

(Final)



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

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## Third National Executive Committee Meeting

30 November 2020

### Aide Memoire

The 3<sup>rd</sup> meeting of the National Executive Committee (NEC) of the Provincial and Local Governance Support Programme (PLGSP) was held under the chair of Mr. Eak Narayan Aryal, Secretary of Ministry of Federal Affairs and General Administration (MoFAGA), on 30 November 2020. The main purpose of the meeting was to provide updates on the implementation status of PLGSP, approve the PLGSP Annual Progress Report 2019/20, and decide on the agenda proposed by PLGSP/PCU. Joint secretaries of MoFAGA, senior officials of sectoral ministries, representatives of the Joint Financing Agreement (JFA) partners, UNDP, and representatives of the local government associations participated in the meeting. The list of participants is provided in Annex 2. Considering the COVID-19 pandemic, the meeting was organized in a mixture of in-person and virtual modality. The meeting concluded with the following decisions. The discussion notes of the meeting are presented in Annex 1.

#### **Decisions:**

1. The NEC acknowledged MoFAGA's efforts to continue the PLGSP implementation although the COVID-19 crisis has continued to be a challenge since the last NEC of 29 June 2020. Further to this, the NEC acknowledges the effect that COVID-19 crisis has had on the overall implementation of the PLGSP, including the delay of the TA recruitment and suggests working together towards finding a way to move forward. The NEC requests MoFAGA/PLGSP PCU to follow-up with the Provincial Centres for Good Governance (PCGGs), Provincial Project Implementation Units (PPIUs), and

FCGO to expedite the implementation of the programme in the remaining period of this Annual Strategic Implementation Plan (ASIP). The NEC also directs MoFAGA PLGSP/ Program Coordination Unit (PCU) to review the progress and provide adequate support to the PCGGs in order to speed up the implementation of PLGSP.

2. The NEC found that the Annual Progress Report captured the progress against the ASIP July 2019 to July 2020 and reflected the challenges faced due to COVID-19 pandemic and the slow start up of the programme, and yet made good progress in establishing the key foundations for the implementation of the programme. The NEC approved the Annual Progress Report 2019/20.
3. The NEC acknowledged the efforts made by MoFAGA/PCU to operationalize the PCGGs. The NEC further directs MoFAGA/PCU to provide necessary support to Provincial Governments and coordinate with OCMCMs for effective operationalization of PCGG to expediate the provision of capacity development services to the local governments in line with the PLGSP programme document. The NEC directs the MoFAGA/PCU to provide regular feedback on the PCGG services and disseminate the model PCGG Operational Guidelines to ensure consistency and coherence on the services from the PCGG.
4. The NEC authorizes the PCU to develop the proposal for an Innovative Partnership Fund (IPF) Operational Guideline by the end of January 2021 in close consultation with Provincial and Local Governments, and in coordination with the JFADPs. The NEC directs MoFAGA/PCU to share the final draft IPF Operational Guideline at least one month before the next NEC date for review and approval. The NEC directs MoFAGA/PCU to submit the final IPF Operational Guidelines to the next NEC for final review and approval. The NEC requests MoFAGA/PCU to share the inception report with the DPs for review before the detailed design process is started.
5. The NEC directs MoFAGA/PCU to the baseline survey of the PLGSP as well as its Monitoring, Evaluation and Learning Framework by first quarter of

2021 in close coordination with the JFA DPs. The NEC directs MoFAGA/PCU to submit the baseline report and the Monitoring Evaluation Framework at the NEC meeting.

6. The NEC directs MoFAGA/PCU to submit the PLGSP Fiduciary Risk Reduction Action Plan in close coordination and discussion with the National Advisory Fiduciary Risk Management Sub Committee in the next NEC meeting for review and endorsement.
7. The NEC directs MoFAGA/PCU to address issues related to the unauthorized withdrawals from the foreign currency account and provide the necessary documentation to JFA DPs as soon as possible. The NEC also directs MoFAGA/PCU to ensure adherence to JFA rules and follow the conditions of the JFA.
8. The NEC noted that the PLGSP PCU has prepared several proposals for the programme related to supporting scholarship support for the PLGs staff, IT Support to MoFAGA, and support to the PCGG infrastructure and transfer budget from Capacity Development Plan to Periodic Plan. Considering that the proposal needs more technical discussions, the NEC delegates the ASIP amendment authority to a three members task team led by the MoFAGA's Planning Section, PLGSP National Programme Manager, and a representative from the JFADP to review and finalise the proposed amendments in the ASIP in consultation with the relevant stakeholders including the provinces, LGs and the JFADPs.
9. The NEC approves the Annual FMR (AFMR) for the fiscal year July 2019 to July 2020 by accepting that MoFAGA incorporates the inputs raised by the NEC.
10. The NEC acknowledges that the Procurement Monitoring Plan has captured most of the activities under the JFA whereas the procurement plan of Technical Assistance (TA) is not included. The NEC directs MoFAGA/PCU

to submit the final Procurement Monitoring Plan and the Procurement Report including the TA Procurement Plan in the next NEC meeting for approval.

11. The NEC asks MoFAGA to consider the effects of COVID-19 pandemic on the operating modality of the PLGSP and follow the principle “do no harm”. The NEC requests MoFAGA/PLGSP to review and update the COVID-19 contingency plan and to reflect it in the ASIP.
12. The NEC recommends MoFAGA/PCU to prepare and disseminate a short Provincial Annual Strategic Implementation Plan (PASIP) narrative guideline for provinces to help them prepare specific narrative with detailed activities that ensures achievement of the outputs and objectives. The NEC also stresses on the importance of proper and adequate consultations at all levels of government, including political representatives and not only limited to government officials, including but not limited to important tasks like PASIP and ASIP preparations. The NEC emphasises that the lead for PLGSP activities is at province level and should come from the Provincial Coordination Committee including coordination with other sub national governance programmes.

**Closing remarks:**

Cynthia Rowe, DP Chair, highlighted the unauthorized withdrawal from the FCA and requested MoFAGA to settle this issue in consultation with JFADPs and to ensure compliance of the JFA provisions. Urging on the importance of the IPF, she requested MoFAGA to submit the IPF guidelines in the next NEC meeting. She also requested PLGSP/PCU to share the IPF guidelines with JFADPs. She explained the implication of the COVID-19 crisis on the implementation of PLGSP. She urged on the need to build the foundations of federalism and to align the PLGSP funds to this end in accordance with the PLGSP mandates.

Mr. Eak Narayan Aryal, Secretary of Ministry of Federal Affairs and General Administration (MoFAGA) in his closing remarks, thanked all the participants for their feedback, suggestions, concerns, and commitments for

effective implementation of PLGSP. He assured to address the valuable feedback and suggestions to the extent possible. He pointed out on the growing expectations of the people from the government to address their pressing issues which range from effective service delivery to local economic development. He also urged on the importance of consolidating the federal institutions in the delivery of development outcomes. He also pointed out on the importance of peoples' ownership of the programme. He highlighted on the urgency to promote digital transformation and use of ICT in the public sector in a sustainable manner. He also highlighted on the opportunities and challenges for achieving the SDGs before 2030. He also expressed his satisfaction over the basket funding modality of the programme approach which brought the government and the development partners into one single forum for achieving common goals.

Mr. Aryal closed the meeting by thanking all the participants for their active participation and inputs provided at the meeting.

## **Annex 1: Discussion Notes**

1. Mr. Chiranjivi Timsina, the National Programme Manager (NPM) of PLGSP, welcomed all participants at the 3<sup>rd</sup> NEC meeting and briefly presented the agenda of the meeting.
2. Mr. Eak Narayan Aryal, Secretary of Ministry of Federal Affairs and General Administration (MoFAGA) addressed the hall by welcoming the participants and appreciating their in-person and virtual presence. He stated that the NEC provided a platform for discussion about the progresses and achievements of PLGSP, which was crucial not only for the PLGSP as such but also for realizing the national mission for “Prosperous Nepal and Happy Nepali”. He stated that various government-led sectoral programs had been introduced with the aims of promoting people-centric development that delivers tangible results for citizens.  
He pointed out that the constitution of Nepal introduced federalism and there were many issues related to coordination and cooperation among inter-governmental agencies (LGs, Federal, PGs). He further stated that capacity building of the staff of PLGs and the elected representatives was one of the major goals of the programme for achieving sustainable functioning of the local and provincial governments. The goal of the programme was to provide quality services to the citizens along with better infrastructure and economic development at sub-national level. He said that this national programme was also aimed to support the PLGs in improving their overall governance system. He further mentioned that better infrastructure was likely to improve peoples’ prosperity. He reiterated that PLGSP should focus on delivering on the results, engage in collaboration and coordination with stakeholders, and make concerted efforts to minimize the fiduciary risks.  
He mentioned the importance of people-centric development with a focus on building institutional capacity and digital transformation. He highlighted that MoFAGA would concentrate its efforts to support the PLGS in building their capacity to deliver outcomes that bring beneficial changes into the lives of citizens. He closed his remarks by thanking the participants while assuring collaboration with them for the successful implementation of PLGSP.
3. Mr. Chiranjivi Timisina, PLGSP NPM, shared the agenda as follows:

- I. Reflection on the 2<sup>nd</sup> NEC meeting decisions
- II. Update on the status of implementation of PLGSP, July – November 2020
- III. Discussion
- IV. Decisions
- V. AOB
- VI. Closing remarks

4. Cynthia Rowe, DP chair and FCDO Team Leader, Governance and Service Delivery Team, greeted everyone, by saying she was delighted to participate in the 3<sup>rd</sup> NEC meeting of PLGSP. She mentioned that this was an important event to review the financial progress, discuss key policy and government issues of the programme, and to approve the annual progress report. She appreciated the provincial governments for their efforts to respond even in this pandemic situation. She mentioned that they acknowledged and appreciated the efforts of PLGSP to substantially adapt to COVID-19 and mitigate challenges by providing collective support through the programme.

5. Mr. Chiranjivi Timisina, PLGSP NPM, who while reflecting on the decisions from the 2<sup>nd</sup> NEC, provided the following updates:

The ASIP 2019/20 implementation was expedited and institutional framework for the implementation was achieved.

- PCGGs were established through executive orders in all provinces.
- The comments from DPs on the ASIP 2020/21 were incorporated in the final version and the ASIP was approved.
- Drafting of the Innovative Partnership Fund (IPF) Operational Guidelines in cooperation with the Kathmandu University is ongoing and will be ongoing in January 2021.
- The baseline survey is underway, the collection of baseline information from secondary sources has been initiated. The ToR for qualitative/perception survey was finalized and initial discussion was held with the implementing agent, the Staff Colleague, to commence with the work. The ToR for Third Party Monitoring was finalized and comments from DPs were incorporated. The work will start after this NEC.

- MoFAGA is working on drafting the Fiduciary Risk Reduction Action Plan for PLGSP. Series of discussions were held with the relevant government agencies and ministries. The plan is expected to be ready to be presented at the NFRMASC for review by the end of January 2021.
- Regarding coordination with PCCs, coordination meetings were held with development partners in all provinces except for Lumbini, in order to build consensus to work jointly to avoid duplication and build synergies.
- Regarding strengthening the coordination with the LG associations, a workshop is planned in the ASIP 2020/21, which will be organized soon. He advised PPIU/PCG at province level to better coordinate with LG associations as well.

Mr. Timsina continued with the presentation of the progress made during the first trimester (16 July -15 November 2020), as follows:

**Output 1: Federal level institutions develop legislation and policies to support PLGs in a consultative manner:** The list of model laws to be drafted in support of Provincial and Local governments is ready, the ToR is prepared to hire a consultant. The review of LISA guidelines is completed and approved and uploaded on the website for wider use and sharing.

**Output 2: Federal level institutions develop tools and systems to support Provincial and Local Governments in a consultative process:** A consultant is hired to prepare Fiduciary Risk Reduction Action Plan, the work has started; Kathmandu University is engaged for drafting of training standardization tools for PCGGs and for drafting PLGs performance appraisal guidelines and the work has started. The Capacity Development Management Information System (CDMIS) software for PCGG is developed and is being operationalized by PCGG to manage all capacity development activities. The baseline information collection from secondary information is initiated while the ToR for perception survey is finalized and initial discussions were held with Staff College to start with the work. The ToR is finalized to conduct Third Party Monitoring of PLGSP, and the work will start in the next quarter. Personnel Information System (PIS) for Provincial Governments is being



prepared through department of Personnel Records and a consultant is being hired. The Study on local taxation policy is initiated from Resource Mobilization Section of MoFAGA. The ToR for mapping of donor support and ToR for stock taking of tools and knowledge products which are developed and used by government and development partners in the area of federal governance is ready and the task will be conducted by Foreign Aid Cooperation Section of MoFAGA. A consultant is hired, and the work has started to prepare audit arrear clearance strategy. A consultant is hired to prepare operational guideline on public expenditure management standards for LGs. A concept paper on periodic plan preparation and model ToR to hire a consultant is provided to PCGGs. The PCGGs will initiate the work.

**Output 3: Inter government administrative mechanism strengthened and functional.** A National Steering Committee (NSC) meeting could not be held yet because of COVID-19 pandemic and discussions are being held to conduct it this year. MoFAGA is working on developing fiduciary risk mitigation strategy and plans. The NAFRMSC will meet soon after the draft action plan is submitted, which is expected to be by the end of January 2021.

**Output 4: Provincial governments drafted legislation in a consultative manner.** The laws prepared by LGs are being identified to review and provide feedback for improvement in all provinces.

**Output 5: Modernized PG systems enable horizontal and vertical accountability to all citizens and mainstream GESI.** Concept notes were prepared for the formulation of GESI policy/strategy. Coordination meetings with development partners and programs were held in all provinces except in province 5, which will be done soon. Consensus was built to avoid duplication and build synergy.

**Output 6: PGs manage provincial public administration functions more effectively.** Province-2 identified activities to install IT based Office Management system in OCMCM. IT support was provided to seven provincial ministries in Bagmati province. E-monitoring and Reporting system for Provincial ministries is introduced and functioning in Gandaki Province

**Output 7: PCGGs made operational to deliver CD services. PCGG established through legislation in Gandaki and through executive order in all other provinces.** The transfer of assets from LDTA regional training center to PCGGs is completed in all Provinces. The Provincial Governments assigned Executive Directors along with support staff to PCGGs in all Provinces. PCGGs operational guidelines were drafted and shared with the Provincial Governments and other stakeholders. PCGGs will adopt the guidelines following necessary approval process at the province level.

**Output 8: Modernized LGs have strong administrative systems and accountable public financial management (PFM) system.** SuTRA is being implemented in 742 local governments and budget was approved through SuTRA. Procurement of live server was completed, and strong data backup system is now in place, and it will be operationalized from January 2021. 7 IT offices were deployed at provincial level providing support to the SuTRA implementation.

**Output 12: Implementation of IPF.** Agreement was signed with KU to prepare IPF operational guidelines. Preliminary discussion was held with KU and agreed on the inception plan. A communication was established with the international IPF expert and they started working together.

**Output 13: Elected representatives and civil servants at the provincial level are incentivized and trained for delivering high quality service.** A total of 6 training events (for the staff of provincial governments was conducted by Gandaki, Bagmati, Sudurpaschim and Karnali province despite of current COVID pandemic). A total of 144 staff including 51 women were trained. More events are being planned for the next quarter. Training needs were identified and prioritized and palikas were consulted. Some of the PCGGs initiated in-house training in small groups.

**Output 14: Elected representatives and civil servants at the local government level are incentivized and trained for delivering high quality services.** Training needs were identified and prioritized, and consultations were held with assembly members and provincial ministries. Some of the

PCGG initiated in-house trainings in small groups. Details on the progress against the outputs, activities and milestones is presented in power point presentation.

**Progress against COVID-19 Contingency Plan:** The Provincial and Local Governments used COVID-19 impact needs assessment framework and C-MIS in the planning of their programme and budget. For example, four Municipal Governments from Rupandehi, Gulmi Bardiya and Kapilvastu, took actions to provide local resources-based entrepreneurship development training for locally unemployed youth utilizing the C-MIS and COVID-19 impact need assessment guidelines/framework. They covered a total of 2021 households and mobilized resources of 83 million NPR from different sources (Source: Lumbini Province). The C-MIS of the local government was improved with additional detailed information on returnees including their skills and knowledge, which was very useful for the provincial and local government to offer entrepreneurship training and support. While conducting the training orientation on different thematic areas at the provincial level, the health protocol and protection and safety measures to cope with the COVID-19 pandemic have been applied.

**Update on the recruitment process of the new staff:** Out of 109 positions: 78 joined (72%), 17 in progress (15%), 14 yet to start (13%)

PCU:11	PPIU: 49	PCGG: 49
<ul style="list-style-type: none"> <li>• 8 joined</li> <li>• 3 in progress (driver)</li> </ul>	<ul style="list-style-type: none"> <li>• 35 joined</li> <li>• 7 in progress (driver)</li> <li>• 7 Yet to start (IPFE)</li> </ul>	<ul style="list-style-type: none"> <li>• 35 joined</li> <li>• 7 in progress (driver)</li> <li>• 7 Yet to start (IDE)</li> </ul>

**Procurement** of 17 vehicles, 3 PCU, 7 PPIU and 7 PCGG. Specification of three segments of vehicles was finalized. The public bid was opened on October 22, 2020. The deadline for bid submission was extended twice, namely, November 5 (original), November 17, and November 23. A total of 5 (five) bids were received by the deadline. The evaluation committee was

formed for the bid evaluation and the process is expected to be completed and vehicle purchased by end of June 15, 2021.

**Financial Progress (in million):** The total budget for the year 2020/21 is 3206 million NPR (of which GON contribution is 43.90 million and that of JFA is 3162.10 million NPR). The expenditure during the first trimester is 104.15 million NPR, (3.25 percent of the total annual budget planned for this year. The expenditure rate for the TA is 16.52 percent.

Particulars	Budget Planned in Million FY 2020/21	Expenditure (first trimester 16 July – Mid November 2020)	Percent of total annual budget	Remarks
GoN	43.90 NPR, 0.36 USD	2.43 NPR	5.54	
JFA	3162.10 NPR	101.72 NPR	3.21	
Sub-total	3206 NPR, 27 USD	104.15 NPR, 0.8977 USD	3.25	
TA	373.31 NPR, 3.146 USD	61.36 NPR, 0.52 USD	16.52	Off -the treasury
Grand total	3579.31 NPR, 30.146 USD	165.51 NPR, 1.42 USD	4.62	

**Challenges and lessons learned:** The uncertainties due to COVID-19 crisis persisted and impacted the programme implementation which lead to significantly low delivery of the programme budget. Therefore, adjusting of the PLGSP in the context of COVID-19 crisis is extremely important. The Provincial Governments have changed their priorities and more requests started coming for the ASIP revision. PLGSP feels it is extremely important that provinces require more time to follow an intensive consultative process to contextualize and reflect on the real local needs.

**Key priorities for the next quarter:**

- Expedite the programme implementation and budget delivery through regular follow-up/advise to provinces to focus on big budget items such as the CD plan, the periodic plans, and the roll out of LISA & SuTRA at the local government.
- Finalization of the IPF Operational Guidelines to support innovative ideas and projects envisioned by the local governments in the spirit of

the Programme Document, along with the finalization of the Fiduciary Risk Reduction Action Plan (FRRAP).

- A focus will be put on capacity building and strengthening of the institutional structure of the PCGGs, i.e., the Executive Committee, the sectorial units for effective delivery of the capacity development activities.
- Further to this, a complete baseline information collection will be finalized and the third-party monitoring of the PLGSP.
- In addition, the approach for the programme implementation will be customized to the COVID-19 context, such as organizing capacity building activities in small groups or virtually to the extent possible.
- Engaging with the universities and academic institutions for research & development and capacity building at sub national level in accordance with the strategic priorities of PLGSP framework will be fostered.

### **Plenary Discussion:**

Mr. Nawaraj Gelal, Spokesperson, Association of District Development Committee Nepal (ADDCN), mentioned that there were many issues and concerns with regards to participation of LGs's association in the programme that were raised in the 1<sup>st</sup> and 2<sup>nd</sup> NEC meeting where he had provided suggestions as well. He mentioned that the programme had to be result based, for which institutional transformation was required and they had not been involved even though they were directly linked with the local level. He enquired about the objectives of the third-party monitoring of the PLGSP planned for the next quarter.

While acknowledging the efforts made by the PLGSP, he mentioned that laws and regulations were developed, and they needed to be considered for good governance. The focus should be on good practices and engagement of municipal associations and rural municipalities' representatives. He further asked about the effect of the programme on the local governments and if the results could be seen at the local level.

Mr. Dil B. Chhetri, Under Secretary, MoF, started by describing the model of PLGSP and its goal. He further mentioned that needs assessment of LGs was important before capacity development of PLGs, adding that the World Bank, UNDP and MoF had conducted a Federalism Capacity Needs Assessment (FCNA) study and the report was handed over to MoFAGA. He mentioned that the need must be identified first and what had been identified as needs had to be clarified.

Mr. Chhetri mentioned that SNG capacity building was the goal and result of the project. The focus of the progress reports should be on the results and not only on activities. He further pointed out that the budget allocated by the project document for different results, system development, policies guidelines and similar should be followed. He asked that it was important how that had been planned and how would that be spread over the 4 years.

Mr. Chhetri commented that IT support to MoFAGA was planned but it was not clear as to how many IT officers were planned. He added that discussions on hardware and software were held during the start of the project and that they needed to be in the same line. He commented that since this was a huge project, he expected a lot of capacity building interventions, so that the Nepal Government would not re-prioritize capacity building again and that this project had to significantly contribute to the capacity building of the entire system.

Dr. Diwakar Luintel, Programme Director, NPC, commented that the presentation was good, and it would have been much better if the presentation and the decision points were shared in advance. He commented that achievements could be visible only through delivery. All three levels of governments service delivery had to be strengthened and the project needed to focus on them. He referred to what the Secretary had already mentioned namely that the digital transformation was crucial. He suggested to make the website more interactive in both PGs and LGs. He mentioned that IT had the power to bring people together and connect the local government to local level and the citizens and thus that had to be the focus of the programme as well. He mentioned that NPC had also made some plans provide IT support to PLGs which could be done in coordination with PLGSP.

Mr. Krishna Neupane, Secretary, ADDCN, mentioned that the capacity building of PLGs was a great initiative of the programme. He suggested to use the lessons learned from the past as there were examples through good practices of engaging associations in the LGCDP to reach out to the local level effectively. He mentioned that they had not been engaged in the guidelines that had been already drafted by the programme. He mentioned that the capacity had to be built in a way that could be sustainable. Mr. Neupane requested to engage the associations in the implementation of PLGSP, adding that if other agencies were not involved, the practical aspect of the programme could be missing. He further reiterated that LG associations had a role to play as representatives of the people, and they should be considered too. The CD plans had to look at the previous lessons learned, and more support needed to be given to the employees working for the local government to develop a sense of ownership.

Cynthia Rowe, DP chair and FCDO Team Leader, mentioned that the last NEC listed number of decisions, namely the institutional support to the PCGGs, the IPF and engagement of the DPs, and the Third-Party Monitoring. She mentioned that the spending was less than 5 percent and commented to start spending the budget. Additionally, she mentioned to continue with the GESI effort throughout the program. Further, she commented that the IPF principle was to make Provincial and Local governments fare and transparent. She mentioned to expediate the ToR on Monitoring, Evaluation and Learning framework and to submit the report at the next NEC.

Dagny Mjøs, DP Co-chair, Minister/Councilor/Head of Development Cooperation, Norwegian Embassy, greeted the participants and expressed pleasure for participating in the third NEC meeting of PLGSP, highlighting the importance of the meeting. She mentioned that the meeting was an important event for them to follow-up of the programme, being the most exciting nationwide governance programme in Nepal.

Dagny Mjøs agreed what Cynthia had said in the meeting and acknowledged the good coordination and collaboration between DPs and MoFAGA.

Appreciating that the MoFAGA had prioritised the targeted gender activities in the ASIP, she requested MoFAGA to ensure that all the cost units prioritise in the implementation of the targeted gender related activities. Similarly, Norway appreciated MoFAGA's efforts to include additional information in the FMR reflecting gender targeted expenditure. She requested MoFAGA to include an annex in the PLGSP FMRs for reporting on the GESI related expenditure in a regular basis. Norway appreciated MoFAGA for organising the NEC meeting in a regular basis and providing the updates on the progress and fiduciary risk action plan. As agreed in the JFA, she requested MoFAGA to prioritise organising the regular fiduciary risk advisory committee meeting to have a regular discussion on the fiduciary risk reduction action plan. Further, they wanted MoFAGA at the earliest possible to take necessary action to settle the issue of unauthorised drawdown from the FCA. Finally, she requested MoFAGA to hold NSC meeting to discuss some of the policy related issues i.e. establishing PCGG Act, following up on good governance act/policies of the Provincial Governments, discuss effective fiscal transfer and address the issue of effective intergovernmental coordination and collaboration.

She closed by saying that they were opened to closely working with MoFAGA to speed up the implementation of the programme so that the programme achieves its intended results.

Silvana Hogg, Deputy head of Mission, Head of Cooperation, Embassy of Switzerland, pointed out that activities in Province-1 were general and not well thought out and recommended to prepare the Provincial ASIP narrative with adequate consultation not only with government officials but also with other governance support programmes in the province. The clarification of the roles of the three tiers of government, especially the concurrent roles, needed to be done together with provinces.

Ayshane Labe, UNDP Resident Representative mentioned that adaptive management was tried for COVID-19 and that lots of efforts was put to take off with the project. She commented that the management was very complex, and coordination was also challenging. She mentioned that whatever they could do to consolidate activities with the government was already done, not



only coherence vis-a-vis the resources from the programme document but also along with other programs, and other DPs. She mentioned that there was already 100+ people to deliver in the provinces She mentioned that communication was important for going forward.

Mr. Bhes Prasad Bhurtel, Deputy-Financial Comptroller General Office, mentioned that Nepal is the first in South Asia to prepare report which included the financial data from the local level. He further added that SuTRA was implemented in almost all LGs except in a few and there was a need to upgrade SuTRA. He mentioned that they had been able to digitize the payment from the government side and Electronic Fund Transfer was the next in line. He mentioned that, that was important for generating revenue by designing model as per the requirements of the local level. He mentioned that if they could digitize the payment from the government then the systemic intervention will be leveled up. He mentioned that he could see big investment requirement for local level system service enhancement. He mentioned that internet was a problem in some LGs so in order to enhance the service quality in the provinces and local governments service centers need to be set up.

Mr. Bed Raj Phuyal, Under Secretary, NNRFC, mentioned that he had the opportunity to contribute in designing LISA indicators and guidelines which he considered was good. He commented that he would like to get such opportunity in the future.

Mr. Kalandhi Devkota, MuAN Executive Director, suggested PLGSP to work in collaboration with MuAN as mandated by the government. He raised a concern how they could be a part of the programme and how the programme saw their role. He reiterated that, that had been already mentioned at the last meeting, but nothing had changed. He mentioned that they were interested in having an active role in the programme.

### **Responses to the comments:**

The NPM, while clarifying the points, mentioned that the monitoring of LGs through SuTRA, LISA and similar had been planned for the associations. He further added that all the feedback received was noted and would be taken as inputs to improve the programme implementation.

Dr Gopi K. Khanal, National Programme Director, said that the PLGSP was a national framework for building the institutional capacity of federal governance in Nepal. He highlighted on the achievements and progress made in the programme. He mentioned that the handover over of the regional training centers of the Local Development Training Academy to provincial governments and the transformation of these centers into Provincial Centre of Good Governance was one key achievement made by the PLGSP. He mentioned that the PCU has drafted the model fiduciary risks reduction plan of PLGs. He also highlighted briefly on the model laws prepared for local governments. He further stated that MoFAGA had signed a MoU with Kathmandu University which would foster the collaboration with the academic institutions in building capacities for federalism in Nepal. He mentioned that MoFAGA was planning to have a similar collaboration with Institutes of Engineering in building of the technical capacity of PLGs. He urged on the importance of building technical capacity at sub-national level. He said that the PCU hired a consultant to draft the IPF operational guidelines. Mr. Dr. Khanal further mentioned that the duplications in the ASIP and the plans of provincial governments needed to be addressed. He highlighted on the importance of IT and digital transformation in the public sector. He also outlined the efforts made by PLGSP in ICT for local governments focusing on expanding the capacity of the servers for all provinces. He also mentioned that MoFAGA would collaborate with FCGO to incorporate the revenue aspects of local finance in SuTRA. He mentioned that SuTRA had a good expenditure side, but the revenue side was missing and needed to be integrated.

He added that they were trying to adapt this Programme and revisit it as per the challenging context of COVID-19 crisis. He said that GESI had been a priority of MoFAGA. Further to this, he mentioned that the Ministry had been working on advocacy, lobbying, and capacity building for women and their socio-economic empowerment. Finally, he appreciated all the feedback and suggestions made by participants in the meeting. He thanked all the participants for their support to the PLGS P and for their active participation.

## Annex 2: List of participants

S.N.	Name of the participant	Designation	Organization
1	Mr. Eak Narayan Aryal	Secretary	MoFAGA
2	Dr. Gopi K. Khanal	Joint Secretary/National programme Director	MoFAGA/PLGSP
3	Mr. Bishnu Dutta Gautam	Joint Secretary	MoFAGA
4	Mr. Rajiv Pokharel	Joint Secretary	MoFAGA
5	Mr. Narayan Prasad Aryal	Joint Secretary	MoFAGA
6	Ms. Sinthia Rowe	Head of Governance and Service Delivery	FCDO/British Embassy
7	Ms. Ayshanie Labe	Resident Representative	UNDP
8	Mr. Chiranjivi Timsina	Under Secretary/National Programme Manager	MoFAGA/PLGSP
9	Mr. Bhuwan Lohar	Administrative Officer	NARMIN
10	Mr. Nawaraj Gelal	Spokesperson	ADDCN
11	Mr. Dr. Diwakar Luintel	Program Director	NPC
12	Mr. Dil B. Chettri	Under Secretary	MoF
13	Mr. Krishna P. Dawadi	Joint Secretary	MoUD
14	Mr. Yubaraj Subedi	Joint Secretary	MoEST
15	Ms. Indira Thapa	Section Officer	MoWCSC
16	Mr. BedRaj Phuyal	Under Secretary	NNRFC
17	Mr. Bhes Prasad Bhurtel	Sub Controller	FCGO
18	Mr. Krishna Neupane	Secretary	ADDCN
19	Mr. Madhu Bishwakarma	Gov. Advisor	FCDO/British Embassy
20	Mr. Shyam Dahal	Section Officer	MoFAGA/PLGSP
21	Ms. Binda Magar	Advisor	UNDP
22	Mr. Hari P. Guragain	Administrative Officer	MoFAGA/PLGSP
23	Ms. Kirti Thapa	GESI Expert	PLGSP
24	Ms. Kristina Jovanovska	Governance Specialist	UNDP
25	Mr. Baburam Shrestha	PFM Expert	PLGSP
26	Mr. Chandra Kanta Sharma Poudel	Coordination and Monitoring Specialist	PLGSP
27	Ms. Dixita Silwal	HR and Liaison Expert	PLGSP
28	Mr. Basanta Raj Paudel	Account Officer	MoFAGA/PLGSP
29	Ms. Ranju K.C.	CO	MoFAGA/PLGSP
30	Mr. Surendra Bhandari	AFO	PLGSP
31	Mr. Bholu P. Gautam	PO	PLGSP
32	Mr. Bikram Khatiwada	IT & e-Gov Expert	PLGSP
33	Mr. Sambidhan Acharya	Consultant	PLGSP
34	Mr. Maha Prasad Guragain	Storekeeper	MoFAGA/PLGSP
35	Mr. Roman Khadka	Communication Assistant	PLGSP
36	Mr. Baikuntha Bhandari	Program Producer	Kathmandu Metro P City
<b><i>Virtually Attended</i></b>			

37	Mr. Krishna Bhattarai	TA coordinator	UNDP
38	Ms. Shradha Rayamajhi	National Programme Officer	SDC
39	Mr. Rajkumar Dhungana	Governance Advisor	Royal Norwegian Embassy
40	Mr. Bernardo Cocco	Deputy Resident Representative	UNDP
41	Mr. Tek Tamata	Portfolio Specialist	UNDP
42	Mr. Egbert Pos	Governance Advisor and Deputy Team Leader for GSDT	FCDO/British Embassy
43	Ms. Silvana Hogg	Head of Cooperation/ Deputy Head of Mission	SDC
44	Ms. Dagny Mjøs	Minister Counsellor/ Head of Development Cooperation	Royal Norwegian Embassy
45	Mr. Marco Gemmer	EU Head of Cooperation	European Union
46	Mr. Manoj Karki		Interpretator
47	Ms. Preeti Das		FCDO/British Embassy
48	Kala Nidhi Devkota		MuAN
49	Mr. Sambidhan Acharya	IT expert	
50	Rabi Wenju		

