



Final

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

Fourth National Executive Committee Meeting

17 May 2021

Aide Memoire

The 4th 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 the Ministry of Federal Affairs and General Administration (MoFAGA), Government of Nepal (GoN), on 17 May 2021. The main purpose of the meeting was to provide updates on the implementation status of PLGSP, review the PLGSP semi-annual Progress Report 2020/21, and decide on the agenda items proposed by PLGSP/Programme Coordination Unit (PCU). Joint Secretaries of MoFAGA, senior officials of sectoral ministries, representatives of the Joint Financing Agreement (JFA) Development Partners (DPs), UNDP, and representatives of the local government (LG) 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 virtual modality. The meeting concluded with the following decisions. The discussion notes of the meeting are presented in Annex-1.

1. Opening Remarks

2. The National Programme Manager (NPM) of PLGSP, Mr. Chiranjivi Timsina, welcomed the presence of all the guests, both those in-person (joining from the MoFAGA hall) and virtually, addressing them by their names.
3. The National Programme Director (NPM) of PLGSP, Mr. Gopi Krishna Khanal welcomed all present in the floor and summarized the major objectives of the meeting as budget endorsement for next year, Fiduciary Risk Reduction Action Plan (FRRAP) endorsement, Annual Strategic Implementation Plan (ASIP) 2021/22 finalization and endorsement, and PLGSP Audit Report discussion. He highlighted the Covid-19 situation as a major challenge and emphasized that adapting with the situation, the coming year is going to be instrumental for the Programme implementation.
4. Mr. Aryal addressed the hall, by welcoming the participants and appreciating their presence in the NEC meeting during the pandemic. He stated that this NEC meeting would look at the current status and progress of the Programme, discuss the proposed ASIP for 2021/22,


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discuss the Innovative Partnership Fund (IPF) implementation, PLGSP FRRAP, as well as other areas of importance.

He briefed that PLGSP focuses to provide quality services to the citizens along with better infrastructure and economic development of the provincial and local governments (PLGs). It is the national flagship programme that focuses on improving and reforming governance by emphasizing on overall capacity development and institutional strengthening. The Provincial Centers for Good Governance (PCGGs) focus on improving the capacity of the LGs and they have been doing great work at the local level as per the feedback received so far. Due to Covid-19 pandemic, PLGSP has not been able to significantly achieve the planned results. However, there has been good progress with the training events of PCGGs, 80 model laws have been prepared and sent to local level, studies and research on governance issues have been conducted, the Local Institutional Self-Assessment (LISA) has been among the significant achievements, with 500 trainers trained and 120 LGs already having published LISA results. Further, the IPF Operational Guideline is in the final stage of development.

He shared that MoFAGA has made public its ten-year strategy paper, which highlights governance reform and enhancing service delivery. PLGSP has to link with the vision paper in its implementation from the coming fiscal year. PCGG capacity development interventions shall focus on building capacity of elected representatives and not only on staff. The IPF should primarily cater to people who are below the poverty line, through joint ventures with the LGs. SuTRA has been very effective, but there is still a need to improve the reporting system among the three tiers of government and bring together other relevant stakeholders/ministries for feedback. In the coming year, ward offices need to be targeted, infrastructure to be developed and e-governance to be established at local and community levels as well.

He mentioned that PLGSP in the coming year should not only focus on software but also on hardware. The ten-year vision paper of the Ministry should serve as the guiding document for the coming year, and there is a need to focus more on the results and not only immediate outputs. The design of the Programme needs to be reengineered to uplift the lives of people. So far, the Programme has been able to provide lessons learned on how to change the behaviors and working cultures in the context of federalism, and institutionalize and internalize accountability and transparency. It is important to embed the Programme in the changed context of the Covid-19 and there is a need to move ahead in this line for the remaining Programme period. In closing, Mr. Aryal thanked everyone again and encouraged open discussion in the later phases of the NEC meeting.

5. Cynthia Rowe, DP chair and FCDO Team Leader, Governance and Service Delivery Team, greeted everyone by saying that she was delighted to participate in the 4th NEC meeting of PLGSP. She shared that DPs are standing with Nepal during this devastating second wave of Covid-19 and expressed sympathy with those affected. She mentioned that the meeting is


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being held at a very sensitive time of the Covid-19 second wave and that this is the time to consider if PLGSP can do anything else to help PLGs to respond to Covid-19 on the ground. PLGSP implementation will continue to be impacted, but the Programme can also make an impact. Hence, DPs request MoFAGA and all stakeholders to consider how the PLGSP can help develop capacities of PLGs to respond to Covid-19.

She recognized the programme has made important progress including establishing the PCGGs and that capacity building has taken off. The PLGSP spending during the current year has been slow, as total expenditure of over ten months was 9 percent, and only 3 percent of the planned budget in the provinces. She mentioned that she would like to work together to resolve the issues and highlighted that, in light of this, it is not a good time to increase the budget for next years' ASIP as we expect the Covid-19 crisis to continue to impact implementation. She shared that it is always better to increase the budget based on good performance and recommended to keep the ASIP 2021/22 budget realistic and as per agreed deliverables. Further, she mentioned that the ASIP 2021/22 is very comprehensive and clear. However, as it was shared with limited time for review, she mentioned that DPs are only able to provide conditional approval during the 4th NEC Meeting. The following conditions were outlined for DP approval of the ASIP 2021/22:

- *Keep the ASIP 2021/22 budget below or equal to the total budget of the ASIP 2020/21 to avoid significant underexpenditure;*

Limit the provisional budget of the IPF to a maximum of 10% of the overall ASIP 2021/22 budget, and note that implementation is pending the approval of the IPF Policy Framework and Operational Guidelines.

- *No additional funds to be allocated for PCGG renovation or construction above what has already been allocated in the Programme Document and agreement made between MoFAGA and DPs in April 2021. Similarly, activities to construct local level infrastructure, for example 'model ward offices' should not be included in the ASIP 2021/22.*
- *The additional scholarships proposed in ASIP 2021/22, over and above the agreement between MoFAGA and DPs should be taken out.*

She requested MoFAGA to convene the National Steering Committee as the Programme has completed two years. She reacknowledged and mentioned that DPs appreciated the effort of PLGSP and shared that they remain committed to support the implementation of PLGSP going forward.




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2. Decisions:


1. The NEC revisited the Decisions taken at the 3rd NEC meeting, held on 30 November 2020, and recognized the Actions Taken in light of these Decisions.
2. The NEC found that the PLGSP semi-annual Progress Report (for the period 16 July 2020 – 15 March 2021) captured the progress against the ASIP 2020/21 and reflected the challenges faced due to the Covid-19 pandemic and the slow initiation of the Programme. The NEC further found that the Progress Report outlined the substantial progress made by the Programme in establishing the key foundations for its implementation. The NEC noted the semi-annual Progress Report (16 July 2020 – 15 March 2021).

The NEC acknowledged MoFAGA's efforts to continue the PLGSP implementation although the second wave of Covid-19 has increased during the first and second quarters of 2021. In this regard, the NEC acknowledged the effect that the Covid-19 crisis has had on the overall implementation of the current ASIP 2020/21, as well as foreseen continued effects during the Fiscal Year 2021/22 due to the recent surge in Covid-19 cases. The NEC requested MoFAGA/PLGSP PCU to continue its efforts to find ways to move forward with Programme implementation despite the challenging circumstances, in close collaboration with PPIUs and PCGGs. NEC requested PCU to develop a PLGSP Business Continuation/Contingency Plan to adapt the Programme in the Covid-19 context and provide additional support to PLGs' Covid-19 response to the extent possible within the PLGSP framework, in line with the Programme Document.

3. The NEC took note of the guiding principles, strategies and approaches adopted to formulate the ASIP 2021/22. The Committee also appreciated the PCU's efforts to coordinate with and seek inputs from PLGs, as well as other key stakeholders in the formulation process of the ASIP 2021/22. Acknowledging the important feedback and suggestions received from the members in the NEC meeting, the Committee approved the ASIP 2021/22, provided that comments from DPs and other members of the Committee will be further included in the final ASIP 2021/22.
4. The NEC appreciated MoFAGA/PLGSP PCU's efforts to develop the PLGSP Fiduciary Risk Reduction Action Plan (FRRAP), in close coordination with the National Advisory Fiduciary Risk Management Sub-Committee (NAFRMSC). The NEC also appreciated that the first meeting of the NAFRMSC was held on 10 May 2021, as this is an important milestone for the Programme and its governance structure. Acknowledging the important feedback provided by the NAFRMSC meeting on 10 May 2021, the NEC approved the PLGSP FRRAP, provided that comments from NAFRMSC members will be included in the final Action Plan.




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5. The NEC appreciated MoFAGA/PLGSP PCU's efforts to develop the final draft IPF Operational Guidelines, in close coordination with the DPs. Acknowledging the important feedback provided by the NEC meeting on 17 May 2021, the NEC requested the PCU to finalise the draft IPF Policy Framework, Operational Guidelines and Implementation Plan in close collaboration with DPs and in consultation with key stakeholders, including from federal, provincial and local governments, and requested PCU to organize an extraordinary NEC meeting once the documents are ready for review and approval. The NEC recommends that PCU provides an update on the IPF design process and submits this to the NSC for their information.
6. The NEC appreciated the efforts of MoFAGA/PLGSP PCU to address issues related to the unauthorized withdrawals from the foreign currency account. The NEC recognized that MoFAGA/PLGSP PCU has provided the necessary documents to the JFA DPs in this regard and directed MoFAGA/PLGSP PCU to ensure full adherence to JFA rules and conditions going forward, including the finalization of a revised payment schedule between UNDP and MoFAGA in line with the JFA and Programme Document.
7. The NEC took note of the PLGSP's independent audit report (2019/2020) prepared by the Office of Auditor General (OAG), including audit opinion and arrears. NEC requested MoFAGA to share the consolidated Audit Report of PLGSP once finalized, to prepare an Action Plan to address recommendations and settle any PLGSP audit arrears, and to present the plan in next NEC.


3. Closing Remarks

Marco Gemmer, Head Cooperation, EU Delegation in Nepal, thanked everyone for the NEC meeting and especially mentioned the presence of PLG representatives in the meeting. He shared that all the important issues have been discussed as agreed and noted that there is a need for further follow-up on some key issues at technical level. In closing, he shared that it is important for Nepal to continue to prioritize PLGSP implementation, including in the context of Covid-19, and reconfirmed the continued support of DPs.

Mr. Eak Narayan Aryal, Secretary, MoFAGA, mentioned in his closing remarks that all feedback provided was well received, including from the LG associations. He mentioned that NPD has already addressed most of the queries. He further proposed that all the issues raised by LG associations will be dealt with separately through a formal meeting and they will be working together in terms of engaging the LG associations in a way that will contribute to PLGSP's success. He committed that engaging the LG associations has always been a priority not limited to one programme, but that this has always been the intention of the Ministry. He reiterated the importance of adapting the Programme to Covid-19 and to further consider how to provide effective service delivery post Covid-19. He thanked everyone for their participation in the meeting.




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Annex 1: Discussion Notes

1. Mr. Chiranjivi Timisina, PLGSP NPM, shared the agenda as follows:
 - a. Reflection on the 3rd NEC meeting decisions
 - b. Highlight on implementation status of PLGSP 2020/21
 - c. Highlight on ASIP 2021/22 and Approval
 - d. Highlights on Fiduciary Risk Reduction Action Plan and Approval
 - e. IPF Operational Guidelines
 - f. PLGSP Independent Audit Report
 - g. Discussion
 - h. Decisions
 - i. AOB
 - j. Closing remarks
2. Mr. Chiranjivi Timisina, PLGSP NPM, who while reflecting on the decisions from the 3rd NEC, provided the following updates:
 - Followed up with the PCGGs, PPIUs, and FCGO to expedite the implementation of the Programme in the remaining period of the ASIP. This was accomplished by organizing five workshops at province and central level.
 - Completed dissemination of the model PCGG Operational Guidelines to ensure consistency and coherence on the services from the PCGG.
 - IPF Policy Framework is under development, further revised Operational Guidelines and Implementation Plan are being prepared.
 - Baseline survey completed for secondary information; survey on some indicators is ongoing; final report expected by the end of May 2021; upon the receipt of baseline information, complete M&E framework will be shared.
 - Submitted the PLGSP Fiduciary Risk Reduction Action Plan in close coordination and discussion with the National Advisory Fiduciary Risk Management Sub-Committee (NAFRMSC) in the next (4th) NEC meeting for review and endorsement.
 - Addressed the issues related to the unauthorized withdrawals from the foreign currency account and provide the necessary documentation to JFA DPs.
 - Reviewed and finalized the proposed amendments in the ASIP 2020/21 in consultation with the relevant stakeholders by three-member task team led by MoFAGA's Planning Section, PLGSP NPM, and a representative from the JFA as delegated by the last NEC.
 - Submitted the final Procurement Monitoring Plan and the Procurement Report, including the TA Procurement Plan in the next NEC meeting for approval.
 - Prepared and disseminated a short Provincial Annual Strategic Implementation Plan (PASIP) narrative guideline for provinces.
 - Reviewing and updating of the Covid-19 contingency plan to reflect it in the ASIP 2021/22 is in progress.

3. Mr. Timsina continued with the presentation of the implementation status of PLGSP 2020/21, as follows:



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Output 1: Federal level institutions develop legislation and policies to support PLGs in a consultative manner: List of laws has been collected for preparation of 15 model laws and consultant hiring process is underway.

Output 2: Federal level institutions develop tools and systems to support Provincial and Local Governments in a consultative process: FRRAP prepared and approved for LGs, model FRRAP prepared and circulated to PGs; FRRAP for PLGSP prepared and approved by NAFRMSC; CDMIS software in place; First draft of 22 training packages for PCGG submitted by LDTA; Training standardization tools for PCGG- drafted and shared with the Ministry and feedback provided; Draft model Performance Appraisal Guidelines - finalization in progress; Baseline information collection completed from secondary information, Survey on some indicators – expected to be completed by end of May 2021; Third Party Monitoring of PLGSP – under process; MToT for resource persons of LISA has been completed - total 485 received To,T including 58 Women, 14 Dalits, 55 Janajatis, 42 Madhesi, 2 Muslim, and 373 others.

Output 3: Inter government administrative mechanism strengthened and functional: Discussions ongoing with the Office of Prime Minister to conduct policy analysis to implement decisions of the Inter-Provincial Coordination Council meetings; Studies on IGR issues; Four consultative workshops completed with PPD, PPM and ED of the respective provinces to expedite the implementation; MoFAGA/PCU supported provinces in the P/ASIP preparation (guidelines, pre-planning, PCC meeting in person/virtually).

Output 4: Provincial governments drafted legislation in a consultative manner: Province-1 prepared PCGG Act and circulated for consent at MOIAL; Bagmati Province formulated Provincial Good Governance Act and two regulations, and also a guideline to review the laws of LGs; Karnali Province prepared acts, including Provincial Service Commission (PSC) Act, Provincial Police Act, The Integrated Centre for Good Governance Act which is under progress; Two model laws/regulations for LGs in progress; Province 1 and 2 have identified and prioritized laws of LGs to review

Output 5: Modernized PG systems enable horizontal and vertical accountability to all citizens and mainstream GESI: Gandaki Province cabinet endorsed GESI Guidelines; five provinces (i.e Province 1, Province 2, Bagmati, Karnali and Sudurpaschim) organized ToT on GESI; All seven provinces have appointed GESI focal persons in Provincial government line ministries; Karnali Province trained 25 government staff (18 female) on GRB; Lumbini Province has published a booklet “*PRADESH KO TIN BARSHA (3 years of service of Lumbini Province)*”; PCC meetings being held regularly in the provinces.

Output 6: PGs manage provincial public administration functions more effectively. Lumbini Province trained 44 government officials on public procurement; Province 2 trained IT staff (2 female); Lumbini Province developed a common standard framework for all PGs websites with data exchange and information usability; Lumbini Province drafted



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procedural Guideline on ICS for PGs; Karnali Province developed HR-MIS for managing records of civil servants.

Output 7: PCGGs made operational to deliver CD services. PCGG established through legislation in Gandaki and through executive order in all other provinces: PCGG established through legislation in Gandaki Province and through executive order in all other provinces; Assets transfer from LDTA regional training center to PCGG completed in all Provinces; In other provinces renovation/reconstruction is in process in line with the revised ASIP activity

Output 8: Modernized LGs have strong administrative systems and accountable public financial management (PFM) system: IT service to LGs is continued to strengthen information management systems and improving service delivery; Karnali Province completed two events of orientation on preparation of Revenue Improvement Action Plan; MoFAGA prepared procedural guideline to prepare CD plans; SuTRA is being implemented in 753 LGs; Strong data backup system established with live server; 7 ITOs deployed to support SuTRA implementation at provinces; Workshop organized on FRRAP in three provinces (Bagmati, Gandaki and Sudurpashim) for LGs officials (Chief Admin Officers).

Output 10: LG systems mainstream GESI in their service delivery: Total 605 local elected representatives and government officials trained on gender mainstreaming, GRB and GESI - 312 Women, 292 men and 1 other, 84 Dalit, 156 Disadvantaged ethnic groups (Janatati), 93 Madhesi, 18 Muslims, 250 Brahmin Chhetri and 4 Others.

Output 12: Implementation of IPF. Second draft of IPF Operational Guideline shared with concerned stakeholders for review and feedback, yet to be finalized


Output 13 & 14: Elected representatives and civil servants at the provincial and Local level are incentivized and trained for delivering high quality service.

A total of 4,051 LG officials and elected representatives trained on different thematic areas, including in-service, pre-service training, out of which 23% were female and 77% Male. The diversity chart shows that 1% (38) of the participants were Muslim, 7% (239) Dalit, 10% (378) Madhesi, 20% (718) Janajati, and majority 62% were Brahmin and Chhetri.

Progress against COVID-19 Contingency plan: PLGs have followed health protocols and protection and safety measures to cope with the Covid-19 pandemic while delivering the different programme activities. Gender issues related to gender-based violence in the quarantine management have been addressed through the training activities. CMIS at LGs is increasingly used for Covid-19 management activities. University graduate experts mobilized by Gandaki Province to help LGs to better plan their priorities and business

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%).




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

Procurement of 17 vehicles (3 PCU, 7 PPIU and 7 PCGG). Specification of three segments of vehicles was finalized. Deadline for bid submission extended two times: from November 5 (original), to November 17, and November 23, 2020. Restarted the procurement process for Hard Top Jeep

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 (in '000') during the reporting period is 2,72,905 (9%) for JFA. The expenditure is 33% at the federal level and 3% at the province level. Similarly, the total budget for the year is 388,036.987 under TA and the expenditure for the reporting period is 193,153.987 (49.7 %).

Particular	Budget	Expenditure	% of Total
JFA total	32,06,000	2,72,905	9%
Federal	5,79,000	193,523	33
Province	26,27,000	79,381	3 %
TA	3,88,036.620	193,153.9897	49.7 %

Challenges and lessons learned: The uncertainties due to Covid-19 crisis persisted and impacted the programme implementation leading to significantly lower delivery of the Programme budget. Adjusting the PLGSP in the context of Covid-19 crisis is extremely important and equally challenging given the delivery of the Programme. The ownership of the Programme has to be strengthened at the province and local levels through increased interaction and coordination. Many initiatives have been taken towards this end and this will also be expedited in the future. It is also important to expedite the Programme implementation and budget delivery through regular follow-up/advice. Finalization of the IPF Operational Guidelines and customization of the PLGSP to the Covid-19 context, such as organizing capacity building activities in small groups or virtually to the extent possible, are also challenges.

Key priorities for the next quarter: Expedite the programme implementation and budget delivery through regular follow-up/advice; Finalization of the IPF Policy Framework and Operational Guidelines; Continue to customize the PLGSP to the Covid-19 context, such as organizing capacity building activities in small groups or virtually to the extent possible.

4. Highlights on ASIP 2021/22 and Approval

Output 1: Federal level institutions develop legislation and policies to support PLGs in a consultative manner: Formulate three model laws/guidelines, including one legislation for NAGG/LDTA; Reviewed 30 Acts, regulations and operational guidelines and provided feedback to LGs.

Output 2: Federal level institutions develop tools and systems to support Provincial and Local Governments in a consultative process: Organized workshop on LISA and updated LISA guidelines and system; Prepared 15 training modules on different areas; Established (1) integrated geo-spatial data management and visualization system for LGs; Developed Personal Information System (PIS) for PGs; Developed a digitalized system of service delivery embedded with Nagarik Apps for LGs; Conducted one event of M-TOT on MTEF at province level; Conducted one event of MTOT on FRRAP; Prepared 10 different guidelines/standards and resource book; Conducted mid-term review of PLGSP; Developed an integrated information sharing portal for LGs; Developed local level Public Expenditure Tracking System (PETS) guidelines for LGs; Organized a National workshop on RIAP; and update Integrated online GESI audit indicators with LISA.

Output 3: Inter government administrative mechanism strengthened and functional: Conducted policy analysis study for the implementation of IPCC decisions; Study conducted on at least six IGR issues; Organized workshop to share best practices of PLGs; Conducted a study on federal laws contradicting to Constitution and/or Local Government Operation Act.

Output 4: Provincial governments drafted legislation in a consultative manner. Formulated 30 Laws/Acts and Regulation in PGs; Reviewed 14 existing Acts and Regulations of LGs and provided necessary feedback; Drafted three model Laws/Acts for LGs; Organized 19 events of workshops/orientations on law review/drafting process for sharing needs and knowledge; 14 sectoral policies/working procedures prepared by PGs.

Output 5: Modernized PG systems enable horizontal and vertical accountability to all citizens and mainstream GESI: Formulated Provincial GESI guidelines/strategies by five provinces; Conducted one orientation event on GESI for high level PG officials; Updated accountability tools and conducted eight events of public hearing in PGs; Conducted GESI audits in 13 PG ministries (in five provinces); Organized 20 trainings/ToT events on GESI for capacity building of GESI focal persons of PG ministries; Conducted 11 events of programme coordination meeting with DPs/stakeholders in provinces; Conducted study and organized orientation events for SDG localization by five provinces; Established Case Management System for GBV in Karnali Province; Organized joint monitoring visit for PCC member/Provincial M&E committees; Organized orientation on poverty reduction strategy paper developed by provincial planning commission in PLGSP support in Province 1.

Output 6: PGs manage provincial public administration functions more effectively: IT based Information management system strengthened in PGs (6 Provinces); Conducted seven



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events of orientation on ICS guidelines for PGs (all Provinces); Prepared E-governance Master Plan (3 Provinces); Organized seven events of FRRAP orientation (all Provinces); Developed digital database system for PGs (4 provinces); Developed and operationalized Integrated Information Portal system of LGs (Lumbini Province); Provided IT/digitizing services to Provincial Public Service Commissions and other agencies (3 Provinces); Conducted ten events of training on IT application/organization development for PG staff (3 Provinces); Conducted study of governance issues, PG's revenue improvement, doing business (4 provinces); Conducted nine events of pre-planning, interaction/workshop for sharing knowledge in the programme implementation process at province level (4 Provinces).

Output 7: PCGGs made operational to deliver CD services. PCGG established through legislation in Gandaki and through executive order in all other provinces: Renovated physical infrastructure of PCGGs (6 Provinces); Reviewed/Revised Operational Guidelines of PCGGs (3 Provinces); Prepared long term strategic/business plan of PCGGs (5 Provinces); Organize three events of training for the capacity building of PCGG staff (3 provinces); Prepared 19 different CD materials for PCGGs (4 Provinces); Organized cross learning and sharing visit for PCGG officials; Conducted follow-up study on effectiveness of CD training by PCGGs.

Output 8: Modernized LGs have strong administrative systems and accountable public financial management (PFM) system: Provided IT officer's support to 753 LGs for strengthening MIS; Implemented SUTRA in 735 LGs and PAMS in 600 LGs, NPSAS in 753 LG, with 1,500 Officials trained; Prepared Revenue Improvement Action Plans (RIAP) in 300 LGs; Prepared CD plan of 228 LGs; Prepared periodic plan of 79 LGs; Conducted orientation/coaching program on MTEF to elected representatives and officials of 753 LGs; Organized refresher/follow-up training for implementation of LISA in 753 LGs; Organized orientation on ICS guidelines to 72 LGs; FRRAP implemented in 753 LGs; Prepared digital profile of LGs.

Output 9: LG systems enable horizontal and vertical accountability to all citizens: 300 LGs conducted public hearing; 43 events of orientation organized to support LGs to strengthen horizontal cooperation; four events of orientation organized to support LGs to strengthen vertical cooperation.

Output 10: LG systems mainstream GESI in their service delivery: 753 LGs prepared and endorsed GESI mainstreaming strategy; 350 LGs conducted GESI budget audit; Organized seven events of ToT on GESI/GRB for PLGs (all provinces); Organized 39 events of orientation on Code of Conduct to prevent work place abuse and sexual harassment for LGs; Organized 120 events of orientation/ToT on GRB for LGs (6 Provinces); Organized 53 orientation/training events on child, senior citizen, and disabled person friendly governance system for LGs (3 Provinces).

Output 11: LG systems enable citizen engagement and inclusive participation: Developed 11 episodes/package of IEC materials including mechanism on citizen engagement



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and inclusive participation (4 Provinces); Established grievance handling mechanisms in LGs (4 Provinces); Established and operationalized citizen help desks in 10 LGs (Sudurpaschim Province); Organized five events of orientation on citizen engagement for LGs (Sudurpaschim Province), and on seven steps of planning in eight LGs (Karnali); Documented and published best practices of LGs (2 Provinces).

Output 12: Implementation of IPF: Organized orientation on IPF to PLGs stakeholders and IPF Board; IPF board established and mobilized; Organized workshop on IPF implementation; IPF schemes implemented at local level as per IPF guidelines (# to be determined later).

Output 13: Elected representatives and civil servants at the provincial level are incentivized and trained for delivering high quality service: Total 6,968 officials and elected representatives of PGs trained in different thematic areas through 230 events of training/ToT, pre-service, in-service and orientation; Organized 22 workshops/interactions events on different issues at PG level; 3 study reports on effectiveness of trainings/orientation delivered in PG level; Prepared CD plans of four PG ministries; Organize learning, sharing and exposure visit for PCGGs staff.

Output 14: Elected representatives and civil servants at the local government level are incentivized and trained for delivering high quality services: Total 16,430 elected representatives and officials of LGs trained on different thematic areas through 535 events of training/ToT, pre-service, in-service and orientation; Total 36,000 newly elected representative (election expected next year) oriented (one-day events) on their roles and responsibilities; 35 government officials supported with scholarships for applied cum master degree courses; Prepared 23 CD manuals, curriculum and training materials in different areas; Conducted three follow-up studies on effectiveness of the trainings delivered for LGs.

5. Highlights on Fiduciary Risks Mitigation strategy and action plan of PLGSP

FRRAP identifies the tasks and activities in order to address the essential public financial management reform initiatives and for mitigating and minimizing the fiduciary risks associated PLGSP. The FRRAP will be implemented under the leadership of MoFAGA; an Implementation Committee is formed for implementation and monitoring of FRRAP at different levels.

6. IPF Operational Guidelines

Second draft IPF Operational Guidelines have been shared with all relevant stakeholder including JFA DPs. The IPF Policy Framework is under development, further revised guidelines and implementation plan are being prepared, and once finalized will be submitted to next NEC and NSC for approval.

7. Audit Report of the Fiscal Year 2019/20

Office of the Audit General office (OAG) has provided the independent auditors report of PLGSP 2019/20 which includes: Report on Financial statement; Management responsibility




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for financial statement; Auditor's responsibility; and Opinion. Adequate supportive documents have been maintained to support claim to DPs for reimbursement of the expenditure incurred; and expenditures are eligible for financing under the JFA agreement.

8. Plenary Discussion

Ms. Silvana Hogg, Deputy Head of Mission, Head of Cooperation, Embassy of Switzerland, congratulated MoFAGA for developing the ASIP 2021/22 in the midst of the second wave of the Covid-19 crisis. She shared that Switzerland welcomes this year's ASIP activities related to formulation of necessary laws to clarify the roles and responsibilities of the three spheres of government, especially on concurrent rights. She remarked that this is a fundamental issue in supporting the process to implement federalism. She stressed and encouraged the role of MoFAGA to facilitate the concerned sectoral ministries to clarify their roles and responsibilities of each sphere of government and in coordination with PLGs. She mentioned that there are some duplications the current ASIP with the SDC supported Provincial Support Program (PSP) in Province 1 and requested the PLGSP team to remove such duplications. She mentioned that the team leader of the province and the Provincial Program Director have already been informed of the duplications. Similarly, she noted that MoF has programs on public financial management and exemplified how important it is for the PLGSP to enhance and strengthen the communication and coordination with ministries at federal and provincial levels. She informed that the Chief Minister of Province 1 has advised to hold the Joint Steering Committee meeting for both PSP and PLGSP. Further, she shared that Switzerland has noted reservations around some of the activities in the ASIP 2021/22, for example related to child-friendly local governance and support to Tole Lane Organizations (TLOs). Support under PLGSP should focus on support to PLGs, in line with constitutional mandates. She ended her remarks by saying that Switzerland remains committed to support PLGSP implementation, in support of the Government of Nepal, and is confident that MoFAGA will provide relevant leadership and support to bridge any capacity development gaps, including in the COVID-19 pandemic.

Marco Gemmer, Head of Cooperation, EU Delegation, thanked MoFAGA/PCU and all stakeholders for the presentations and updates shared in the meeting, including on the ASIP and IPF. He further echoed the comments of DP colleagues, of appreciation to MoFAGA for preparation of these documents during the difficult circumstances. He noted that DPs are ready to provide conditional approval, pending that the comments provided earlier are addressed in the final draft ASIP 2021/22, including a reduction of the budget to ensure that the Plan is realistic. The Aide Memoire should reflect this, with follow up at the technical level and a later silent approval. He further highlighted that the final draft FRRAP was discussed in the NAFRMSC and that this constitutes a significant Programme achievement. He highlighted the importance of its implementation and strong monitoring. Lastly, he shared that further details on the ASIP 2021/22 will be shared with MoFAGA/PCU in writing and reiterated that




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it is important that key documents are shared with DPs and other stakeholders at least two weeks prior to NEC meetings.

Ashok Kumar Byanju, President, MuAN, thanked for the opportunity to participate in the meeting. He talked about how important it is for PLGSP to stress on the role of the Federal level to reflect on the strong areas of support and areas to improve for the support to PLGs. He mentioned further that PLGSP principally focuses on how to empower the local levels and allow them to exercise their rights. He commented that the modality of PLGSP, e.g. including MuAN in the programme is discouraging as it seems only for namesake and emphasized that MuAN can play a significant role in bridging the gap between the local and federal level. He further questioned if the plans are being developed based on LGs collaboration with LGs or if it is being done by a few heads at the Ministry. He further proposed for a meeting between relevant municipalities to understand their issues and also urged for the reengineering of PLGSP to include MuAN as a recognized and established body by the Government of Nepal. He also raised a query on the process of third-party monitoring of the Programme and how the municipalities will be engaged in the process.

Mr. Hom Narayan Shrestha, President, NARMIN, thanked for the opportunity. He highlighted the importance of consulting LGs for understanding their local needs, which the Programme needs to incorporate further. For supporting the province level, the need of the hour is to address the need of the local levels to fight and deal with Covid-19. He urged the Programme to adapt to the needs accordingly.

Mr. Gyanendra Paudel, Joint Secretary, FCGO, thanked the PLGSP team for including all the activities proposed by his office in the ASIP 2021/22. He focused on PFM related issues, and stated that SuTRA shall address the resource mobilization and attempt to enhance transparency and accountability. Even though 753 LGs are using the system, the bigger concern he mentioned is towards the sustainability of the system post the programme. Similarly, he stated that the compliance part needs to be improved and that all other aspects of governance is well reflected in both SuTRA and PAMS. IT infrastructure needs to be developed along with development of competent human resources. The coming years' budget has been proposed realistically and FCGO aim to spend at least 70 percent of the fund allocated to them.

Mr. Krishna Chandra Neupane, President, NODCN, thanked the participants and questioned if their presence is just a formality or if the programme seeks meaningful participation of various associations. He stated that what role the Programme expects for the associations to play is not yet clear. He further stated that the current Programme Document does not explicitly mention what kind of contribution various associations shall have and urged to include how they could be included in the process to be well reflected in the documents of the Programme. He stated that the need to engage them in Karnali, Sudurpaschim and Lumbini Provinces is very crucial and also mentioned how PCGG Bagmati had engaged them in a recent training and how effective the output was.




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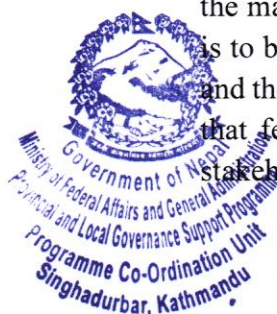

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Bernardo Cocco, Deputy Resident Representative, UNDP thanked MoFAGA for organizing the 4th NEC meeting and congratulated MoFAGA/PLGSP on the results and milestones achieved so far, despite the challenging circumstances presented by COVID-19, including the establishment of the PCGGs, initial capacity development efforts with PLGs, implementation of LISA, development of the FRRAP and the organization of the 1st NAFRMS meeting, and the progress with regards to development of Policy Framework and Operational Guidelines for the IPF. With regards to UNDP's role as the TA Partner, he shared that a majority of recruitments had been completed, enabling the full operation of the PCU, PPIUs and PCGGs. He noted that there had been some staff turnover and that interim support has been put in place. The final recruitment processes are also about to be completed. He noted that MoFAGA and UNDP had resolved the issue raised in the 3rd NEC meeting with regards to the payment schedule and withdrawals from the foreign currency account. Further, he shared that UNDP and the EU Delegation are currently discussing the preparation of complementary support to the implementation of federalism, in line with and contributing to the PLGSP. In closing, he thanked MoFAGA/PLGSP PCU, DPs and all other stakeholders for the constructive partnership and reiterated UNDP's continuous commitment to support the successful implementation of PLGSP.

Response on Comments

Dr. Gopi Khanal, National Programme Director, thanked for the participation of all those present and for providing valuable feedback. He reiterated and echoed the Secretary for the need of the Programme to reengineer. He also mentioned the growing needs of the PGs to respond to Covid-19 challenges, and some parts of the Programme should contribute towards community governance, local economic empowerment and improving service delivery. These issues will be further discussed during the PLGSP mid-term review. He mentioned that despite many challenges, the PCGGs have been institutionalized and operationalized and have been providing various trainings to PLG elected representatives and officials. He mentioned that LISA has been implemented and that many LGs are using it; the use of LISA with indicators majoring various streams can be more reflective in the coming year. He stated that the FRRAP has been rolled out and it shall improve fiduciary governance and the quality of expenditure at the local level. He stated that the Programme supports in creating foundations for federalism. He mentioned inclusion of demand-based programs for the coming year and thanked all the PGs for the constructive engagement and for proposing activities in the Programme. He hoped that the coming fiscal year will be more effective and urged for the good coordination and cooperation for the success of the Programme. He further thanked everyone for their feedback. He mentioned LDTA restructuring to be one of the major activities of the next year. He stated that one of the objectives of the programme is to build cooperation and collaboration between and among the three tiers of government and the coming year will also focus on the same. He concluded by thanking all and reiterated that feedback provided will be incorporated to the extent possible. Lastly, he urged all stakeholders' continued support to the programme.




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Annex 2: List of participants

S.N	Name	Position	Organization
In-person attendance			
1.	Mr. Eak Narayan Aryal	Secretary	MoFAGA
2.	Mr. Gopi Krishna Khanal	Joint Secretary/National Programme Director	Local Level Capacity Development Division
3.	Mr. Basanta Adhikari	Joint Secretary	Federal Affairs Division
4.	Mr. Rajeev Pokharel	Joint Secretary	Employee Administration Division
5.	Mr. Bishnu Dutta Gautam	Joint Secretary	Planning and Development Assistance Coordination Division
6.	Mr. Narayan Prasad Aryal	Joint Secretary	Division of Administration Reforms, Manpower, Planning and Development
7.	Mr. Chiranjivi Timsina	Under Secretary/National Programme Manager	MoFAGA/PLGSP
8.	Mr. Prahalad Kumar Karki	Under Secretary	Foreign Aid Coordination Division, MoFAGA
9.	Mr. Mahendra Sapkota	Under Secretary	
10.	Mr. Shyam Dahal	Section Officer	MoFAGA
11.	Mr. Basant Raj Poudel	Account Officer	PLGSP
12.	Mr. Hari Prasad Guragain	Administrative Officer	PLGSP
13.	Mr. Chandrakanata Sharma poudel	C&M Specialist	PLGSP
14.	Mr. Nagesh Badu	IT & e-Gov Specialist	PLGSP




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Virtual Attendance: Line Ministries

S. N.	Name	Position	Organization
1.	Mr. Umesh Dhungana	Joint Secretary	Ministry of Women children and Senior Citizens
2.	Dr. Hari Bahadur KC	Joint Secretary	Ministry of Agriculture and Livestock
3.	Dr. Bhisma Bhusal	Joint Secretary	National Natural Resource and Fiscal Commission
4.	Mr. Shree Kumar Rai	Joint Secretary	Office of the Auditor General
5.	Mr. Gobinda Subedi	Joint Secretary	Office of Prime Minister and Council of Ministers
6.	Mr. Kiran Rupakheti	Joint Secretary	National Planning Commission
7.	Mr. Mahesh Bhattarai	Joint Secretary	Ministry of Finance
8.	Mr. D.B Chhetri	Under Secretary	Ministry of Finance
9.	Mr. Padam Kumar Mainali	Joint Secretary	Ministry of Urban Development
10.	Mr. Gyanendra Paudel	Joint Secretary	Financial Comptroller General Office
11.	Mr. Kalanidhi Devkota	Executive Director	Municipal Association of Nepal
12.	Mr. Ashok Kumar Byanju Shrestha	President, Mayor, Dhulikhel Municipality	Municipal Association of Nepal
13.	Mr. Hom Narayan Shrestha	Chairperson	National Association of Rural Municipality in Nepal
14.	Mr. Rajendra Pyakuyral	Executive Director	National Association of Rural Municipality in Nepal
15.	Mr. Lekhnath Pokharel	NARMIN	National Association of Rural Municipality in Nepal
16.	Mr. Sushil Dhakal	Joint Secretary	Public Procurement Monitoring Office
17.	Mr. Krishna Neupane	General Secretary	ADCCN
18.	Ms. Sita Sundas		ADCCN
19.	Mr. Santaman Tamang	Vice Chair	ADCCN
20.	Mr. Navaraj Gelal	Spokesperson	ADCCN

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Virtual Attendance: Development Partners:

S. N.	Name	Position	Organization
1.	Ms. Cynthia Rowe	Team Leader, Governance and Service Delivery Team (GSDT)	FCDO, British Embassy
2.	Mr. Egbert Pos	Governance Advisor and Deputy Team Leader for GSDT	FCDO, British Embassy
3.	Mr. Sudip Pokharel	Governance Adviser	British Embassy
4.	Ms. Preeti Das	Programme Officer	FCDO, British Embassy
5.	Ms. Shailee Manandhar	Senior Programme Officer	FCDO, British Embassy
6.	Ms. Dagny Mjos	Minister Counsellor/ Head of Development Cooperation	Royal Norwegian Embassy
7.	Mr. Raj Kumar Dhungana	Governance Advisor	Royal Norwegian Embassy
8.	Ms. Silvana Hogg	Head of Cooperation/ Deputy Head of Mission	Embassy of Switzerland, SDC
9.	Ms./ Shradha Rayamajhi	National Programme Officer	Embassy of Switzerland, SDC
10.	Ms. Odile Humblot	Programme Manager - Governance	European Union
11.	Mr. Bernado Cocco	ACR	UNDP
12.	Mr. Krishna Bhattarai	TA Coordinator	UNDP
13.	Mr. Tek Tamata	Portfolio Manager	UNDP
14.	Mr. Anders Magnusson	Programme Specialist / PLGSP Federal Governance Specialist and DP Coordinator, ad interim	UNDP

Virtual Attendance: PCU PLGSP

S.N	Name	Position	Organization
1.	Mr. Baburam Shrestha	PFM Specialist	PLGSP
2.	Ms. Kriti Thapa	GESI Specialist	PLGSP
3.	Ms. Dixita Silwal	HR and Liaison Specialist	PLGSP
4.	Mr. Surendra Bhandari	Finance Officer	PLGSP



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Virtual Attendance: Province Program Director / Manager:

S.N	Name	Position	Organization
1.	Mr. Saroj Guragain	PPD	Province 1- OCMCM
2.	Mr. Yam Prasad Bhusal	PPD	Province 2 - OCMCM
3.	Mr. Pradip Kumar Koirala	PPD	Bagmati Province - OCMCM
4.	Ms. Indu Ghimire	PPD	Gandaki Province - OCMCM
5.	Dr. Khagendra Prasad Subedi	PPD	Lumbini Province - OCMCM
6.	Mr. Ananda Saru	PPD	Karnali Province - OCMCM
7.	Mr. Kiran Thapa	PPD	Sudurpaschim Province - OCMCM

Virtual Attendance: PROVINCE LGE/GLE

S.N	Name	Position	Organization
1.	Mr. Pranay Sharma	Governance cum Legal Expert	PPIU # Province1
2.	Ms. Punita Mandal	Governance cum Legal Expert	PPIU#Province2
3.	Mr. Arjun Kumar	Local Governance Expert	PCGG #Province2
4.	Mr. Chandra Prakash Sigdel	Local Governance Expert	PCGG #BAGMATI Province
5.	Mr. Birendra Prasad Parajuli	Governance cum Legal Expert	PPIU# GANDAKI Province
6.	Ms. Nirmala Subba	Local Governance Expert	PCGG#GANDAKI Province
7.	Ms. Hansa Malla	Governance cum Legal Expert	PPIU# KARNALI Province
8.	Ms. Shilpa Kunwar	Local Governance Expert	PCGG# KARNALI Province
9.	Ms. Sunaina Roshan Shrestha	Public Financial Management Expert	PPIU# SUDURPASCHIM Province
10.	Mr. Govinda Rokaya	Local Governance Expert	PCGG# SUDURPASCHIM Province

Remaining Participants extracted from zoom database:

S.N	Name	Position	Organization
1.	Mr. MANOJ	Interpreter	



[Signature]
National Program Manager

[Signature]
National Program Director

[Signature]
Secretary