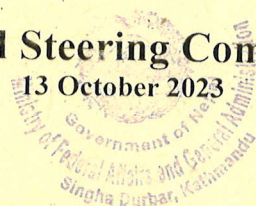


PLGSP National Steering Committee Meeting

13 October 2023



1. Opening of the meeting

The 3rd meeting of National Steering Committee (NSC) of PLGSP held on 13 October 2023 in Hotel Himalaya, Kopundole. Meeting started with the national anthem. The meeting was chaired by Hon Minister, Ms Anita Devi, MoFAGA. Dr Nayaran Regmi, Joint Secretary of MoFAGA, welcomed all the attendees in the meeting including a highlight on the agendas as below.

- Review of last (2nd) NSC decisions
- The 8th NEC decisions –to be noted
- PLGSP re-programming update (incl. Stakeholder Engagement)
- T-ASIP – for approval
- TA AWP – to be noted

The meeting was participated by the Hon Chief Minister of Sudurpaschim, Mr Kamala Bahadur Shah; Palika Chairs/Mayors/Deputies; Secretary of MoFAGA, Mr Binod Prakash Singh; FCGO Secretary; Joint Secretaries of the Federal Ministries; Secretaries of the OCMCMs from the provinces; PLGSP DPs; UNDP Resident Representatives and other officials and others (see annex I).

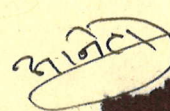
2. PLGSP Progress Presentation


Mr Ram Kumar Mahato, Joint Secretary, MoFAGA/National Program Director of PLGSP, gave a brief presentation on the overall progress of the PLGSP, including the progress made in the last fiscal year (2079/80). The presentation (see annex- II) provided background for NSC's agenda.

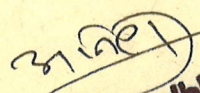
3. Meeting Discussion

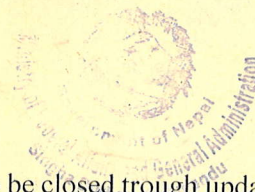
Mr Binod Prakash Singh, MoFAGA Secretary invited all NSC members representing LGs and PGs to provide feedback and their views on national and local context of federalism and governance in Nepal, focusing around how PLGSP could support in strengthening the provincial and local governments basic service delivery systems:

- i. **Mr Birendra Majhi, Hanuman Nagar LG**, highlighted IPF projects under PLGSP funding that was useful to help farmers through agriculture tools- the IPF has connected PLGSP to the citizens. Such interventions need continuation.
- ii. **Mr Harischandra Dangi, Beldadi LG** highlighted the issue of submergence due to Mahakali irrigation project where he requested PLGSP to support.
- iii. **Mr Hem Bhandari, Barahtal LG** highlighted the insufficiency of staff at LG even for the basic functions. PLGSP has helped the LG in staff training which was helpful though those held at provincial HQ (which needs to be at LG level and suggested additional support in the policy areas for the sectors that has high potential in Karnali including tourism, NTFPs and agriculture. He also suggested that reprogramming should consider our poor governance system of the country because of which out-migration of youth is overly high.
- iv. **Ms Chandrakala Adhikari, Annapurna LG** suggested to continue PLGSP funding to IT officer and IPF projects. She requested provision legal officers for LG judicial committees and link LISA with the national block grant to LGs. She also demanded MoFAGA manage LG staff shortage, PLGSP provision TA support to LGs directly, continue capacity building of elected representatives and provision of cross LG learning in the reprogrammed PLGSP.
- v. **Mr Suman Ghimire, PPD Lumbini** stated that the PCGG bill is being currently refined and will be legalized by the provincial government soon. He also advised to adopt bottom-up planning process while reprogramming PLGSP to support more on sub-national level demands i.e. revision on the output areas.


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- vi. **Ms Yamuna Pradhan, PPD Gandaki** informed that PLGSP delivery is 62% in Gandaki, higher than at national level. She advised to broaden the scope of PLGSP support from software to livelihoods and to merge the TA team under PPIU rather than separate at PPIU and PCGG. She also suggested to provision TA to recruit by the PGs directly after careful analysis of capacity of the TA provided and requirement at the PG level including accountability of TA directly to PGs.
- vii. **Mr Ananda Saru, PPD Karnali** emphasized the need for political ownership of PLGSP in the reprogramming, as this is currently lacking. He suggested to link IPF funding to governance indicators so that it will serve as an incentive to those LGs performing well. Reprogramming should consider the TA outside of the "on treasury, on budget" modality to direct support such as in EUSIF. The consideration for the programme in the provinces should be based on the commitment to provide dedicated staff to PLGSP implementation.
- viii. **Mr Dinesh Bhattarai, PPD Bagmati** highlighted that the administrative federalism in Nepal is badly poor which is creating a huge suffering in federalism institutionalization. He also highlighted issues in the process such as CAO's accountability to federation, PG staff record in the PIS system, O&M survey of LGs (LGs cannot enter this in system) that needs SoP across the country to maintain consistency. He also raised what would be the fate of LDTA regional centres when PCGGs are institutionalized- LDTA dissolved messaging to do urgently. He advised to consider these issues while reprogramming.
- ix. **Mr Rupesh Sah, PPM Madhesh** has appreciated PLGSP support to institutionalize federalism in Nepal where it supported the coordination among PG and LGs in Madhesh. He advised to continue this focusing on horizontal relations. He also advised to continue IPF provision as it is a highly demanded provision by LGs plus extend the scope to infrastructure area which is the backbone for all other development activities of the government.
- x. **Mr Resham Kadel, Under Secretary MoFAGA** (former NPM, PLGSP) iterated that PLGSP can not cover all areas as discussed above, where we should build our understanding about it as a software programme. He appreciated the ownership of IPF initiatives from the provinces where he advised greater contribution from LGs. He also stressed on the requirement to legalize the PCGGs and the commitment from the provinces and move away from very conventional training modules and to shift towards a mentoring approach. He advised to increase the number of cost centres in the reprogrammed PLGSP so that expenditure/delivery could be more. He also said PLGSP has not made sufficient progress towards improving Inter-Governmental Relationships, which could be expedited by inviting universities to participate in this work. He suggested LISA could be linked to incentive system assuring the quality of the process and scores, and suggested consideration be given to how a reprogrammed PLGSP could support in the planning and budgeting process of LGs, as there are 42 LGs across the country which could not bring the program and budget for this year. He also suggested assigning TA staff accountability to provinces.
- xi. **Dr Andrew Long, FCDO** acknowledged progress in the reprogramming process so far including the wider stakeholder consultation but raised concerns the reprogramming is not making sufficient pace and highlighted specially delays in recruiting the consultant to write the reprogramming document. He stressed that the milestones described in the LoE (specifically the civil service bill, PCGG bills (for remaining ones) and GoN committed fund to PLGSP (23%)), are yet to be achieved which are key factors for DPs to decide on future funding of reprogrammed PLGSP. He also flagged for a need to organize regular meetings with heads of missions (JFA DPs) in Nepal with MoFAGA/MoF to monitor the progress on these areas which was agreed with the former MoFAGA Minister and Secretary. He reminded the clock is ticking and PLGSP reprogramming is behind schedule. He also expressed that DPs are committed to continue their support in advancing Nepal's federalism and economic development.
- xii. **Ms Christina Hauge Storholt, Norway** appreciated the last (first ever) Inter-Provincial Coordination Council (IPCC) meeting and National Coordination Council (NCC) meetings held in June and advised MoFAGA to follow up on their decisions. She emphasized the requirement to facilitate the enabling environment for federalism so that PLGs could serve better to their citizens. She also praised the GESI work of PLGSP, which still needs institutionalization into PLGS where there is rampant discrimination against women across the country. She also drew the attention of MoFAGA's leadership on the pending


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- LGCDP audit arrears which need to be closed through updating the figures, including those recoverable. She also flagged input provided from JFA DPs in the NEC about removing the exposure visit from the ASIP, which they do not support and should be deleted.
- xiii. **Mr Namit Wagley, SDC** suggested to think reprogrammed PLGSP on the steering structures so that PLGs could lead the programme for greater ownership where he proposed NSC as a strategic dialogue platform. He also proposed NARMIN and MUAN as formal NSC. The JFA DPs' consensus is that PLGSP outcomes remain relevant, but the output areas need a substantive revision. He also suggested the planning and budgeting at PLGs to be the key focus of the reprogramming by which the law-making process can be institutionalized. He also committed to be engaged in the federalism process.
- xiv. **Mr Alex KOPKE, First counsellor, EU** stressed the GoN must adhere to its financial commitment to contribute to PLGSP at the agreed rate (23%). He appreciated the good efforts made in stakeholder consultation process for reprogramming and stressed the reprogramming should consider the PLGs' needs for tangible progress. He also advised to consider MTR recommendations, to refine TA for the transitional year and beyond, MoFAGA to review TA final evaluation recommendations, to develop a clear TA exit strategy for sustainability.
- xv. **Mr Luis Azurduy, USAID** emphasized that whilst USAID is not yet a PLGSP member it is working with the GoN diligently to formalize its accession to PLGSP as JFA DP, USAID looks forward to being part of PLG capacity building process through PLGSP soon.
- xvi. **Mr Julien Chevillard, UNDP** updated the meeting on reprogramming process including sharing of available CVs for suitability check and other staff procurement in progress. He also committed the TA final evaluation report will be shared with all soon.

4. Decisions of the Meeting

Mr Bhupendra Sapkota, NPM informed that all the suggestions are well noted and will be incorporated in the implementation process as appropriate. He also informed that most of the suggestions are valuable input for reprogramming and thus those will be considered during the reprogramming process. He clarified that DPs comments during NEC are already in implementation through a revised implementation guideline to ASIP. Mr Sapkota also proposed the decisions to formalize from the plenary. The plenary approved all proposed decisions unanimously, as follows:

Decision 1

NSC reviewed and noted progress against the decisions of the last (2nd) NSC decisions.

Decision 2

NSC noted the decisions of the 8th National Executive Committee meeting and instructed PCU to continue with their implementation.

Decision 3

NSC reviewed and noted progress with the PLGSP reprogramming process (incl. Stakeholder Engagement) and instructed PCU to continue to fully engage with all stakeholders and to present a proposal for a re-programmed PLGSP to NSC for acceptance by December 2023.

Decision 4

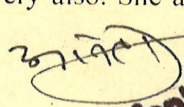
NSC reviewed and noted the PLGSP Technical Assistance Annual Work Plan

Decision 5

NSC noted NEC's recommendations for the PLGSP Transitional Annual Strategic Implementation Plan and approved the final document for implementation.

5. Closing Remarks:

Ms Ayshanie Labe, UNDP congratulated new leadership in the MoFAGA and PLGSP expecting the leadership will manage PLGSP critical transition to reprogramming. She thanked NPD for PLGSP progress presentation and suggested to look into the quality aspects of the delivery also. She appreciated several


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initiatives taken that are underway which will inform reprogramming. She advised to develop a collective wisdom while PLGSP is in reprogramming drawing from many other programs directly supporting to federalism process of Nepal. She also advised to develop an adaptive program so that it can capture the change process/mindset and behaviours of the actors working in the federalism process for which interlinkages with the other sectors of service delivery need to explore so that intersectoral federalism could advance further through reprogrammed PLGSP. She reminded that PLGSP was designed with killer assumptions, such as that staff would be in place at PLGs, PCGGs would be established through bills/acts. These assumptions have not been met as expected, which are key concerns of the PLGs but also the JFA DPs. This should be addressed to learn from and adopt in the reprogramming. She reiterated that UNDP will continue to work together with all actors, where other UN agencies could contribute to the sectoral areas. She concluded proposing a 'federalism fair' where we all - GoN, DPs, CSOs, private sector - can reflect their federalism experiences so that we could build on those learnings, as we are not perfect.

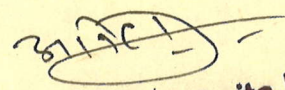
Mr Hari Prasad Mainali, Secretary FCGO informed that FCGO is getting good support from PLGSP in implementing financial management related (but guided by related acts) activities such as SUTRA, PALM, CGAS etc. He also informed that since the system are now online, there is a need of continuous upgrading where PLGSP could support further.

Mr. Kamal Bahadur Shah, the Chief Minister of Sudurpaschim, emphasized the crucial role of the PLGSP program in advancing federalism, particularly in terms of service delivery and capacity building and supported valid suggestions in the decision-making process during reprogramming, including providing legal support to PLGs. He highlighted the lack of sufficient staff within PLGs as a key barrier to service delivery and noted that Technical Assistance (TA) alone is insufficient to support PLGs due to the low capacity of available human resources.

He recommended localizing activities, especially training, which are currently headquarters-based, and incorporating the Institutional Performance Framework to facilitate relationships between Local Governments (LGs) and Provincial Governments (PGs). He also urged improving service delivery from 57% to 80-90%, while acknowledging the challenges at the federal level. He emphasised that the federalization process takes time, and the delay could be attributed to various factors, such as willingness and capacity and stressed the importance of all three levels having a substantial stake in the process and the need for dialogue on constitutionally mandated rights. Mr. Shah affirmed the readiness of Provincial Governments and Local Governments to support federalization, including PLGSP, and pledged his continued support for the PLGSP reprogramming process and its implementation.

Mr. Binod Prakash Singh, Secretary of the Ministry of Federal Affairs and General Administration (MoFAGA), representing the Honorable Minister, expressed gratitude to all participants, especially Chief Minister and Development Partners (DPs), for their time and input. He assured that the valuable discussion points and suggestions would be duly considered and implemented. Mr. Singh expressed regret that NARMIN and MUAN could not attend the meeting despite government efforts and mentioned that ownership issues would be addressed during reprogramming.

He clarified that Government of Nepal (GoN) funding commitments would be considered in the future. Mr. Singh informed the plenary that GoN aims to complete the reprogramming process by the end of December, with a draft document incorporating all suggestions. He conveyed thanks from the Honorable Minister, who had to leave the meeting for a parliamentary committee session as the parliamentary session was concluding. He then officially closed the meeting.


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