governments associations attended the meeting.

Mr. Koirala welcomed the participants and mentioned that PLGSP aims to strengthen the capacity of provincial and local governments so as to make them able to deliver services effectively to citizens as per the spirit of the Constitution of Nepal. He pointed out that federalism is a new concept for Nepal and local level is the center of development. Mr. Koirala gave emphasis on achieving measurable results to assess the transparency and accountability of local governments. He also mentioned that until and unless local governments are capable, no one can expect effective service delivery as envisioned in the constitution.

Finally, on behalf of the Government of Nepal, the chair expressed gratitude to development partners for their continued support in the area of governance reform.

Agenda of the meeting

1. Highlights on Implementation Status of PLGSP
2. Highlights on ASIP 2019/20

3. Highlights on proposal for Technical Assistance Service Provider for PLGSP
4. Discussion
5. Decisions
6. Closing remarks

Highlights on Implementation Status of PLGSP

Mr. Jayanarayan Acharya, National Programme Director/Joint Secretary highlighted in brief implementation status of PLGSP. Mr. Acharya mentioned that the Government of Nepal has approved the Provincial and Local Governance Support Programme progdoc on 22 August 2019 and Development Partners viz. Department for International Development, Swiss Agency for Development Cooperation, Norwegian Embassy, and European Union have signed Joint Financing Arrangement on 4 September 2019. Moreover, he mentioned that Memorandum of Understanding has been signed by 7 Provincial Governments to implement PLGSP. Additionally, he highlighted that Provincial Implementation Units have been established in all provinces and four Provincial Governments have established Provincial Coordination Committees. All the provinces have prepared annual strategic implementation plan 2019/20 in consultation with concern stakeholders. The Ministry of Federal Affairs and General Administration has received the proposal for Technical Assistance Service Provider from UNDP and it has been reviewed and assessed.

II. Highlights on Annual Strategic Implementation Plan 2019/20.

Mr. Acharya presented in brief the Annual Strategic Implementation Plan 2019/20 of PLGSP. He mentioned that ASIP is prepared in line with guiding principles such as facilitate provincial and local governments in the exercise of devolution, promote accountability to the citizens in governance process, mainstreaming GESI for addressing unequal power relations and pursue a rights-based, demand responsive and participatory approach to provincial and local governments. The ASIP 2019/20 has been prepared by adopted a strategy to The strategy adopted a strategies to i) provide conditional grants to the Provincial Programme Implementation Units to formulate and implement provincial annual strategic implementation plan, ii) provide grants to 753 local governments to implement specific activities, iii) mobilize the Provincial Programme Implementation Units in coordination, facilitation and monitoring of PLGSP activities at local level, iv) focus on developing legislations, policies, guidelines, manuals and frameworks which can be

used by the provincial and local governments, and v) focus on strengthening coordination among the three tiers of government.

Mr. Acharya elaborated in brief major activities proposed in ASIP 2019/20 to be implemented at federal, provincial and local level. Following are the activities by outputs

The proposed activity under output 1 is to formulate model laws and operational guidelines in support of provincial and local governments. In case of output 2 the proposed activities are ii) review and revise Annual Planning Guidelines for provincial and local governments, iii) develop planning and monitoring software for local government, iv) develop training standardization tools for quality control and prepare training modules and iv) conduct baseline survey of PLGSP. In case of output 3, the proposed activities are i) strengthen Inter Provincial Coordination Council Secretariat, ii) support to National Coordination Council Secretariat to organize meetings and disseminate decisions and iii) strengthen Provincial Coordination Council Secretariat.

In case of output 4 the major activities are i) formulate Acts and regulations of provincial governments and ii) review existing Acts and regulations adopted by LGs and provide necessary feedback for improvement. The proposed activities under output 5 are i) prepare Provincial Periodic Plan, ii) mainstream GESI in PG and iii) develop conceptual framework of horizontal and vertical accountability tools for PG. Similarly, major activities under output 6 are i) develop IT based management system in OCMCM, ii) strengthen public financial management system of PG, iii) conduct citizens' satisfaction survey at LG level through civic societies. Similarly, the main activity under output 7 is establish Provincial Center for Good Governance (PCGG) by restructuring existing Regional Training Centers of LDTA.

Major activities to be implemented at local level are related to output 8 to output 14 which are as follows:

- Strengthen information management system of LG (753 LG).
- Introduce SUTRA in 753 local governments.
- Introduce Local Government Institutional Self- Assessment (LISA) in LG.
- Prepare periodic plan of LG.

- Mainstream GESI in local government.
- Prepare conceptual framework and guidelines of Innovative Partnership Fund (IPF)
- Prepare CD plan of local governments.
- Train/orient newly recruited 9000 staff of LGs
- Train/orient elected representatives and staff of Provincial and Local Governments.

The Total budget for 2019/20 is Rs 1755.3 million of which Rs 300million is GoN and JFA source and Rs 255.3 million is TA source.

Distribution of budget (GoN & JFA source) by three levels of government are as follows:

- Federal = Rs 398.17 million (26.54%)
- Province = Rs 647.50 million (43.17%)
- Local = Rs 454.33 million (30.29%)

III. Highlights on proposal for Technical Assistance Service Provider for PLGSP

Mr. Acharya elaborated in brief the contents of the proposal for Technical Assistance Service Provider for PLGSP submitted by the United Nations Development Partners.

The scope of work of the Technical Assistance Service Provider are as follows:

- Provisioning of human resources
- Supply of consultancy services
- Procurement of equipment and vehicles
- Maintenance of roster
- The total budget proposed by UNDP is USD 12.26 million of which USD 10.0 million will be provided by the Programme and contribution of UNDP is USD 1 million and USD 1.26 million is unfunded.

IV. Plenary Discussion

After the presentation by the National Programme Director the floor was open for discussions. Following are the major comments and feedback:

Ms. Hisa Honan, Head of DfID thanked the MoFAGA for organizing the NEC meeting and for providing the documents. She expressed satisfaction on what has so far been achieved in implementation of PLGSP. She said that she fully agreed with Mr. Koirala, Secretary of MoFAGA on the need for clear measurable results from the intervention at the local level for making sure that local governments are accountable and transparent and to be assured the transformation across the country. She also mentioned that the NEC meeting will give authority to Development Partners to release fund for PLGSP.

Ms. Cynthia Rowe, Head of Governance, DfID expressed happiness on the work so far done in PLGSP. She mentioned that ASIP has given priority in capacity building of provincial and local governments which is good but the flow of fund directly from the center to local government is a concern of Development Partners because there is fiduciary risks. The strategic suggestion of Development Partners is to provide fund to local governments through the Provincial Programme Implementation Units and Provincial Centers for Good Governance, which is the ultimate goal but it is not possible to do in the current year. She pointed out that some of the activities proposed at federal level such as orientation on GESI, orientation on LISA, orientation on annual plan formulation etc. should be under the provincial governments.

Ms. Cynthia mentioned that GESI activities, budget and milestones should be interlined each other. She also mentioned that EU milestones be reflected in ASIP. In case of Public Financial Management, she informed that it very important to have a close link and coordination between MoF, FCGO, and NNRFC because PFM is one of the important component of PLGSP. How the line between MoF, FCGO and NNRFC is planned to establish in strengthening PFM at subnational level. How the people participation is assured in formulation of annual plan of local government? She proposed to form a joint task force of MoFAGA and DPs to look in detail the ASIP.

Ms. Dagny Oyos, Head of Department, Embassy of Norway thanked MoFAGA for organizing the NEC meeting and for providing documents. She mentioned that Norway had signed bilateral agreement with GoN during the visit of Norwegian Minister of Development in Nepal. She echoed what Ms. Cynthia had expressed on mentioned that GESI is a high priority area of the Norwegian Government.

Mr. Ouidiu Mic, Head, European Union made a query on public financial management and fiduciary risks aspects of PLGSP especially related to revenue improvement action plan of local governments and electronic expenditure reporting by local governments on trimester basis. He reminded that the World Bank has completed the Capacity Needs Assessment of Sub National Governments and EU wants to consult with provincial governments to know their views on Capacity Need Assessment study report before signing the bilateral agreement.

Mr. Ramesh Prasad Shiwakoti, Joint Secretary, FCGO mentioned that Chart of Account should be same for all the local governments which has been approved by the FGCO. Regarding the reporting the financial statement through electronic media it is started with the implementation of SUTRA. FCGO had given training to 4500 staff on SUTRA. He mentioned that FCGO in coordination with MoFAGA and MoF will roll out SUTRA in 753 local governments. He also mentioned that Internal Control Guidelines for local governments has been approved and it will be introduced in local governments from 2019/20.

Mr. Chabi Rijal, Joint Secretary, OPMCM expressed happiness on the progress so far made in PLGSP and mentioned that it is the only national programme in the area of governance reform in federal context. He gave emphasis to address fiduciary risks aspects of local governments from the initial stage of PLGSP.

Mr. Kalanidhi Devkota, MUAN mentioned that PLGSP is about capacity building of local government but allocation of budget for local governments is only about 34 per cent of total budget. He also mentioned that MUAN is willing to support PLGSP in implementation of activities

Response on

Mr. Jayanarayan Acharya while responding the queries mentioned that more than 85 % of the total resources will go to the province and local governments to implement PLGSP activities. He also mentioned that USD 9 million has been allocated in PLGSP progdoc to strengthen public financial management system of provincial and local government through FCGO. Mr. Acharya mentioned that Provincial Governments have expressed willingness to take full ownership in implementation of PLGSP.

Closing

Mr. Yadav Prasad Koirala, Secretary, MoFAGA thanked all the participants for active participation and for valuable suggestions and comments. Mr. Koirala

mentioned that concerned raised by Development Partners is also the concern of MoFAGA and will be considered positively. Mr. Koirala pointed out that PLGSP has given focus on capacity building of local governments and substantial fund is required for that purpose. Furthermore, he highlighted that MoFAGA is designing a system to monitor how local governments have formulated annual plan and budget, how budget has been spent on activities and whether results have been achieved or not. He expressed hope that the decisions made in the first meeting of NEC will support to further enhance the capacity of provincial and local governments.

Decisions

1. The National Executive Committee expressed satisfaction on progress so far made in the implementation of the Provincial and Local Governance Support Programme (PLGSP) and acknowledged the receipt of Annual Strategic Implementation Plan 2019/20 including the Provincial Annual Strategic Implementation Plan 2019/20 of 7 provinces.
2. The National Executive Committee took note of the guiding principles, strategies and approach adopted to formulate the ASIP 2019/20 and recommends to revise the ASIP 2019/20 by incorporating the comments and suggestions of the Development Partners and other stakeholders.

To that end, the Committee recommended to form a Joint Task Force of three members (National Programme Manager/ PLGSP, Chief of Planning and Monitoring Section/MoFAGA and DP chair) to work on ASIP 2019/20. The Committee authorized the Ministry of Federal Affairs and General Administration to endorse the ASIP 2019/20 submitted by the Joint Task Force.

3. The Committee took note of the proposal submitted by the UNDP for Technical Assistance to the Provincial and Local Governance Support Programme with estimated budget USD 12.26 million. The Committee agreed in principle the scope of technical assistance and implementation modality and recommends MoFAGA to enter in financial agreement with UNDP for technical assistance for PLGSP.
4. The Committee endorsed the interim support arrangement to continue momentum in making PLGSP effective until the recruitment of TA staff.

List of Participants

S.N.	Name of the Participants	Designation	Organization
1	Mr. Yadav Prasad Koirala	Secretary	MoFAGA
2	Mr. Jayanarayan Acharya	Joint Secretary/National Program Director	MoFAGA/PLGSP
3	Mr. Ramesh Adhikari	Under Secretary /National Programme Manager	MoFAGA/PLGSP
4	Mr. Chabi Rijal	Joint Secretary	OPMCM
5	Mr. Gyanendra Poudel	Joint Secretary	MoWCSC
6	Mr. Krishna P. Duwadee	Joint Secretary	MoUD
7	Mr. Ramesh Prasad Shiwakoti	Joint Secretary	FCGO
8	Dr. Hari Bdr K.C.	Joint Secretary	MoALD
9	Mr. Resham Kandel	Under Secretary	MoFAGA
10	Mr. Laxmi Prasad Niraula	Under Secretary	
11	Mr. Bishnu Dutta Gautam	Under Secretary	MoFAGA
12	Mr. Amrit Lamsal	Under Secretary	MoFAGA
13	Mr. Suresh Prasad Nepal	Program Director	NPC
14	Mr. Surendra Thapa Magar	Under Secretary	MoFAGA
15	Mr. Rishi Raj Acharya	Under Secretary	MoFAGA
16	Mr. Rajesh Gautam	Under Secretary	MoFAGA
17	Mr. Parba Sapkota	Under Secretary	MoFAGA
18	Ms. HISA Honan	Head	DFID
19	Ms. Cynthia Rowe	H.Gov+SD	DFID
20	Ms. Dagny Oyos	Head of Dept	Norwegian Embassy
21	Ms. Vivian H. Gprish	1st Secretary	Embassy of Norway
22	Mr. Raj Kumar Dhungana	Gov. Advisor	Norwegian Embassy
23	Ms. Odile Humbuot	PO	EU
24	Mr. Ouidiu Mic	Head	EU
25	Ms. Silvana Hogg	Head of cooperation	SDC
26	Ms. Shradha Rayamajhi	Programme Officer	SDC
27	Mr. Edbert Pos	Gov.Advisor	DFID

S.N.	Name of the Participants	Designation	Organization
28	Mr. Sudip Pokharel	Governance	DFID
28	Mr. Yam Nath Sharma	Policy Advisor	UNDP

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