

PORTFOLIO DOCUMENT

UNDP Nepal Country Office

Portfolio Title: **Provincial and Local Governance Strengthening Programme - Technical Assistance**

Portfolio Number:

Start Date: 15 July 2024

End Date: 15 July 2029

PAC Meeting date:

Summary Description

- Intent:** The intent of UNDP Nepal is to leverage its technical expertise and facilitator role to support positive transformations that enable implementation of federalism in Nepal - ultimately contributing to more inclusive and effective delivery of services to all.
- Rationale:** We will organize our work through the execution and dynamic management of a portfolio aimed at strengthening Nepal's federal system. We will have a particular focus on providing technical assistance to the Provincial and Local Governance Strengthening Programme (PLSGP) for the institutional and organizational capacities of Provincial and Local Governments (PLGs) to deliver inclusive basic services (BSD) which benefit all people, especially women, the most vulnerable and marginalized, and for the federal government to develop and implement necessary laws and policies to strengthen inter-governmental relationships. For that reason, our portfolio will deploy a collaborative capacity development process and a Gender Equality and Social Inclusion (GESI) transformative approach to federal state building in all the seven provinces of Nepal. This systemic challenge requires a systems approach, which is best pursued through the framework of a portfolio.
- Contribution:** The portfolio will contribute to the following system effects:
 - PLG Institutions, with federal level support, adopt and practice good governance, have capacity and performance accountability for inclusive and sustainable BSD-systems and work collaboratively towards joint development results for the benefit of people, especially the women, most vulnerable and marginalized.
 - The federal system (all three levels) engages in a gender and social inclusion transformation process, to build institutional and organizational capacities and civic engagement practices, for inclusive ways of thinking and working, in line with values pronounced in the constitution.
 - PLG institutions and elected representatives work, learn and adapt across federal levels, in between and across Provinces and Local Governments, form joint intent and build partnerships to drive continuous capacity development and innovation across all levels of the governance system.
- Partnership arrangements:**

The portfolio is a partnership with agencies at three levels, with core formal engagement of rural and urban municipalities at local level, Provincial Governments (PGs) and Provincial Research & Training Academies (PRTA) at provincial level, Ministry of Federal Affairs and General Administration, Office of Prime Minister and Council of Ministers at federal level. The portfolio will also engage with local government associations, civil society organizations and think tanks, UN agencies, other relevant projects supporting federalism and service delivery, and academia.

DRAFT as of 26 June 2024

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PORTFOLIO OVERVIEW

Contributing to CPD Outcome 2. Governance, federalism, participation and inclusion
 Deliver Portfolio Output(s):

Total resources required:	USD 13,302,548,544.9145	
Total resources allocated:	UNDP TRAC:	USD 1,500,000
	Government (from JFA funds):	USD 11,802,548,544.91445
	In-Kind:	Governments' personnel assigned to PLGSP; space provided to TA staffs
Unfunded:	n/a	

Strategic Partners

Implementing Partners: MoFAGA, OCMCM Koshi Province, OCMCM Madhesh Province, OCMCM Bagmati Province, OCMCM Gandaki Province, OCMCM Lumbini Province, OCMCM Karnali Province, OCMCM Sudurpaschim Province

UNDP: Nepal Country Office

Other partners: Office of Prime Minister and Council of Ministers (OPMCM), members of the National Steering Committee, Provincial Research and Training Academies (PRTA), provincial ministries, commissions and assemblies, local governments, committees and assemblies, Municipal Association of Nepal (MuAN), Nepal Association of Rural Municipalities in Nepal (NARMIN), universities and think tanks, civil society organizations, UN agencies, PLGSP development partners and other development partners providing support to federalism.

SIGNATORIES

Implementing Partners per Multiyear Work Plan (MYWP)	UNDP (MYWP 2)
<p>Ministry of Federal Affairs and General Administration (MYWP 1)</p> <p style="text-align: center;"><i>signature here</i></p> <p>Print Name: Date</p>	<p style="text-align: center;"><i>signature here</i></p> <p>Print Name: Date</p>

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<p>Office of the Chief Minister and Council of Ministers, Koshi Province (MYWP 3)</p> <p style="text-align: center;"><i>signature here</i></p> <p>Print Name: Date</p>	
<p>Office of the Chief Minister and Council of Ministers, Madhesh Province (MYWP 4)</p> <p style="text-align: center;"><i>signature here</i></p> <p>Print Name: Date</p>	
<p>Office of the Chief Minister and Council of Ministers, Bagmati Province (MYWP 5)</p> <p style="text-align: center;"><i>signature here</i></p> <p>Print Name: Date</p>	
<p>Office of the Chief Minister and Council of Ministers, Gandaki Province (MYWP 6)</p> <p style="text-align: center;"><i>signature here</i></p> <p>Print Name: Date</p>	
<p>Office of the Chief Minister and Council of Ministers, Lumbini Province (MYWP 7)</p> <p style="text-align: center;"><i>signature here</i></p> <p>Print Name: Date</p>	
<p>Office of the Chief Minister and Council of Ministers, Karnali Province (MYWP 8)</p> <p style="text-align: center;"><i>signature here</i></p> <p>Print Name: Date</p>	
<p>Office of the Chief Minister and Council of Ministers, Sudurpaschim Province (MYWP 9)</p> <p style="text-align: center;"><i>signature here</i></p> <p>Print Name: Date</p>	

1. Theory of Change

A summary of the Theory of Change is presented below.

Development Challenge

Inter-governmental relations and legal framework, Province and Local Government level laws, policies, organisational capacities, civic engagement for inclusive decision-making and basic service delivery, and PLG performance accountability and transparency, are still in need of strengthening. This is important as people have high expectations of the new federal system, but PLG institutions and elected representatives have not been able to fully exercise their constitutional rights and duties. Transformative systems-based capacity development support for PLG institutions is therefore critical.

Description of Change

The portfolio develops agency and capacity of implementing PLGs as per their constitutional mandates, through a CD process focusing on sustainable demand-driven system interventions and a transformative GESI approach. This will require a continuous reflective and learning oriented practice, community of practices, learning from the best practices, with networking and facilitating dialogue between and across public and non-government sectors. Bridging realities and interests leads to common ground, shared values, and joint action towards inclusive development results. Willingness and ability to change mindsets for meaningful collaboration will be important.

UNDP portfolio contribution

The portfolio contributes to CPD Outcome 2: Governance, Federalism, Participation, and Inclusion, which highlights federal institution building, combatting discriminatory social norms and gender stereotypes, and capacity development across three tiers of governance, strengthening participation, inclusion and dialogue through outreach and partnership. UNDP's strong relationship with GoN, insight in Nepal's federalism through past and present programmes and its ability to create momentum for a multi-stakeholder learning approach, will allow leveraging many other programmes of GoN, UNDP and DPs. This is critical for synergy; institutional system change and a transformational learning process.

Extended Theory of Change

For an extended ToC refer to Annex 7 "Theory of Change"

2. Portfolio Results Framework

PORTFOLIO RESULTS FRAMEWORK

Portfolio Name : Provincial and Local Governance Strengthening Programme - Technical Assistance					Quantum Portfolio No. :		
Portfolio Intent Empowering an inclusive and responsive Federal Governance System through intergovernmental collaboration and citizen engagement.				Portfolio Contribution to CPD Outcome 2. Governance, federalism, participation and inclusion			
Portfolio Results	Are we seeing progress, where and how?	Indicator	Baseline		End Target		Means of Verification
			Value	Year	Value	Year	
System Change: Moving beyond federal state building from an internal institutional and organizational perspective to a more Interlinked perspective of inclusive, responsive and collaborative organisational functioning of PLGs, able to overcome systemic institutional and mindset barriers.	1. Output: PLG Institutions have the legal frameworks, capacity and performance accountability for good governance and inclusive BSD-systems to achieve development results for the benefit of people, especially the most vulnerable and marginalised.	1.1. Number of Province Civil Service Acts and HR Policies and tools <u>revised</u> which reflect objectives, targets and measures to achieve diversity in PG workforce, including at decision-making level.	<u>7</u>	2024	6 out of 7 Provinces [85%]	2029	Review of published <u>revised</u> Province Civil Service Acts and HR policies.
		1.2. Proportion of Province Government Laws, Rules and Policies passed with proven inputs from GESI representative organisations and LG Associations		2024	50%	2029	TA team assessment of consultation process and final content for a representative sample of laws, rules and policies passed during the year (desk review, interviews with stakeholders)
		1.3. Number of Local Governments with operational organizational CD Strategies for inclusive basic service delivery		2024	60%	2029	TA team assessment of status of organizational CD strategies in LGs (document review, assessment visits)
		1.4. Number of Local Governments with operational feedback mechanisms on inclusive BSD-system		2024	60%	2029	TA team assessment of status of organizational CD strategies in LGs (document review, assessment visits)
		1.5. Number of meetings of the National Coordination		2024	2/year/mechanism	2029	Records of NCC and PCC meeting preparations

Portfolio Results	Are we seeing progress, where and how?	Indicator	Baseline		End Target		Means of Verification
			Value	Year	Value	Year	
		Council and Provincial Coordination Committees where PLGSP contributed evidence for decision-making on remaining IGR challenges					
		1.6 # of thematic committees operational (meeting at least once a year)		2024	TBC	2029	Thematic committees meeting reports.
		1.7 % of NCC decisions implemented in a timely manner by OPMCM and respective institutions, with support from MoFAGA		2024	70%	2029	NCC meeting records and progress reports
		1.8 # of acts and policies amended in line with unbundling decisions with PLGSP support, at all three levels of Government	0	2024	At least 2 at federal level, 2 per province, and at least 100 acts/policies at LG level (to be refined once unbundling report adopted)	2029	Review of concerned acts and policies, and PLGSP work plans
	2. Output: The federal system engages in a gender equality and social inclusion transformation process, building institutional and organizational capacities and civic engagement practices for inclusive ways of thinking and working.	2.1. Number of multi-stakeholder dialogues organized to discuss GESI policy research, capture existing good practice, and agree on joint recommendations for policy formulation/adaptation, across local, province and federal levels		2024	2/year in each Province and 1 at federal level	2029	Proceedings of dialogue events
		2.2. Number of PRTAs with long-term organisational (internal) and CD-services		2024	7 out of 7 PRTAs/Provinces	2029	Desk reviews and key informant interviews with PRTA staff and a

Portfolio Results	Are we seeing progress, where and how?	Indicator	Baseline		End Target		Means of Verification
			Value	Year	Value	Year	
		(external) strategies operationalized to strengthen PLG capacities for GESI transformation including PSEA, with at least one annual learning event			[100%]		sample of local government representatives (beneficiaries)
		2.3. Number of Local Governments sharing experiences on civic engagement guidelines and tools within the BSD planning, budgeting and implementation processes.		2024	50%	2029	Records of knowledge-sharing events and networks
		2.4. Number of Local Governments CD-demands formulated and addressed for application of civic engagement guidelines and tools within the BSD planning, budgeting and implementation processes.		2024	60%	2029	Logs of CD requests from LGs to PRTAs or through LG associations.
	3. Output: PLG institutions and elected representatives work, learn and adapt across and between federal levels. They build commitment and partnerships to drive continuous capacity development and innovation.	3.1. Number of meetings with Chief Minister and Principal Secretary/relevant provincial secretaries to guide the institutional and organizational CD process of PLGs, as initiated by PLGSP		2024	1/year in each Province	2029	Records of meetings
		3.2. Number of PRTAs with an operational long-term CD strategy to strengthen collaborative ways of working among PLG elected representatives and local leaders, with at least one annual learning event		2024	7 out of 7 PRTAs/Provinces [100%]	2029	Desk reviews and key informant interviews with PRTA staff and a sample of elected representatives / local leaders (beneficiaries)
		3.3. Number/% of Local Governments who annually publish and share best		2024	50%	2029	Review of documents / presentations shared though LG

Portfolio Results	Are we seeing progress, where and how?	Indicator	Baseline		End Target		Means of Verification
			Value	Year	Value	Year	
		practices and learnings (including citizen feedback) in BSD, with plans for improvement					association and other networks / knowledge events.
		3.4. Annual flagship knowledge event organized by MoFAGA, informed by a set of policy recommendations, lessons learnt and international best practices.	0	2024	1/year	2029	Report of the annual event and supporting policy / learning documents produced by PLGSP team.
Portfolio Momentum¹: <i>(Underlying momentum on key dynamics central to the success of the portfolio.)</i>	4. Momentum: Federal, Province and Local Governments (LG Associations) engage in regular dialogue for joint analysis and solution finding.	4.1. Number of reflective joint meetings per quarter (internal & inter-governmental)		2024			semi-annual Portfolio Momentum Report approved by the Project Board
		4.2. Number of multi-stakeholder policy dialogue workshops organized per year (external)		2024			
		4.3. Number of PLG Policies and Plans adjusted as per policy dialogue recommendations		2024			
	5. Momentum: PLGs are taking initiative to discuss GESI policies and transformation actions, including with GESI representative organisations.	5.1. Number of Provinces which present in their annual plan an updated GESI analysis and strategic actions as reflected in the Strategic/Annual Plan.		2024			semi-annual Portfolio Momentum Report approved by the Project Board
		5.2. Number/% of Local Governments which present in their annual plan an updated GESI analysis and strategic actions as reflected in the Strategic/Annual Plan.		2024			
		5.3. Number of publications by province/local government		2024			

¹ IP will need to demonstrate, through the multi-year work-plan and budget, that they have sufficient resourcing and capacity to manage and capture their contributions to the Portfolio Momentum and Portfolio Learning results categories of the Portfolio Results Framework.

Portfolio Results	Are we seeing progress, where and how?	Indicator	Baseline		End Target		Means of Verification
			Value	Year	Value	Year	
		Gender/GESI Focal Persons (network) in relation to the changing perspective on GESI, transformation challenges and stories on positive experiences					
	6. Momentum: PLGs are actively participating in and initiating reflective learning events to exchange experiences and good practice.	6.1. Number of PLGs with performance frameworks including KPIs for learning		2024			semi-annual Portfolio Momentum Report approved by the Project Board
		6.2. % of Local Governments that have a GESI Policy and Plan in place and do annual reporting on progress and actions		2024			
		6.3. Number of external stakeholders (institutions, partners, NGOs, individuals) that participate in PLG organized learning exchanges		2024			
Portfolio Learning²: <i>(New know how instrumental to the success of the portfolio.)</i>	In policy area Learnings about this policy challenge	semi-annual Portfolio Momentum Report approved by the Project Board					
	System transformation Learnings about how to generate systems transformation	semi-annual Portfolio Momentum Report approved by the Project Board					
	Portfolio adaptation Learning about how to improve portfolio governance and management	semi-annual Portfolio Momentum Report approved by the Project Board					

3. Monitoring, Evaluation & Learning

This section outlines the monitoring, evaluation, and learning (MEL) processes applicable to the portfolio that help support real-time course correction and portfolio impact.

MEL activities

The portfolio MEL process is structured around these key activities:

Activity	Purpose & summary	Expected outcomes
Sensemaking workshop (1 day)	<ul style="list-style-type: none"> - Ensure the portfolio implementation is making progress towards its stated purpose. - A structured strategic portfolio review in the context of other development interventions, as well as current country and regional or global development. The workshop builds pathways for reporting to track progress and support learning and recommendations. 	<ul style="list-style-type: none"> - Track output results and CPD results progress. - Track and update the Theory of Change - Track possible portfolio impact. - Monitor & Manage Risks - Update Risk Register - Review & Course Correction - Update and populate Results Framework - Discuss any strategic level issues related to TA (ISTA/transformational TA) and provide guidance.
Portfolio review (2 - 4 hours)	<ul style="list-style-type: none"> - Ensure day-to-day activities are helping support the broader objectives. - A multidisciplinary, semi structured portfolio review that provides an opportunity for a comprehensive discussion and evaluation of the work in progress. 	<ul style="list-style-type: none"> - Track portfolio progress. - Monitor & Manage Risk - Review & Course Correction, based on analysis of practical implementation challenges faced
Team check-in	<ul style="list-style-type: none"> - Ensure day-to-day operations are running smoothly. - Informal daily meetings to ensure the team is doing well and that there is clarity on what is happening next. 	<ul style="list-style-type: none"> - Monitor & Manage Risk - Review & Course Correction
Adaptation	<ul style="list-style-type: none"> - This activity is performed after all the above portfolio activities. - To ensure that learnings translate to necessary portfolio changes, and that those changes happen transparently and in line with prevailing rules and regulations. 	<ul style="list-style-type: none"> - Course correction - Document key adaptation changes and their motivation

MEL frequencies

The portfolio MEL key activities operate at these frequencies:

Activity	Frequency	Who
Sensemaking workshop	Yearly	Board with Management team, Stakeholders, Partners
Portfolio review	At least quarterly	Technical Coordination Committee
Team check-ins	Every week	TA Team and UNDP Country Office
adaptation	in conjunction with all MEL activities	Relevant activity assignee

Evaluation Plan

Evaluation Title	Partners (if joint)	Related Portfolio Output	UNSDCF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Mid-Term Evaluation	PLGSP development partners	1,2 and 3	2	31 January 2027	MoFAGA, OPMCM, OCMCMs, LG associations, DPs, UNDP	50,000
Final Evaluation	PLGSP development partners	1,2 and 3	2	30 March 2029	MoFAGA, OPMCM, OCMCMs, LG associations, DPs, UNDP	75,000

During the inception phase and at the time of mid-term and final evaluations, UNDP will commission assessments of attitudes and perceptions of federal governance, with a focus on trends with regard to inclusiveness, responsiveness and collaboration across levels of Government. This will be based to the extent possible on secondary data and available qualitative studies, as well as primary data collection (as needed) on sample basis across key direct and indirect beneficiary groups.

4. Partnerships & Stakeholders

<p>Partnerships</p>
<p>The portfolio aims to play a catalytic role within the broader ecosystem of support to the implementation of federalism in Nepal. The Technical Assistance Committee (TAC) and the Provincial Technical Assistance Committees (PTAC) will be the key fora forums to maximize synergies and share learnings both among PLGSP partners and beyond. The portfolio will engage with academia and think tanks both within and outside Nepal and with relevant UN agencies to bring in specific areas of expertise and tools to support and track behaviour change for a more responsive, inclusive and collaborative federal governance. Diverse partnerships will be tested for outreach to local governments, including models involving local government associations, university students / young graduates, and volunteers.</p>

<p>Co-creation</p>
<p>The inception phase (first 6 months) will include a mapping of relevant partner interventions and expertise, which will be built into capacity development approaches tailored to each provincial context, with close engagement of the concerned partners, as well as provincial and local governments. The effectiveness of these interventions will be regularly tracked through the participatory mechanism included in the MEL framework and adjusted as needed. Provincial governments will have the lead on the design and implementation of capacity development interventions for their province.</p>

<p>Stakeholder Engagement</p>	
<p>Target groups</p>	<p>Engagement strategy</p>
<ul style="list-style-type: none"> - Ministry of Federal Affairs and General Administration (MoFAGA, civil servants) 	<ul style="list-style-type: none"> - Chairs the board (TAC), ensuring linkage with PLGSP NSC guidance. Takes the lead on implementation of federal level interventions together with OPMCM. Responsible for coordination functions of the PLGSP -TA portfolio together with UNDP.
<ul style="list-style-type: none"> - Office of the Prime Minister and Council of Ministers (civil servants) 	<ul style="list-style-type: none"> - Member of the board (TAC), primary responsibility for IGR at federal level, possibility for OPMCM to be an implementing

	partner of PLGSP-TA if GoN rules allow, otherwise engagement will be through UNDP TA team (IGR).
<ul style="list-style-type: none"> - Provincial Governments ((elected representatives, civil servants) -primarily OCMCM and PRTAs 	<ul style="list-style-type: none"> - OCMCMs are members of board (TAC), chair the provincial TAC, lead on implementation of provincial level work plans, including oversight of ISTA and guidance of transformational TA. - PRTAs members of provincial TAC, lead on implementation of specific activities in provincial work plans, including oversight of assigned ISTA and guidance of transformational TA.
<ul style="list-style-type: none"> - Local governments (elected representatives, civil servants) 	<ul style="list-style-type: none"> - Represented by local and municipal associations at the TAC and PTAC, engaged through diverse outreach models (see partnerships above). Will be involved in needs assessment at inception phase, and then through MEL framework for regular updates on evolving needs, and feedback on PLGSP-TA approaches.
Other Potentially Affected Groups	
<ul style="list-style-type: none"> - Citizens, users/beneficiaries of PLG services (focus on vulnerable groups / GESI lens) 	<ul style="list-style-type: none"> - Will be engaged through participatory planning/monitoring tools, satisfaction / knowledge surveys to track impact and adequacy of PLGSP-TA interventions. Dedicated, accessible Grievance Redress mechanism to address any grievances.

Engaging social & environmental concerns

The UNDP Social and Environmental Screening Procedure which will determine any specific assessments and management plans to be developed. UNDP will incorporate such assessments and plans in the multi-year work plan. A dedicated Grievance Redress Mechanism will be established, with appropriate communication channels for stakeholders to report their concerns related to social or environmental issues, first to a designated focal point within the portfolio team. If grievances are not adequately addressed at portfolio level, stakeholders will have the possibility to escalate grievances to the UNDP Stakeholder Response Mechanism, at country office or corporate level. Information on the Grievance Redress Mechanism/Stakeholder Response Mechanism will be made available at PLGSP offices and communicated through programme interventions, with due focus on accessibility of information for concerned audiences.

5. Resources

This section outlines the resources required to implement the portfolio.

Resources Required to Achieve the Expected Results								
Overall budget	IP1	IP2	IP3	IP4	IP5	IP6	IP7	IP8
USD 13,302,548,489.32-94	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Tangible resources								
<ul style="list-style-type: none"> - Human resources, primarily for the implementation support TA to be phased out by the end of year 4, and for key management and transformational TA functions (est. USD 7.032M) - Consultancy services and institutional partnerships in specific areas of expertise including GESI, data management, basic service delivery, fiscal federalism, innovation, civic engagement, quality assurance, evaluations (est. USD 3.55M65M) - Equipment (est. USD 5080,000, only as needed to complement functioning equipment from the previous phase) and operational costs (est. USD 1.73M25M) - UNDP GMS (reduced rate of 5% for government financing). 								
Intangible resources								
<ul style="list-style-type: none"> - Conducive legal framework, particularly the Civil Service Bill and staffing of PLGs as per O&M needs. - Continued political commitment to the implementation of federalism as per constitutional provisions. - Expertise, provincial and local networks developed by potential partners (academia, think tanks, UN agencies) since the introduction of federalism. - International expertise and networks of UNDP on federalism, service delivery, GESI and capacity development, mobilized through regional/global centers, communities of practice and expert rosters. - Knowledge and expertise from development partner supported programmes in the federalism space in Nepal, and from specialized centers of excellence in development partner countries. - Continued trust and support from all levels and branches of government (executive, legislative and judicial), and from civil society built over years of UNDP engagement on governance in Nepal. 								

6. Implementing Partner(s) Role(s) & Multiyear Work Plan

Implementing Partner(s)	Portfolio Outputs	Other responsibilities
- MoFAGA	<i>Outputs 1, 2 and 3 (federal level) and portfolio coordination together with UNDP</i>	Contributing to portfolio momentum and learning results
- OCMCM of the seven provinces	<i>Outputs 1,2 and 3 (as they relate to respective provinces)</i>	Contributing to portfolio momentum and learning results
- UNDP	<i>Outputs 1,2 and 3 (transformative TA) and portfolio coordination together with MoFAGA</i>	Contributing to portfolio momentum and learning results

Note: OPMCM may be added as a TA implementing partner if they so wish, with primary responsibility on IGR. If not, OPMCM engagement on IGR will be supported through UNDP/ transformational TA.

Implementing Partner multiyear work plan & budget

(the portfolio will be managed based on rolling multi-year work plans, to be updated every year with detailed planning for the following year). A detailed plan will be developed for the inception phase (first 6 months), with remaining allocations indicative.

7 Governance & Management

Alignment with PLGSP governance framework

Management arrangements for this TA portfolio are closely aligned with the management arrangements established for the PLGSP programme as a whole, with the key objective of reflecting Nepal's federal system in the governance of PLGSP. The Technical Assistance Committee (TAC) will act as the board for the TA programme, taking into account high level guidance from the National Steering Committee (NSC) to be chaired by the Minister of MoFAGA. The PLGSP Federal Coordination Committee (FCC) to be chaired by the Secretary of MoFAGA, and Provincial Steering Committees at the provincial level to be headed by the Chief Ministers, will guide the formulation of TA activities at federal and provincial level respectively. The Provincial Technical Assistance Committees will provide a coordination mechanism for TA under guidance from PSCs, in order to optimize division of labour between PLGSP and other federalism support programmes at the provincial level and maximize synergies.

The PLGSP Programme Coordination Unit (PCU) at the federal level, and Provincial Programme Support Units (PPSU) in each province will provide the secretariat services to the respective governance bodies which will be the main contact points for UNDP.

In order to reflect the agreed governance for PLGSP, UNDP will implement the TA under a "portfolio approach", with MoFAGA, provincial governments, UNDP and potentially OPMCM as implementing partners, with their respective work plans. This portfolio approach includes a strong focus on continuous learning throughout implementation, and adaptive management of the portfolio, with annual stock-takes at board level (sensemaking), and the possibility to adjust design and approaches based on learnings and monitoring of key trends ("momentum").

Portfolio Board - Technical Assistance Committee

The TAC meets six-monthly and is chaired by MOFAGA (National Programme Director of PLGSP) with UNDP Senior Management as co-chair (executive role). The TAC has high level members from the provincial governments (Provincial Programme Directors), Office of the Prime Minister and Council of Ministers, and Local Government Associations (beneficiary role), as well as Development Partners.

The TAC is responsible for high-level oversight of the portfolio, risk management and quality assurance. In particular, the TAC will be approving the multiyear partner work plan containing milestones and reviewing momentum and annual reports. Portfolio milestones are approved yearly by the board, for each subsequent 12-month period of work. The TAC also reviews how integration and intersectionality are pursued in achieving greater impact to the portfolio's objectives. The TAC assesses any major risks to the programme and makes related decisions on any management actions and adjustments. In addition, the TAC may identify new partnerships based on the identified new policy spaces resulting from implementation experience. The TAC defines tolerance levels within which implementing partners and UNDP can make decisions on the approved work plans. The TAC makes decisions on suspension of and extension of the portfolio subject to partner commitment and funding.

Assurance role

The UNDP Country Office is responsible for overall quality assurance of the portfolio, in line with the portfolio document and financing agreement provisions. As per UNDP rules and procedures, the UNDP Country Office will designate staff to support the board (TAC) in their assurance role.

A portfolio manager from UNDP's governance portfolio will be assigned to ensure project compliance with the provisions of this portfolio document, as well as UNDP rules and regulations. This includes quality assurance of portfolio work plans, reports, timely and effective functioning of the portfolio governance mechanisms, effective monitoring and management of risks, including social and environmental risks and prevention of sexual exploitation and abuse. Given the number and diversity of the partnerships under this portfolio, the designated portfolio manager will be supported by a ~~liaison officer~~coordination officer, tasked with coordinating Country Office support to the portfolio on a day-to-day basis.

The UNDP governance adviser will provide inputs on behalf of UNDP into the design and quality assurance of policy products to be produced by PLGSP. This includes analyzing trends with regards to PLGSP relevance, efficiency and

effectiveness in the broader context of federalism, advising on any required course corrections, and assessing potential to further develop PLGSP partnerships with relevant stakeholders.

The members of the assurance team report to the Deputy Resident Representative and are distinct from the team involved in the implementation of the portfolio itself. They provide the required documentation and analysis for TAC meetings, in coordination with the National Programme Manager/[National Programme Director](#).

Provincial Technical Assistance Committees

In order to decentralize the TA implementation, Provincial Technical Assistance Committees (P-TAC) will be formed at the province level, to be chaired by the respective Provincial Programme Director (PPD) of PLGSP. The Provincial Programme ~~Implementation Support~~ Unit will serve as the secretariat. The committee will include PPSU, PRTA, development partners, local governments associations i.e. NARMIN and MUAN, and invite representatives of other federalism support initiatives with a presence in the province as observers. Actual representation in the PTAC will be determined by the Provincial Steering Committee. The major function of the PTAC will be to guide planning, execution, and monitoring of the TA: identify the activities to be included in annual and quarterly work plans based on demand/needs, review the TA activities, and their linkage and contribution to the PLGSP JFA activities. It also aims at maximizing coordination between PPSU, PRTA, LG Associations and other stakeholders, including those who support federal governance at the province and local levels. The PTAC will play an important role in ensuring that PLGSP TA support is prioritized for catalytic interventions and adds value to the work being done by others. It will be a forum for sharing of best practices and learning at the provincial level.

Implementing partners and portfolio TA team

The ~~international Team Leader / Senior Federal~~ Governance Specialist (~~Federalism~~[International](#)) will support the National Programme Manager (MoFAGA) to liaise with the different implementing partners to develop and adjust their respective work plans and ensure their work plans are delivered as per targets.

As such, he/she will support the establishment and functioning of a monthly technical coordination committee including all implementing partners, with the objective to review performance and delivery, address any bottlenecks in a timely manner, manage emerging risks, and promote synergies.

UNDP will enter into an agreement with each implementing partner, for the implementation of their respective work plan. The implementation support component of the TA (ISTA) will be placed under the direct responsibility and supervision of the Government implementing partners (NPD/NPM of MoFAGA at federal level, and PPD/PPM/PRTA ED at provincial level), who will be accountable for the corresponding results. ISTA staff will be recruited and administered by UNDP (National Personnel Service Agreement, Country Office Support to National Implementation), in order to address the findings of the TA structural review and PLGSP mid-term review on conditions of service, motivation and incentives for TA staff. A tentative composition and maximum number of ISTA staff as per ~~initial~~[the](#) discussion with federal and provincial governments is provided in Annex 8. The exact format of the ISTA team in each province will be demand-based and finalized during the inception phase. Composition may evolve over the duration of the programme, based on learnings and evolving needs as determined by the PTACs and TAC. The ISTA teams will be fully phased out by July 2028, to be replaced by civil servants. The TORs and performance frameworks of ISTA teams will reflect their role in developing the capacities of their counterparts for the timely and quality delivery of the core planning, budgeting, implementation and monitoring functions of federal and provincial government entities, with particular attention to inclusive and participatory processes. UNDP in coordination with the PPDs/PPMs/EDs at the province level and NPD/NPM at the federal level will jointly review the performance of the ISTA team.

UNDP will directly implement the transformational TA component (TA), which will include diverse instruments: one international staff, national personnel (National Personnel Service Agreement – same conditions of service as ISTA teams), partnerships with UN agencies and think tanks / academia / centers of excellence on specific issues, consultancies preferably under long-term agreements to maintain institutional memory, vetted experts from UNDP rosters and network of regional/global centers. This arrangement will ensure that this component of TA is nimble and can be managed based on evolving needs and learnings. Different types of partnerships and models will initially be tested for outreach to local governments, building on existing experiences and partnerships in specific provinces. Based on learnings, successful, scalable outreach models will be considered for further scaling-up in the second half

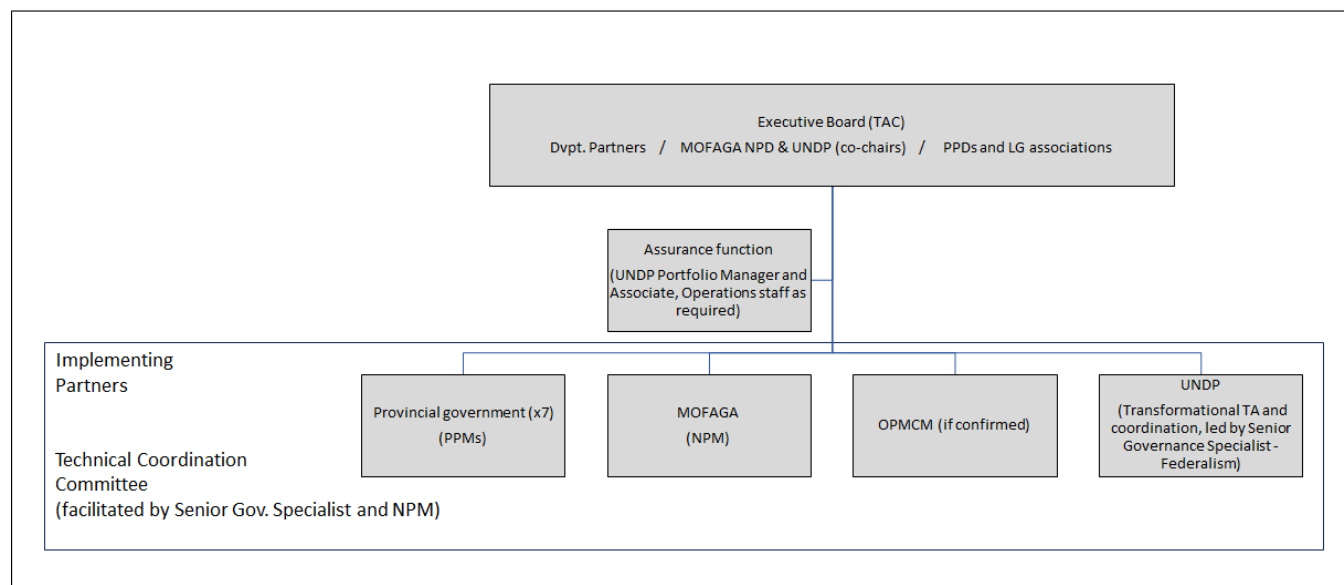
of the programme. UNDP will periodically assess the performance of the transformational TA team with inputs from NPD/NPM/PPDs/PPMs and EDs.

The exact composition and mix of instruments for this TA component will be determined through PTAC and TAC consultations, under the leadership of the NPD and PPDs respectively, and will be based on demand, capacity and needs assessments conducted during the inception phase, and continuous learning. The transformational TA teams will be responsible for managing the learning component of the programme, with a capacity to step-back from day-to-day implementation support, support broad stakeholder engagement, assess changes in mindsets, behaviours and practices, bring in international and national best practices, and identify any broader factors (including political economy or social factors) impacting the achievement of the milestones set for the programme and requiring adjustments to the capacity development approach. Potential areas where consultancy services or institutional partnerships may be required include GESI, data management, basic service delivery, fiscal federalism, innovation, civic engagement, quality assurance, evaluations.

Transformational TA teams will support PRTAs to design and monitor various models for LG outreach activities, based on analysis of available partnerships and opportunities in specific provinces. These approaches will build on approaches already tested in Nepal, and may include rapid and participatory assessment visits, mobile support teams, mentorship model, mobilizing fresh graduates as volunteers, mobilizing and capacitating champions inside LGs, partnering with local government associations or other projects with a presence in LGs, and other approaches as appropriate. The degree of success and scalability of the various models will be monitored and fed into PLGSP learning processes. The initial design of outreach models will be determined during the inception phase and tailored to local needs and opportunities.

During the inception phase, UNDP will develop a detailed Human Resource Plan and retention plan based on the past learning which will include a brief description and rationale for the human resources required for TA teams, a capacity development plan (as appropriate), phasing of the teams, staff retention strategy and TA exit strategy.

Governance diagram



8. LEGAL CONTEXT

This portfolio document shall be the instrument referred to as “Project Document” in Article 1 of the Standard Basic Assistance Agreement between the Government of Nepal and UNDP, signed on 23 February 1984. Consequently, all references in the SBAA to “Project Document” shall be deemed to refer to this “Portfolio Document”. All references in the SBAA to “Executing Agency” shall be deemed to refer to the “Implementing Partner”.

Section 6 (**Implementing Partner(s) Role(s) & Multiyear Work Plan**) above and Annex 7 (**Implementing Partners**) identify the implementing partners for each of the workplans in this Portfolio (each, an “Implementing Partner”)². The Implementing Partner will implement the programme activities in the multiyear work plan applicable to such Implementing Partner in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

9. RISK MANAGEMENT

Where used in this section, the term “Implementing Partner” refers to the relevant Implementing Partner of each work-plan. The Implementing Partner of each multiyear work plan will be bound by the provisions in this section applicable to the implementation modality selected the relevant multiyear work plan.

a. The following provisions will apply when implementation is done by a Government Entity (NIM)

1. Consistent with the Article III of the SBAA [*or the Supplemental Provisions*], the responsibility for the safety and security of the relevant Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

² Additional implementing partners may be included in the portfolio during its implementation.

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the portfolio is being carried.
 - b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Portfolio Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Portfolio Document are used to provide support to individuals or entities associated with terrorism, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Portfolio Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>.
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in the implementation of this Portfolio, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Portfolio Document.
 - (a) In the implementation of the activities under this Portfolio Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
 - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Portfolio Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.
5. a) In the performance of the activities under this Portfolio Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:
 - i. Prevent its employees, agents or any other persons engaged to perform any services under this Portfolio Document, from engaging in SH or SEA.
 - ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place

its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP.

- iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof.
 - iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
 - v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Portfolio Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
- b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Portfolio.
6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
 7. The Implementing Partner shall: (a) conduct portfolio and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the portfolio/programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other portfolio stakeholders are informed of and have access to the Accountability Mechanism.
 8. All signatories to the Portfolio Document shall cooperate in good faith with any exercise to evaluate any programme or portfolio -related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to Portfolio sites, relevant personnel, information, and documentation.
 9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the portfolio or using UNDP funds.
 10. In the implementation of the activities under this Portfolio Document, UNDP places reasonable reliance upon the Implementing Partner for it to apply its laws, regulations and processes, and applicable international laws regarding anti money laundering and countering the financing of terrorism, to ensure consistency with the principles of then in force the UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy.
 11. The Implementing Partner will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

12. The requirements of the following documents, then in force at the time of signature of the Portfolio Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Portfolio Document and are available online at www.undp.org.
13. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP Portfolios and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
14. The signatories to this Portfolio Document will promptly inform one another in case of any incidence of inappropriate use of funds, credible allegation of fraud or corruption or other financial irregularities with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP Portfolio or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

1. Indicate in the Multiyear Work Plan of each Implementing Partner the applicable option:

Option 1: UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Portfolio Document.

Option 2: The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Portfolio Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document.

Option 3: UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Portfolio Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document.

Note: The term “Portfolio Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Portfolio Document, including those with responsible parties, subcontractors, and sub-recipients.

15. Each contract issued by the Implementing Partner in connection with this Portfolio Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
16. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the Portfolio, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
17. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Portfolio Document.

b. The following provisions will apply when implementation is done by UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the Portfolio funds are used to provide support to individuals or entities associated with terrorism, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Portfolio Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>. This provision must be included in all sub-contracts or sub-agreements entered into under this Portfolio Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct Portfolio and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the Portfolio or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other Portfolio stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Portfolio Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Portfolio Document shall cooperate in good faith with any exercise to evaluate any programme or Portfolio-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to Portfolio sites, relevant personnel, information, and documentation.

7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:
- a. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Portfolio Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the Portfolio is being carried.
 - ii. assume all risks and liabilities related to such responsible parties, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
 - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible parties, subcontractor's and sub-recipient's obligations under this Portfolio Document.
 - c. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Portfolio implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Portfolio Document.
 - (a) In the implementation of the activities under this Portfolio Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
 - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Portfolio Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.
 - d. In the performance of the activities under this Portfolio Document, each sub-party shall (with respect to its own activities) and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:
 - (i) Prevent its employees, agents or any other persons engaged to perform any services under this Portfolio Document, from engaging in SH or SEA.
 - (ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP.

- (iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof.
 - (iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
 - (v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Portfolio Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
- e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Portfolio.
 - f. Each responsible party, subcontractor and sub-recipient will ensure that any Portfolio activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.
 - g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the Portfolio or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.
 - h. The requirements of the following documents, then in force at the time of signature of the Portfolio Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Portfolio Document and are available online at www.undp.org.
 - i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and Portfolios. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
 - j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.
Where it becomes aware that a UNDP Portfolio or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.
 - k. *Choose one of the three following options:*

UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption, other financial irregularities or otherwise paid other than in accordance with the terms and conditions of this Portfolio Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible parties, subcontractor's or sub-recipient's obligations under this Portfolio Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Portfolio Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document.

Note: The term "Portfolio Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Portfolio Document, including those with responsible parties, subcontractors and sub-recipients.

- l. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Portfolio Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- m. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the Portfolio or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- n. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Portfolio Document.

c. The following provisions will apply when implementation is done by a CSO/NGO/Non-UN or other IGO with no signed SBEAA with UNDP

1. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Portfolio Document*], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
 - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the Portfolio is being carried.
 - b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be

deemed a breach of the Implementing Partner's obligations under this Portfolio Document [and the Project/Portfolio Cooperation Agreement between UNDP and the Implementing Partner]³.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Portfolio Document are used to provide support to individuals or entities associated with terrorism, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Sanctions Consolidated Sanctions List, and that no UNDP funds received pursuant to the Portfolio Document are used for money laundering activities. The United Nations Security Council Sanctions Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>.
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Portfolio implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Portfolio Document.
 - (a) In the implementation of the activities under this Portfolio Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
 - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Portfolio Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.
5. a) In the performance of the activities under this Portfolio Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will, and will require that such sub-parties will take all appropriate measures to:
 - i. Prevent its employees, agents or any other persons engaged to perform any services under this Portfolio Document, from engaging in SH or SEA.
 - ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4, have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and such sub-parties may use the training material available at UNDP.
 - iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof.

³ Use bracketed text only when IP is an NGO/IGO

- iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
 - v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Portfolio Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
- b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Portfolio.
6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
 7. The Implementing Partner shall: (a) conduct Portfolio and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the Portfolio or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other Portfolio stakeholders are informed of and have access to the Accountability Mechanism.
 8. All signatories to the Portfolio Document shall cooperate in good faith with any exercise to evaluate any programme or Portfolio-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to Portfolio sites, relevant personnel, information, and documentation.
 9. UNDP is committed to the highest ethical standards and will not tolerate the diversion of the resources entrusted to it through Money Laundering or Terrorist Financing and will not partner with entities that tolerate the diversion of resources through Money Laundering or Terrorist Financing. To that effect, the Implementing Partner represents and warrants that it has not, and it shall not, at any time in the implementation of the Portfolio engage in Terrorism Financing or Money Laundering. The Implementing Partner shall communicate the restriction of this paragraph to its and each of its responsible parties, their respective sub-recipients and other entities involved in Portfolio implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Portfolio Documents and shall take all reasonable measures to ensure that such persons do not engage in Terrorism Financing or Money Laundering.
 10. The Implementing Partner shall immediately disclose to UNDP any actual, apparent, potential or attempted Terrorism Financing or Money Laundering activity that it becomes aware of. The Implementing Partner shall fully cooperate with any investigation or review of Terrorism Financing or Money Laundering activity by UNDP.
 11. The Implementing Partner acknowledges and agrees that Terrorism Financing or Money Laundering constitute financial irregularities and that if the Implementing Partner or any of its responsible parties, their respective sub-recipients and other entities involved in Portfolio implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Portfolio Document engages in

Terrorism Financing or Money Laundering activity that would constitute a material breach of this Portfolio Document, which entitles UNDP to immediately terminate the Portfolio without incurring any liability or penalty.

12. Furthermore, the Implementing Partner expressly acknowledges and agrees that, in the event that UNDP were to determine through an investigation or otherwise that Terrorism Financing or Money Laundering occurred, UNDP shall have, in addition to its right to immediately terminate the Portfolio, the rights to:
 - i. apply and enforce the relevant sanctions in accordance with UNDP internal regulations, rules, procedures, practices, policies and guidelines, including referral of the matter to national authorities when appropriate; and
 - ii. recover all losses, financial or otherwise, suffered by UNDP in connection with such Terrorism Financing or Money Laundering activity.

13. For the purpose of this Portfolio Document the following terms shall have the definition ascribed to the below:
 - i. "Money Laundering" is generally considered as concealment of the origins of money obtained illegally, typically by passing it through a complex sequence of financial or commercial transactions. ML usually involves three stages: (i) introducing the proceeds of crime into the financial system (placement); (ii) transactions to convert or transfer the funds to other locations or financial institutions (layering); and (iii) reintroducing the funds into the legitimate economy as "clean" money and investing it in various assets or business ventures (reintegration) appearing to have been legally obtained. The FATF recommends that ML be criminalized by every country on the basis of article 3(1)(b) and (c) of the Vienna Convention and article 6(1) of the Palermo Convention.
 - ii. "Terrorist Financing" means providing support to individuals or entities that appear on the United Nations Security Council Consolidated Sanctions List accessible at <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>.

14. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the Portfolio or using the UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

15. The requirements of the following documents, then in force at the time of signature of the Portfolio Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Portfolio Document and are available online at www.undp.org.

16. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP programmes and Portfolios in accordance with UNDP regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

17. The Implementing Partner will promptly inform UNDP in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption or other financial irregularity with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP Portfolio or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption or other financial irregularity, the Implementing Partner will inform the

UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

18. Indicate in the Multiyear Work Plan of each Implementing Partner the applicable option:

Option 1: UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of this Portfolio Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Portfolio Document.

Option 2: The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Portfolio Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document.

Option 3: UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Portfolio Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document.

Note: The term "Portfolio Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Portfolio Document, including those with the Implementing Partner, responsible parties, subcontractors, and sub-recipients.

19. Each contract issued by the Implementing Partner in connection with this Portfolio Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
20. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the Portfolio, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
21. The Implementing Partner shall ensure that all its obligations set forth under this section entitled "Risk Management Standard Clauses" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Portfolio Document.

d. The following provisions will apply when implementation is done by a UN Agency other than UNDP, and IGO with signed SBAA with UNDP

1. The Implementing Partner will comply with the policies, procedures, and practices of the United Nations Security Management System (UNSMS.)
2. In the implementation of the activities under this Portfolio Document, the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies, and procedures. The Implementing Partner will ensure that its regulations, rules, policies, and procedures are consistent with the principles of UNDP relating to SEA and SH requirements. Notwithstanding the foregoing, the Implementing Partner, will notify UNDP of any such allegations and investigations it may conduct further to such allegations.
3. The Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient that is not a UN entity:
 - a. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Portfolio Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and the Implementing Partner property in such responsible parties, subcontractor’s and sub-recipient’s custody, rests with such responsible party, subcontractor, and sub-recipient. To this end, each responsible party, subcontractor, and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the Portfolio is being carried.
 - ii. assume all risks and liabilities related to such responsible parties, subcontractor’s and sub-recipient’s security, and the full implementation of the security plan.
 - b. The Implementing Partner reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible parties, subcontractor’s and sub-recipient’s obligations under this Portfolio Document.
 - c. In the performance of the activities under this Portfolio, the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Portfolio, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or handle SEA and SH.
4. The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the [Portfolio funds]⁴ [UNDP funds received pursuant to the Portfolio Document]⁵ are used to provide support to individuals or entities associated with terrorism, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Sanctions Consolidated Sanctions List, and that no UNDP funds received pursuant to the Portfolio Document are used for money laundering activities. The United Nations Security Council Sanctions Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>.
5. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

⁴ To be used where UNDP is the Implementing Partner

⁵ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

6. The Implementing Partner shall: (a) conduct Portfolio and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the Portfolio or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other Portfolio stakeholders are informed of and have access to the Accountability Mechanism.
7. All signatories to the Portfolio Document shall cooperate in good faith with any exercise to evaluate any programme or Portfolio-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to Portfolio sites, relevant personnel, information, and documentation.
8. In the implementation of the activities under this Portfolio Document, the Implementing Partner will ensure that its regulations, rules, policies and procedures are consistent with the principles of then in force UNDP's Anti-Money Laundering and Countering the Financing of Terrorism Policy.
9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud, or corruption, by its officials, consultants, responsible parties, subcontractors, and sub-recipients in implementing the Portfolio or programme or using the UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.
10. *This text applies when the Implementing Partner is a non-UN IGO:* The requirements of the following documents, then in force at the time of signature of the Portfolio Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Portfolio Document and are available online at www.undp.org.]
11. *This text applies if the Implementing Partner is a non-UN IGO:* In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP Portfolios or programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
12. The Implementing Partner and UNDP will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP Portfolio or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption or other financial irregularity, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

13. Indicate in the Multiyear Work Plan of each Implementing Partner the applicable option:

Option 1: UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of this Portfolio Document. Such amount may be deducted by UNDP

from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Portfolio Document.

Option 2: The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Portfolio Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document.

Option 3: UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Portfolio Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Portfolio Document.

Note: The term "Portfolio Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Portfolio Document, including those with responsible parties, subcontractors and sub-recipients.

14. Each contract issued by the Implementing Partner in connection with this Portfolio Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
15. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the Portfolio, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
16. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management Standard Clauses" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Portfolio Document.

Special Clauses. In case of government cost-sharing through the Portfolio, the following clauses should be included:

1. The schedule of payments and UNDP bank account details.
2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such

further financing not be available, the assistance to be provided to the Portfolio may be reduced, suspended or terminated by UNDP.

3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of Portfolio delivery.
4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.
6. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.
7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 6 above is not forthcoming from the Government or other sources, the assistance to be provided to the Portfolio under this Agreement may be reduced, suspended or terminated by UNDP.
8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) 5% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
- (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.
9. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
10. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP."

ANNEXES

- Annex 1** Portfolio Quality Assurance Report *(to be done once this draft is final)*
- Annex 2** Social and Environmental Screening Procedure (SESP) in Quantum+ *(to be done once this draft is final)*
- Annex 3** Portfolio Risk Register
- Annex 4** Capacity Assessment. Results of capacity assessments of Implementing Partner(s) *(to be done during inception phase for new implementing partners - provinces)*
- Annex 5** Portfolio Board Terms of Reference and brief TORs of key TA positions
- Annex 6** Indicative Multi-year Work-Plan *(see separate annotated budget)*
- Annex 7** Theory of Change
- Annex 8** Additional background on PLGSP programme and TA approach
- Annex 9** Transition management and inception phase
- Annex 10:** Summary table of the recommendations from MTR, TA Structure Review and TA final evaluation recommendations
- Annex 11:** Indicative result indicators for the two TA components *(to be refined during inception)*

Annex 3 Portfolio Risk Register

Portfolio Title: Provincial and Local Governance Strengthening Programme (PLGSP) - Technical Assistance	Portfolio Number:	Date: 01 June 2024
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	Event	Cause	Impact(s)	Risk Category and Sub-category <i>(including Risk Appetite)</i>	Impact, Likelihood & Risk Level	Risk Valid From/ To	Risk Owner	Risk Treatment and Treatment Owner
1	There is a risk that key pre-conditions and assumptions underpinning the overall strategy and assumption of the PLGSP do not materialize, such as related to timely approval of necessary legal and regulatory framework (e.g Civil Service Act).	As a result of changing political priorities, or lack of political consensus to ensure that pre-conditions are met	Which will impact in an overall political climate where the intended PLGSP outcome and impacts results cannot be met, and UNDP is unable to effectively implement TA as planned, including phasing out of ISTA	4. ORGANIZATIONAL (4.1. Governance) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 3 - Moderately likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)	From: 16-Jul-24 To: 15-Jul-29	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio, UNDP Nepal Senior Management	Risk Treatment 1.1: While this risk is beyond the control of UNDP or the role as TA Partner, UNDP will continue to engage in high-level advocacy for full implementation of federalism, including through its various related programmes and projects (such as the Parliamentary Support Project, Access to Justice Project, and support to the Public Service Commission), as well as through its role as co-chair of the IDPG Federalism Working Group. Risk Treatment Owner: UNDP Nepal Inclusive Governance Portfolio

								Risk Treatment 1.2: The TA will engage as a key initiator and facilitator of stakeholder engagement, networking, event organisation for voice and deepening analysis, reform/change process facilitation. Treatment Owner: Portfolio Management Team
2	There is a risk that key stakeholders at federal, provincial, and local levels are not fully capacitated or committed to implement the overall PLGSP ambition for transformative change, as per the intended institutional arrangements or results framework.	As a result of a variable political environment and resulting change in priorities, impacting the overall process to implement federalism and efforts to enhance capacity of key stakeholders	Which will impact in overall delivery of intended results and non-alignment with programme priorities and structures, also impacting UNDP's ability to effectively implement TA.	<p>7. STRATEGIC (7.5. Government commitment) - UNDP Risk Appetite: OPEN TO SEEKING</p> <p>7. STRATEGIC (7.6. Change/turnover in government) - UNDP Risk Appetite: OPEN TO SEEKING</p>	<p>Likelihood: 2 - Low likelihood</p> <p>Impact: 4 - Extensive</p> <p>Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)</p>	<p>From: 16-Jul-24</p> <p>To: 15-Jul-29</p>	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio	<p>Risk Treatment 2.1: A Transformation/CD strategy to internalise political economy of federalism and change will be developed as part of PLGSP, under leadership of the TA Partner. This will serve to strengthen awareness and motivation on the role of political leadership at all levels to make devolution a success. In addition, the TA activities will be incorporated focusing on transformative approach and implemented to build the capacity of governments at all three tiers.</p> <p>Risk Treatment Owner: Portfolio Management Team, TA Team</p>
								<p>Risk Treatment 2.2: UNDP will support the development and signing of Programme Provincial MoUs, as a foundation for implementation.</p> <p>Risk Treatment Owner: UNDP Nepal Inclusive Governance Portfolio</p>

								<p>Risk Treatment 2.3: CD of implementing agencies and TA teams will be a priority for UNDP to ensure understanding of ProDoc, roles & responsibilities, procedures and requirements. Programme monitoring systems (MEL).</p> <p>Risk Treatment Owner: UNDP Nepal Inclusive Governance Portfolio</p>
3	<p>There is a risk that understanding of PLGSP integrated programmatic approach, and the TA Portfolio Approach is not fully understood or integrated among all key stakeholders,</p>	<p>As a result of varying degrees of awareness, capacity, and motivation/incentives to support a transformative change approach.</p>	<p>Which will impact in limited ownership of Programme implementation, and limited effectiveness of planned TA</p>	<p>3. OPERATIONAL (3.8. Capacities of the partners) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p> <p>4. ORGANIZATIONAL (4.3. Implementation arrangements) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p>	<p>Likelihood: 3 - Moderately likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)</p>	<p>From: 16-Jul-24 To: 15-Jul-29</p>	<p>Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio</p>	<p>Risk Treatment 3.1: The Programme involves engagement of political institutions and intergenerational sector experts, champions, CSOs, private sector, etc. from early implementation process onwards; this will be undertaken along all steps of the process. Regular dialogues and discourses, supported with evidence will reinforce ownership building process and enhance transparency and accountability. TA will also conduct multiple sensemaking exercises and orientation with all PLGSP stakeholders.</p> <p>Risk Treatment Owner: Portfolio Management Team, ISTA/TA Teams</p>

								<p>Risk Treatment 3.2: The Programme has integrated in its design a coherent systems approach towards strengthening institutions, organisations, staff and elected representative capacities. It also includes mechanisms for multi-stakeholder engagement and to a certain extent scanning and adaptation to the Programme environment as part of the CD and transformation strategy.</p> <p>Risk Treatment Owner: Portfolio Management Team, ISTA/TA Team</p>
								<p>Risk Treatment 3.3: Quality knowledge products will be developed and disseminated and dedicated CD initiatives implemented to support a more comprehensive understanding of the structures and approaches envisioned for successful Programme and TA implementation.</p> <p>Risk Treatment Owner: Portfolio Management Team, ISTA/TA Team</p>

4	There is a risk that the TA's planned engagement with key stakeholders, in particular political leaders, civil servants, women and marginalized groups, is ineffective or does not lead to expected outcomes with regards to ownership and implementation of gender-transformative approaches and strategies	As a result of lack of understanding of, or institutional incentives or ability to implement gender-transformative Programme strategies and approaches.	Which will impact in ability to achieve planned outcomes, and potential backlash from duty bearers, political institutions, and community leaders - male and dominant community groups continue to disparage and discriminate women and marginalised group community	1. SOCIAL AND ENVIRONMENTAL (1.2. Gender equality and women's empowerment) - UNDP Risk Appetite: CAUTIOUS 3. OPERATIONAL (3.8. Capacities of the partners) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 3 - Moderately likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)	From: 16-Jul-24 To: 15-Jul-29	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio	Risk Treatment 4.1: Policy research and Communication strategies, using evidence based and digital tools, target behaviour change, while regular fact checking of information on mainstream and social media address prevailing discriminatory behaviour, misinterpretations and misinformation. Risk Treatment Owner: Portfolio Management Team, ISTA/TA Team
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			members, leaders and bureaucrats.					<p>Risk Treatment 4.2: Periodic training of Programme PM/TA on GESI and transformation made mandatory in Programme at all levels. The training will address prevailing biases, mindsets, attitudes towards citizens, women and marginalised communities, GESI sensitivity and safe workplace environment, understanding of gender beyond the binary, etc. Orientation will be conducted for existing team and will be mandatory during induction process.</p> <p>Risk Treatment Owner: UNDP Nepal Inclusive Governance Portfolio, Portfolio Management Team</p>
5	There is a risk that the overall environment for conducive Programmatic and TA implementation is unsupportive.	As a result of invisible tussle between bureaucrats and TA team, and absence of interest and inertia to implement the transformative approach within Programme teams.	Which will impact in limited ability to support achievement of planned Programme outcomes, and questions regarding UNDP's ability to successfully implement TA	<p>3. OPERATIONAL (3.5. Partners' engagement) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p> <p>5. REPUTATIONAL (5.5. Stakeholder management) - UNDP Risk Appetite: CAUTIOUS</p>	<p>Likelihood: 3 - Moderately likely</p> <p>Impact: 4 - Extensive</p> <p>Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)</p>	<p>From: 16-Jul-24</p> <p>To: 15-Jul-29</p>	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio	<p>Risk Treatment 5.1: UNDP will place strong focus on building ownership and leadership commitment from the start at all levels – PSC, PPSU, PRTA, NSC, FCC, PCU, etc building on the more federalized governance of this new phase, giving more direct ownership to the various levels of Government. and with accountability measures embedded in M&E indicators and performance assessments.</p> <p>Risk Treatment Owner: UNDP Inclusive Governance Portfolio</p>

								<p>Risk Treatment 5.2: Incentives in the form of exposure/learning visits – within and outside the country, will keep the momentum alive among team members, generate positive emulation among peers, and accountability.</p> <p>Risk Treatment Owner: UNDP Inclusive Governance Portfolio</p>
								<p>Risk Treatment 5.3: Service seekers will be regularly updated through mainstream and other media platforms, sharing with civic society, etc. Change makers at PLG levels will be identified and ICT technology leveraged.</p> <p>Risk Treatment Owner: Portfolio Management Team</p>

6	There is a risk that key PLGSP stakeholders, including federal, provincial, and local governments, PPSUs and PRTAs, and JFA development partners encounter disagreements on the way forward for key programmatic priorities, strategies, approaches or activities, also impacting the delivery of TA.	As a result of differences in priorities and vision for the Programme or varying understanding of the political economy context.	Which will impact in delays to implementation of key TA activities and results, and questions related to UNDP's independence in the role as a TA partner.	7. STRATEGIC (7.3. Stakeholder relations and partnerships) - UNDP Risk Appetite: OPEN TO SEEKING	Likelihood: 3 - Moderately likely Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 16-Jul-24 To: 15-Jul-29	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio, UNDP Nepal Senior Management	Risk Treatment 6.1: UNDP will engage in and provide platforms for constructive dialogue between key stakeholders, including government agencies, PPSUs, PRTAs, and JFA DPs, both at technical and board level Risk Treatment Owner: UNDP Inclusive Governance Portfolio
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7	<p>There is a risk that the intended core added value of the TA Team, its systems approach as well as its comprehension of change management does not fully materialize or lead to expected results, with the TA continuing to offer mostly a 'gap-filling role'.</p>	<p>As a result of either limited success of UNDP, as the TA partner, to recruit TA teams with the required capacity or understanding of intended approach, or limited capacity or willingness of Programme stakeholders to fully embrace and integrate the intended change management mindset and put the required legal and regulatory framework in place.</p>	<p>Which will impact the ability of UNDP, as TA partner, to instill the institutional and organisational change envisioned to achieve intended Programme results.</p>	<p>4. ORGANIZATION AL (4.2. Execution capacity) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p> <p>4. ORGANIZATION AL (4.3. Implementation arrangements) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p>	<p>Likelihood: 3 - Moderately likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)</p>	<p>From: 16-Jul-24 To: 15-Jul-29</p>	<p>Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio</p>	<p>Risk Treatment 7.1: The composition of the ISTA/TA will in part be decided based on the Programme design and in part based on the demand from Provinces and LGs. UNDP will engage in regular dialogue with provincial and local government to ensure that ISTA/TA teams are fit-for-purpose, and offer support based on contextual needs and priorities. Capacity development expertise will be explicitly required in TORs, tested during recruitment and assessed through regular performance assessments. UNDP will administer the contracts under NPSA modality which has demonstrated potential to attract high quality candidates.</p> <p>Risk Treatment Owner: Portfolio Management Team</p>
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								<p>Risk Treatment 7.2: The exact composition of ISTA and TA teams will be assessed within the first 6 months of start-up. Programme ISTA and TA teams will co-exist and will be working jointly towards the Programme and TA-Programme results. Their composition may differ per Province and may change over time, depending on learning and performance.</p> <p>Risk Treatment Owner: UNDP Inclusive Governance Portfolio, Portfolio Management Team</p>
								<p>Risk Treatment 7.3: UNDP will ensure provision of necessary capacity development support, as well as frequent dialogue with all key stakeholders and ISTA/TA teams to support a conducive working environment.</p> <p>Risk Treatment Owner: UNDP Inclusive Governance Portfolio, Portfolio Management Team</p>

8	<p>There is a risk that the intended 'Implementation Support Teams' and the new TA Teams do not collaborate effectively in line with the intended TA approach.</p>	<p>As a result of limited capacity of UNDP as TA provider to successfully manage the transition to the new envisioned TA structure, and ensure all key stakeholders and ISTA/TA Teams are fully capacitated and committed to jointly deliver in line with the PLGSP structures, approaches, and strategies</p>	<p>Which will impact in limited success of UNDP's TA support to deliver services and results as per the Results Framework, ASIPBs and the annual TA-CD Plan</p>	<p>4. ORGANIZATION AL (4.2. Execution capacity) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p> <p>4. ORGANIZATION AL (4.7. Human Resources) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p>	<p>Likelihood: 3 - Moderately likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)</p>	<p>From: 16-Jul-24 To: 15-Jul-29</p>	<p>Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio</p>	<p>Risk Treatment 8.1: UNDP will provide ample opportunities for capacity development support, as well as frequent dialogue with all ISTA/TA teams to support a conducive working environment. Regular joint coordination workshops will also be organized to serve as platforms for joint planning and prioritization, as well as team building. Conditions of service/ contracts will be harmonized across the teams.</p> <p>Risk Treatment Owner: UNDP Inclusive Governance Portfolio, Portfolio Management Team</p> <hr/> <p>Risk Treatment 8.2: UNDP will engage on a regular basis with the Provincial Government leadership to ensure ownership and support the creation of an enabling environment for collaboration between ISTA and TA Teams, as well as with provincial and local governments.</p> <p>Risk Treatment Owner: UNDP Inclusive Governance Portfolio, Portfolio Management Team</p>
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9	There is a risk that completion of the transition period to the new TA structure (ISTA/TA) is delayed.	As a result of delays in finalization and approval of the re-programmed PLGSP Programme Document and/or the PLGSP-TA Portfolio Document	Which will impact in timely recruitment of staff for the new TA structure, and consequently, delays in delivery of intended support to stakeholders and beneficiaries	3. OPERATIONAL (3.6. Transition and exit strategy) - UNDP Risk Appetite: EXPLORATORY TO OPEN 4. ORGANIZATION AL (4.3. Implementation arrangements) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 3 - Moderately likely Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 16-Jul-24 To: 15-Jul-28	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio	Risk Treatment 9.1: UNDP will continue to engage in regular dialogue with MoFAGA and JFA DPs, as well as offer additional dedicated support and expertise to timely conclude the transition process. Short term contracts may be issued through a fast-track process if required. Risk Treatment Owner: UNDP Senior Management, Inclusive Governance Portfolio
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10	<p>There is a risk that UNDP will face challenges in attracting high-caliber human resources with required expertise, especially at the Provincial level, and that ISTA/TA staff, once recruited, capacitated and delivering in their roles, will leave for other job opportunities.</p>	<p>As a result of support to Programme implementation on being highly demanding on ISTA/TA teams, and other job opportunities being more attractive, especially with regards to provincial level staff seeking opportunities in Kathmandu</p>	<p>Which will impact in UNDP's ability to effectively deliver in its role as TA Partner, and result in challenges for timely delivery of TA support (financial and programmatic)</p>	<p>4. ORGANIZATION AL (4.2. Execution capacity) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p> <p>4. ORGANIZATION AL (4.7. Human Resources) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p>	<p>Likelihood: 3 - Moderately likely Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)</p>	<p>From: 16-Jul-24 To: 15-Jul-29</p>	<p>Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio</p>	<p>Risk Treatment 10.1: UNDP will ensure wide dissemination of job advertisements (NPSA contract modality) and engage with partners and stakeholders with experience of implementing programmes and projects of similar nature to ensure potential candidates are aware of ongoing recruitments. Particular emphasis will be placed on recruitment of staff with experience and expertise of particular provincial contexts.</p> <p>Risk Treatment Owner: UNDP HR, Inclusive Governance Portfolio</p> <hr/> <p>Risk Treatment 10.2: UNDP will offer regular capacity development opportunities for ISTA/TA staff, as well as regular mentoring and exposure to motivate staff to remain in their roles.</p> <p>Risk Treatment Owner: UNDP HR, Inclusive Governance Portfolio</p>
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11	There is a risk that UNDP, in its role as TA Provider, will not be provided sufficient space to fully implement TA support as per the envisioned strategies and approaches	As a result of differences in understanding between key stakeholders with regards to implementation of TA, and the envisioned transition from the established structures of the first phase of PLGSP to the second phase.	Which will impact in UNDP's ability to effectively implement TA and support achievement of overall PLGSP outcomes and impacts	<p>4. ORGANIZATION AL (4.2. Execution capacity) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p> <p>4. ORGANIZATION AL (4.3. Implementation arrangements) - UNDP Risk Appetite: EXPLORATORY TO OPEN</p>	<p>Likelihood: 3 - Moderately likely</p> <p>Impact: 4 - Extensive</p> <p>Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)</p>	<p>From: 16-Jul-24</p> <p>To: 15-Jul-29</p>	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio	<p>Risk Treatment 11.1: This will be tracked in regular technical coordination meetings and UNDP will engage in regular dialogue with federal and provincial government agencies, as well as JFA DPs, to support a conducive political environment where UNDP is fully trusted as the PLGSP TA Partner.</p> <p>Risk Treatment Owner: UNDP Senior Management, Inclusive Governance Portfolio, Portfolio Management Team</p>
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12	There is a risk that UNDP is unable to adequately identify or capture changes occurring as a result of the Programme through envisioned monitoring and evaluation mechanisms, especially since many of the expected outcomes and impacts are slow to materialize and difficult to identify	As a result of insufficient capacity of monitoring and evaluation mechanisms to adequately capture and report on long-term change	Which will impact in questions regarding overall achievement of Programme outcomes and impacts, as well as regarding UNDP's role as TA Partner	4. ORGANIZATION AL (4.5. Monitoring and oversight) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 3 - Moderately likely Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 16-Jul-24 To: 15-Jul-29	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio, UNDP M&E	Risk Treatment 12.1: A separate M&E and Learning component will be included under the TA support that is linked to the Programme Results Framework and integrated TA Component CD and transformation strategy. This is to validate, monitor and adjust the CD and transformation strategies and annual plans as and when required and to showcase an exemplary way of working to the PGs and PCGGs. In addition to documenting stories, insights and advises from the PLGs representatives and staff, this component will support policy related research, surveys of knowledge, attitudes and practices, development of MEL framework, and commissioning of the third-party monitoring, mid-term review, endline and impact evaluations. Risk Treatment Owner: UNDP Inclusive Governance Portfolio, Portfolio Management Team, UNDP M&E
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13	There is a risk that TA staff engage in acts of abuse of authority of financial irregularities, as part of Programme implementation	As a result of weak financial management systems and oversight mechanisms	Which will impact in questions regarding UNDP's capacity for oversight and accountability, and potential reputational harm	<p>2. FINANCIAL (2.3. Corruption and fraud) - UNDP Risk Appetite: MINIMAL TO CAUTIOUS</p> <p>5. REPUTATIONAL (5.1. Public opinion and media) - UNDP Risk Appetite: CAUTIOUS</p>	<p>Likelihood: 2 - Low likelihood</p> <p>Impact: 4 - Extensive</p> <p>Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)</p>	<p>From: 16-Jul-24</p> <p>To: 15-Jul-29</p>	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio	<p>Risk Treatment 13.1: UNDP will ensure that all ISTA/TA staff complete mandatory courses related to anti-corruption, accountability, and abuse of authority, as well as provide regular information and refresher trainings to all staff.</p> <p>Risk Treatment Owner: UNDP Inclusive Governance Portfolio</p> <hr/> <p>Risk Treatment 13.2: UNDP will conduct regular monitoring, including financial monitoring of the TA component, as well as liaise closely with other key stakeholders, including MoFAGA and JFA DPs, to enforce strict financial discipline and possibility to detect any financial irregularities or abuse of authority at an early stage.</p> <p>Risk Treatment Owner: UNDP Inclusive Governance Portfolio</p> <hr/> <p>Risk Treatment 13.3: In case of breach of rules and regulations, relevant audit, investigations, and disciplinary measures will be strictly implemented.</p> <p>Risk Treatment Owner: UNDP Senior Management</p>
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14	There is a risk that TA staff engage in acts of inappropriate behaviour, discrimination, sexual exploitation or abuse.	As a result of imbalances in power relations among and/or between ISTA/TA staff and other stakeholders and beneficiaries, and a culture of impunity/not seriously considering or addressing such issues.	Which will impact in consequences for UNDP's engagement with stakeholders and beneficiaries, and reputational damage	<p>1. SOCIAL AND ENVIRONMENTAL (1.13. Sexual exploitation and abuse) - UNDP Risk Appetite: CAUTIOUS</p> <p>5. REPUTATIONAL (5.1. Public opinion and media) - UNDP Risk Appetite: CAUTIOUS</p>	<p>Likelihood: 2 - Low likelihood</p> <p>Impact: 4 - Extensive</p> <p>Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)</p>	<p>From: 16-Jul-24</p> <p>To: 15-Jul-29</p>	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio,	<p>Risk Treatment 14.1: UNDP will ensure that all ISTA/TA staff complete mandatory courses on prevention of sexual exploitation and abuse and provide regular information and refresher trainings to all staff.</p> <p>Risk Treatment Owner: UNDP Inclusive Governance Portfolio, UNDP HR</p> <hr/> <p>Risk Treatment 14.2: In case of breach of rules and regulations, relevant disciplinary measures will be strictly implemented.</p> <p>Risk Treatment Owner: UNDP Senior Management</p> <hr/> <p>Risk Treatment 14.3: Letter of Agreement with the cost centers will be signed to enhance smooth funding flow.</p> <p>Risk Treatment Owner: UNDP Inclusive Governance Portfolio</p>
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15	There is a risk that fund transfer to UNDP, as TA Partner, are delayed or below anticipated volumes	As a result of changing priorities of Development Partners, reducing overall funding to PLGSP (which, in turn, will impact funding for TA), or delayed/limited achievement of anticipated programmatic results, impacting the schedule of payments.	Which will impact UNDP's ability to effectively implement TA support, leading to negative consequences for overall Programme implementation and questioning UNDP implementation capacity.	2. FINANCIAL (2.6. Budget availability and cash flow) - UNDP Risk Appetite: MINIMAL TO CAUTIOUS	Likelihood: 2 - Low likelihood Impact: 4 - Extensive Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 16-Jul-24 To: 15-Jul-29	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio, UNDP Nepal Senior Management	Risk Treatment 15.1: while this risk is beyond UNDP's control, UNDP will continue to engage in regular dialogue with MoFAGA and JFA DPs to regularly track and update on programmatic progress, and to early detect and address any potential bottlenecks and challenges. Risk Treatment Owner: UNDP Nepal Inclusive Governance Portfolio
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16	There is a risk that key Programme staff at federal and provincial levels, including NPD/NPM, PPD/PPM, are transferred to different positions frequently (before their normal term).	As a result of changes in Government composition or priorities, and as part of Government practice to frequently transfer civil servants.	Which will impact in smooth implementation of TA activities and, in particular with regards to Government ownership and leadership for implementation of the Programme.	4. ORGANIZATION AL (4.3. Implementation arrangements) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 4 - Highly likely Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 16-Jul-24 To: 15-Jul-29	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio	Risk Treatment 16.1: UNDP will work closely with MoFAGA and the Provincial Governments to seek principal agreements on key Programmatic issues during the inception phase, including the importance of avoiding frequent transfers of key Programme stakeholders. Dedicated support will also be provided to federal and provincial governments to ensure smooth handover processes, in the case of transfer of key staff. Risk Treatment Owner: Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio
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17	There is a risk that funds transferred from UNDP accounts to Programme stakeholders, including provincial and local governments, are inappropriately managed, under-utilized, or misused	As a result of weak financial management systems and oversight mechanisms	Which will impact in questions regarding UNDP's capacity for oversight and accountability, potential reputational harm, and challenges to achieve intended Programme results.	2. FINANCIAL (2.3. Corruption and fraud) - UNDP Risk Appetite: MINIMAL TO CAUTIOUS	Likelihood: 2 - Low likelihood Impact: 4 - Extensive Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 16-Jul-24 To: 15-Jul-29	Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio, UNDP Country Office finance colleagues	<p>Risk Treatment 16.1: UNDP will work closely with MoFAGA and the Provincial and Local Governments to ensure appropriate planning of financial resources, as well as regular monitoring on delivery and expenditure. Throughout all implementation, UNDP will strictly apply its Internal Control Framework to detect and address any potential financial irregularities and misuse of funds at an early stage. Implementing partners receiving funds from UNDP will be assessed following the UN HACT framework, with the corresponding risks logged and monitored, and modalities for payment adjusted accordingly.</p> <p>As part of its TA support, UNDP will conduct regular spot checks to monitor Programme delivery and financial plans and utilization. UNDP will also collaborate closely with relevant Government of Nepal authorities, as well as JFA DPs for financial monitoring and audits.</p> <p>Risk Treatment Owner: Portfolio Management Team, UNDP Nepal Inclusive Governance Portfolio</p>
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Annex 5 Portfolio Board Terms of Reference and brief TORs of key TA positions

Portfolio Board Terms of Reference

There is one Portfolio Board which meets at least once a year. The Portfolio Board provides high-level oversight of the portfolio, risk management and portfolio assurance. Key areas of focus for the Board are as follows:

- Approves the inclusion of new implementing partners at the time of portfolio approval as well as during the implementation, for contributing to portfolio results.
- The Portfolio Board enjoys the authority to fold in ongoing projects with their respective implementing partners under the portfolio provided.
 - the projects are aligned and integrated to the portfolio Theory of Change,
 - they share a common portfolio Results Framework,
 - they are integrated into an updated multi-year work-plan approved by the respective implementing partner(s)
 - and they have secure agreements from the implementing partners on convening a Portfolio Board and the Portfolio Shared Results Committee
- Assess major risks to the portfolio and related decisions/agreements on management actions and adjustments at the portfolio level.
- Assess the results achieved at the portfolio level and contribution to CPD Outcomes and the portfolio objective.
- Reviews how integration and intersectionality are pursued in achieving greater impact to the portfolio's objectives and the CPD outcomes.
- Identify new partnerships for the portfolio based on the identified new policy spaces resulting from the portfolio implementation and to ensure sustainability,
- Identify and facilitate new resource mobilization opportunities.
- Take decision on suspension of and extension of the portfolio (not the individual multiyear work plans under the portfolio delegated to the Implementing Partners) subject to partner commitment and funding.

Brief Terms of Reference of TA positions for Implementation Support TA Team and Transformational TA Team

The brief TORs reflect the need for coordination across the teams under the leadership of the NPD/NPM and PPD/PPM/ED, with the ISTA focusing on implementation support and transfer of skills to Government counterparts, and the TA providing flexible support for analytic work, learning, design of new/ innovative capacity development approaches and partnerships, in line with the workplans and results approved by the provinces / federal institutions. The two components of the TA will share office space and work in close coordination to achieve a joint set of results/priorities determined by the TAC or PTAC, with distinct activities assigned to each component.

Implementation Support TA Team (ISTA) - Federal Level

1. Federal Programme Coordination Analyst

Primary contribution to PLGSP outputs: 1, 2, and 5

Reports to: PLGSP National Programme Manager

- Support National Programme Director and National Programme Manager on the implementation of the Annual Strategic Implementation Plans & Budgets, including IPF.
- Provide support on planning, implementation, monitoring, and reporting of the PLGSP activities, and develop capacities of counterparts accordingly.
- Ensure Programme activities carried out by the federal agencies, the provincial governments and local government are coordinated and aligned with PLGSP outcomes and outputs.
- Ensure MoFAGA and OPMCM work in coordinated way to deliver on PLGSP outcomes.
- Support TA provider to develop TA work plan based on the ASIPB and TA Plan from the province governments.

- Provide support to PLGSP management to convene PLGSP governance committees meeting and other events, and to manage the PCU team in a timely and effective manner.
- Support to strengthen coordination between PLGSP and national and international agencies working on federalism in Nepal.
- Ensure strengthening of gender equality and social inclusion work through programme interventions.

2. **Admin and Logistic Analyst**

Primary contribution to PLGSP outputs: All

Reports to: Federal Programme Coordination Analyst

- Support PCU to prepare ASIPB and TA AWP including quarterly work plan and financial reports.
- Ensure timely and accurate financial record keeping and reporting.
- Provide methodology guidance to Provincial Programme Coordination Analysts and ISTA team on P-ASIPBs and provincial TA work plan development.
- Ensure financial compliance, internal control and oversight, including audits and spot checks.
- Support processing of travel documents of TA and PLGSP associated govt officials.
- Prepare various contractual documents related to procurement of goods and services ensuring adequate protection of the interest of the project and follow-up on the status of the contracts.
- Ensure that vehicle logbooks are systematically maintained by the Driver, vehicles are in proper condition and office supplies are well stocked and properly accounted for.

3. **IT and e-Governance Analyst**

Primary contribution to PLGSP outputs: 3, 4 and (8)

Reports to: Federal Programme Coordination Analyst

- Lead the domain of e-Governance and Information and Communication Technology (ICT),
- Ensure the required IT support is provided to PCU on a regular basis, and that corresponding capacities are transferred to counterparts. Liaise with provincial IT analysts to ensure coherent support to the PLGs.
- Support MoFAGA/OPMCM to advance their existing IT and e-governance systems, including for IGR issues.
- Design (together with transformational TA as needed) and implement capacity development strategy and programs for all concerned federal government authorities and TA on e-governance and ICT.
- Ensure mainstreaming of Gender Equality and Social inclusion (GESI) throughout IT / e-governance programme interventions.
- Support on preparing ICT plan and programme for federal authorities and liaise with province-based IT analysts as needed for coordination and knowledge-sharing.
- Support to provide oversights and monitor the IPF work related to IT and E-Governance.
- Work in close collaboration with other entities including the E-Governance Commission, on ICT and E-Governance work.
- Provide guidance to Information Technology Analysts (Provincial ISTA) and Local Government IT staff.

4. **Programme Associate**

Primary contribution to PLGSP outputs: All

Reports to: Federal Programme Coordination Analyst

- Support PCU in the preparation of events, workshops, and trainings.
- Support Programme Associate in preparing the documents related to finance and administrative procedures, including travel and procurement.
- Support on documentation and file management.
- Support in the work as assigned by the supervisor.

1. Provincial Programme Coordination Analyst

Primary contribution to PLGSP outputs: 3, 4, 5, 6, 7, 8, 9

Reports to: Provincial Programme Manager

- Support PPM and PPD to lead Provincial Annual Strategic Implementation Plan & Budget (PASIPB) and their timely implementation.
- Support close coordination and collaboration with and between the provincial and local governments and other stakeholders working on sub-national governance in the province including LG associations, for effective delivery of PLGSP outputs.
- As a liaison, facilitate the mobilization of transformational TA expertise in the priority areas identified by PLGs.
- Provide support, develop, and transfer capacities to counterparts in provincial government to:
 - develop PASIPB and provincial TA work plan;
 - ensure timely and effective functioning of provincial programme governing bodies i.e., PSC, PTAC;
 - support integration of gender equality and social inclusion work through Programme interventions;
 - Support monitoring and reporting of PASIPB implementation.
- Ensure strengthening of gender equality and social inclusion work through programme interventions.

2. Information Technology Analyst

Primary contribution to PLGSP outputs: 4, 5, 7, 8

Reports to: Provincial Programme Coordination Analyst

- Provide technical support, transfer knowledge and guidance to strengthen the province governments' IT and E-Governance capacity, in close coordination with the provincial government agencies.
- Provide technical support, transfer knowledge to LGs in establishing and advancing the ICT related initiatives, including establishing e-governance systems.
- Support provincial and local governments in generating disaggregated data from the various information systems established.
- Ensure mainstreaming of Gender Equality and Social Inclusion (GESI) throughout IT/e-governance programme interventions in the province and work in close coordination with the GESI analyst (T-TA).

3. Monitoring, Learning and Reporting Analyst

Primary contribution to PLGSP outputs: 4, 5, 6, 7, 8, 9

Reports to: Provincial Programme Coordination Analyst

- Develop capacities, transfer knowledge and support OCMCM, provincial agencies and LGs to establish information systems for data collection and reporting.
- Support to document learning and good practices emanating from PLGSPs work.
- Support to develop knowledge products on diverse areas at provincial and local levels, i.e., IGR, federalism, GESI, basic service delivery and civic engagement.
- Develop capacities, transfer knowledge and support OCMCM and LGs to establish a functional monitoring system/plan for ongoing activities, including supporting to organize regular monitoring and reviews.
- Lead PPSU to prepare consolidated quarterly and annual progress reports (of PPSU and PRTA activities) and monitoring of PASIPB implementation.
- Ensure Gender Equality and Social Inclusion (GESI) -related indicators and results are well captured and mainstreamed in monitoring and reporting efforts and develop corresponding capacities of counterparts.
- Support counterparts to conduct baseline studies, document learnings and ensure evidence-based reporting.

4. Training Coordination Analyst

Primary contribution to PLGSP outputs: 4, 6, 7

Reports to: Provincial Programme Coordination Analyst

- Facilitate and develop PRTA staff capacity to conduct needs assessments for PLGs and develop capacity development plans for concerned stakeholders and PRTA annual work plans, in coordination with the Provincial Governance Analyst (TA).

- Contribute to studies and research on emerging gaps in capacity and to new curriculum development coordinated by the Provincial Governance Analyst (TA).
- Support PRTA staff to deliver PRTA level training/CD development activities including refining the curriculum and organizing training/activities at the required standard of quality and in a timely manner.
- Develop capacity of PRTA team to hold regular monitoring of the CD activities, to ensure quality and produce regular reports.
- Develop PRTA staff capacity to coordinate provincial level training and capacity development related activities implemented by the different agencies (government and non-government), ensuring maximum complementarity and synergies.
- Ensure mainstreaming of Gender Equality and Social Inclusion (GESI) in all PRTA capacity development activities.

5. **Flexible positions (Analyst level)- 2 each (max)**

Reports to: Provincial Programme Coordination Analyst

- Based on the needs of the provinces, two positions are kept open to be hired as per the specific capacity needs of each province, including expertise in governance, planning, budgeting, GESI, civic engagement, IPF, IGR/Legal, fiscal federalism, knowledge management) .

Transformational TA Team- Federal Level

1. **Federal Governance Specialist-International**

Primary contribution to PLGSP outputs: All

Reports to: Deputy Resident Representative, UNDP

- Provide strategic analysis, guidance, and expertise (including comparative experience) to portfolio stakeholders on strengthening federalism in Nepal.
- Lead the overall process of preparing Capacity Development Strategy and Plan for PLGs.
- Lead to develop and implement the change management process that guides the TA support to system and structures at different levels with sufficient flexibility.
- Review and analyze on regular basis the overall progress, issues and challenges on implementation of federalism in Nepal and provide updates to PLGSP stakeholders.
- Identify the pertaining issues on federalism including political economy and facilitate in governance dialogues among the federal, provincial, and local governments accordingly.
- Lead the mobilization of the Transformational TA team and other components of transformational TA (consultants, institutional partnerships) for critical analysis, design and implementation of effective strategies to support transformational changes/behavioral change in line with federalism at all three tiers of government.
- Support effective and efficient coordination within the transformational TA team, and between the ISTA and TA teams, with Development Partners (DPs) and between DPs, MoFAGA, OPMCM and PLGs on issues related to technical assistance and capacity.
- Guide the implementation of PLGSP TA monitoring and knowledge management plan development, including regular technical coordination meetings among implementing partners, and support to TAC meetings.
- Provide guidance to the MEL Analyst to devise effective strategies and tools to monitor output and outcome level changes, trends and learning, and formulate recommendations to adjust PLGSP approaches as needed.
- Ensure strengthening of gender equality and social inclusion work through programme interventions.
- Provide guidance to GESI Analysts to integrate transformative GESI approaches in the TA strategies that could be replicated in the governance system and process.
- Work closely with the CO Governance Advisor on various policy, lesson learning processes.

2. **Inter-Governmental Relationship (IGR) Analyst**

Primary contribution to PLGSP outputs: 3,5

Reports to: Federal Governance Specialist

- Analyze capacity gaps, develop, and implement approaches to strengthen institutions established for IGR.

- Provide inputs on preparing ASIPB in the area on IGR and support on the implementation.
- Support to establish and facilitate more effective mechanisms, platforms, and approaches for horizontal and vertical coordination among diverse institutions, based on best practice.
- Design and oversee TA packages for federal and provincial governments to support new approaches for development of high quality, implementable IGR related laws, strategies, policies, mechanisms, and approaches, in line with unbundling process.
- Analyze the draft work plan of PLGSP to ensure that planned activities are aligned with unbundling work of three layers of the government, share analysis with counterparts in MoFAGA and OPMCM, as well as PLGs, and formulate recommendations on potential improvements.
- Develop OPMCM and OCMCM capacities to strengthen the intergovernmental relations, in coordination with IGR analysts at provincial level.
- Develop approaches and tools to monitor progress at outcome and output levels towards effective IGR, document learnings and advise on required adjustments to PLGSP strategies.
- Ensure mainstreaming of gender equality and social inclusion work through programme interventions

3. **Monitoring, Evaluation and Learning Analyst**

Primary contribution to PLGSP outputs: all

Reports to: Federal Governance Specialist

- Research and advise on monitoring and evaluation systems and tools to track and analyze transformative and behaviour change and integrate the agreed tools in PLGSP M&E system, in liaison with the Monitoring, Learning, and Reporting Analysts at provincial level and the Deputy NPM at federal level.
- Document the good practices, lessons learned and way forward on PLGSP work.
- Prepare analytical updates on PLGSPs overall progress achieved, and lessons learned from the implementation.
- Provide technical backstopping, capacity development, transfer of knowledge and quality assurance services for the PLGSP monitoring, reporting and evaluation processes.
- Analyze trends regarding transformative and behaviour change, document key learnings and best practices, and support the Team Leader to present relevant information and recommendations to the TAC.
- Ensure Gender Equality and Social Inclusion (GESI)-related indicators, results are well captured and mainstreamed in monitoring and reporting efforts, and that corresponding capacities are developed, in coordination with the GESI Analyst.

4. **GESI Analyst**

Primary contribution to PLGSP outputs: 1, 2,3

Reports to: Federal Governance Specialist

- Conduct research and analysis on GESI issues, identify challenges and opportunities, and design new approaches, partnerships, and tools to incorporate those into the PLGSP planning and programming, and to develop corresponding capacities.
- Lead development of TA packages to develop capacities and a favorable environment for GESI policies, programming and implementation of the adopted policies at all three levels of government, analyze results and learnings, and formulate recommendations on any required adjustments.
- Provide high quality GESI input on laws, policies, and programs of all three tiers of the government (as appropriate).
- Ensure transformative GESI components are integrated in all relevant PLGSP-related products and processes.
- Lead coordination with other stakeholders engaged in promoting GESI and implementation of federalism to facilitate learning and sharing of experiences and best practice.

5. **Knowledge Management Analyst**

Primary contribution to PLGSP outputs: All

Reports to: Federal Governance Specialist

- Develop and implement strategies to document learnings and good practices, and ensure PLGSP, federal and PLGs have effective and sustainable systems to maintain and share knowledge and experience, including through networks and regular knowledge events. Work with other members of the TA team to ensure high quality knowledge content is fed into these networks/events.

- Support capacity at all three levels of government to design and implement effective communication and knowledge management strategies, contributing to increased participation, inclusion, engagement and awareness in/of PLGSP-supported processes.
- Support to enhance PLGs capacities and support PLGs in producing high quality audio visuals and managing social media effectively for better visibility and engagement.
- Ensure transformative Gender Equality and Social Inclusion (GESI) approaches are integrated into the communications and knowledge management strategies and materials.

Transformational TA Team- Province

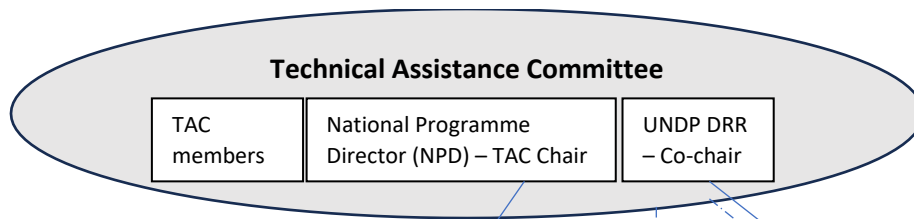
1. Provincial Governance Analyst

Primary contribution to PLGSP outputs: 4, 5, 6, 7, 8, 9

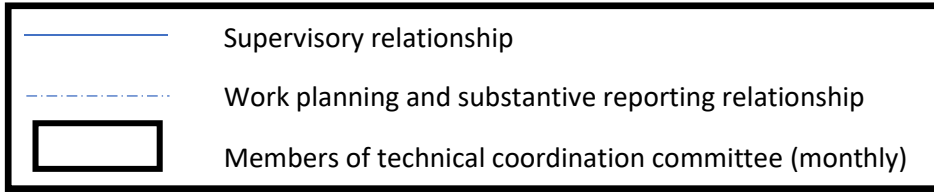
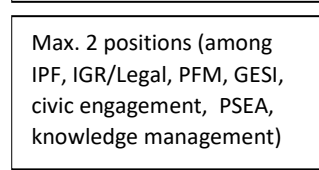
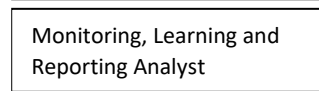
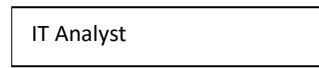
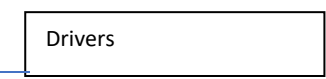
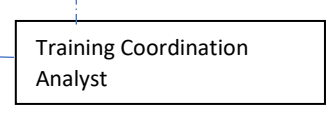
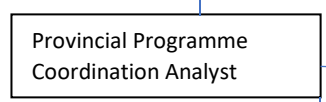
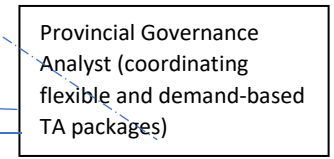
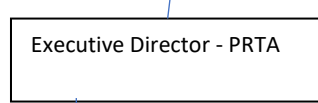
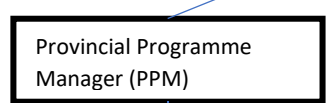
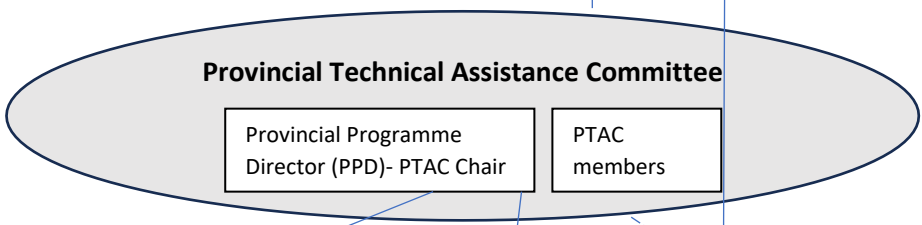
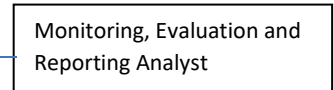
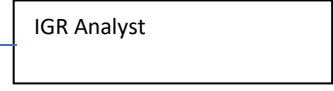
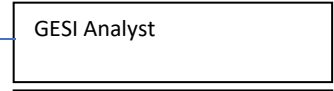
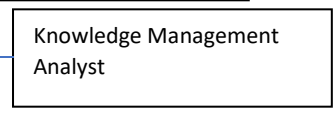
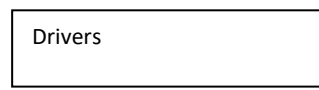
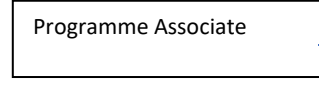
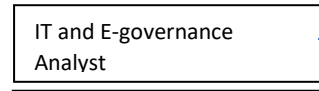
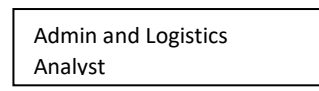
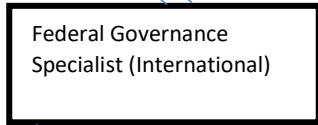
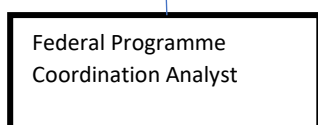
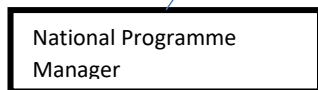
Reports to: Federal Governance Specialist

- Design and oversee the implementation of capacity and needs assessments for PLGs, ensuring systemic and organizational issues are identified.
- Develop innovative strategies to address the identified gaps at individual, organizational and systemic levels, through a range of instruments including direct TA staff support, consultant support, mentorship, trainings, knowledge networks and institutional partnerships with other stakeholders engaged in capacity development with PLGs.
- Support the integration of these strategies in PLGs CD strategies and plans and manage transformational TA packages in support of these plans. Lead the development/ customization of new training content (in close coordination with the PRTA and Training Coordination Analyst);
- Monitor the quality, relevance and effectiveness of capacity development interventions delivered by PRTA and TA and formulate recommendations for adjustments as required. Continuously scan for best practices and learnings (both in Nepal and internationally).
- Provide advisory support to the province ISTA team for capacity development interventions during PASIPB implementation.
- Contribute to development of PASIPBs, focusing on PLG capacity development based on research, studies and reviews conducted, learning, and best practice.
- Ensure mainstreaming of gender equality and social inclusion work through programme interventions
- Coordinate with GESI Analyst to ensure GESI analysis and innovative approaches are integrated in the CD initiatives in the provinces.
- Manage the provincial transformational TA team.

TA staff reporting and accountability structure



UNDP Country Office
Quality Assurance function,
in support of the TAC
(see details in section 7)



Annex 6: Indicative Multi-Year Work Plan

(see attached Excel table)

Annex 7 Theory of Change

Portfolio intent statement

ToC summary

“By changing the logic of how public governance structures operate, Nepal can catalyze greater accessibility to inclusive basic service delivery, stimulating transformational changes in social norms that supports long-term GESI goals, and sustainable implementation of federalism. In doing so, it will create an enabling governance environment (proactive, responsive, adaptive, and cooperative) that supports the country's strategic agenda and needs.”

Portfolio definition of capacity

For the purposes of this portfolio, “capacity” should be understood as encompassing the following interconnected qualities:

- Having the ability to mobilize and invest the required resources (human, technical, financial) for change.
- Having the required mindsets, behaviours, skills, and processes.
- Having the ability to retain and transfer these mindsets, behaviours, skills and processes as the organizational norm.

This definition of “capacity” applies at the institutional, organizational, as well as the individual level.

Portfolio Theory of Change

1. Context

The **Constitution of Nepal** (2015) initiated the transformation of Nepal’s Governance system from a centralised unitary State into a federal system with three tiers of governance: Local, Province and Federal. The Constitution also frames the underlying societal values for the functional capacity of Federal, Provincial and Local Governance from the perspective of building an egalitarian society founded on the proportional inclusive and participatory principles in order to ensure economic equality, prosperity and social justice.

Redefining and building the capacity of Federal, Province and Local Governments is therefore crucial. In order to perform as per the values, mandates and duties of the Constitution, Federal, Provincial and Local Governments still need further strengthening in their institutional and organisational capacity, notably in the legal framework (Civil Service Acts), policies, organisational capacities, performance accountability and transparency, inter-governmental relations, as well as civic engagement for inclusive decision-making and basic service delivery. Building institutions and organisations and strengthening IG-collaboration is, however, not the only requirement for state building. The ability for government to work in collaboration with people, communities, civil society and private sector, as well as organisational capacities for learning and adaptation, are as important as the internal functional capacities of governments.

To promote this requires a transformative systems-based approach, which understands capacity development as a long-term continuous reflective process, which needs facilitation for identifying common purpose, jointly finding direction and pathways, and internalising those values and behaviours within federal and PLGs. Concretely, change needs to be facilitated to overcome deeply rooted discriminative norms and behaviours arising from Nepal’s gender stereotypes and caste-system.

2. Concept of how change might happen

The TA-Portfolio will create agency and capacity of Federal and PLGs as per their constitutional mandates, focusing on sustainable demand-driven system interventions and a transformative GESI approach. This will require a continuous reflective and learning oriented practice, facilitating dialogue and networking between and across public and non-government sectors. The Portfolio will foster common ground, shared values, joint action, willingness and ability to change mindsets for collaboration towards inclusive development results.

The Portfolio will facilitate at its core the strengthening of LG capacity (Output 7), including performance accountability, public financial management and fiduciary risk reduction (Output 3). The Portfolio will also facilitate broader systems change to strengthen outreach, performance, and sustainability of the LG service delivery system (output 8), and inclusive civic engagement, transparency and responsiveness to diverse needs of people, especially

women and excluded and marginalized groups (Output 9). To facilitate transformation and promote sustainability, the Portfolio will further strengthen Provincial Research and Development Academies to deliver quality demand-based capacity development services to PLGs (Output 6).

3. Areas of work

The portfolio is built around three areas of work. These are described as shifts (outputs) in the portfolio's Results Framework and are the underlying system shifts that the portfolio seeks to enable.

- Laws: evolve the legal and regulatory environment to help empower institutional behaviors that are more in line with inclusive, transparent, collaborative and learning practices.
- Practice: evolving the current way of work within public institutions is organized to being more inclusive, transparent, and collaborative.
- Learning: building mechanisms that help transform public institutions towards being learning organizations; being capable of improving how they operate based on relevant experiences and learning.

Local governments are primarily responsible for delivery of services to people. However, LG performance is intrinsically linked to responsiveness and an enabling environment at Province and Federal levels. Therefore, the Portfolio will support simultaneous strengthening of the institutional, legal and policy framework and responsive organisational capacities at federal (Output 1), Province (Output 4) and LG (Output 7). The Portfolio will specifically focus on achieving these Outputs within a system understanding that Output 1, 4 and 7 represent the three tiers of Government, are therefore interdependent and each tier cannot be strengthened in isolation.

In the context of interconnected and complex nature of Nepal's federal system, performance of the overall federal system of governance as well as that of individual tiers depend to a large extent on how effectively they coordinate and collaborate. The Portfolio therefore places importance on strengthening inter-governmental relations (IGR) both vertically (Outputs 7, 5 and 2) and horizontally. The Portfolio will work closely and regularly with the formal IGR mechanisms at different levels, as well as support informal cross-sectoral and cross-level networks and the participatory development of systems and tools for PLGs (Output 3). Bringing together relevant institutes and organisations at all levels, building on each other's expertise and good practices will both promote inter-governmental relations, effectively leverage investments, and promote a collaborative approach for continuous learning and transformation.

For a public service system to function well, there is a need for transparency in decision-making, accountability mechanisms, and a more explicit way of meaningfully engaging with service beneficiaries and rights holders (Output 9). The Portfolio will support PLGs to strengthen civic engagement structures and processes, aiming to ensure peoples' diverse realities are reflected in planning, budgeting, and ultimately, inclusive basic service delivery (Output 8).

4. Assumption and Risks

Given the nature of the interlinkages between the overall PLGSP and of the TA-Portfolio, successful implementation of the overall Programme relies on successful TA, and vice versa. There are a number of key assumptions outlined in the PLGSP Programme Document, all of which are also relevant for the TA Portfolio. In summary, these include political commitment, progress in development of legal and policy frameworks for implementation of federalism, motivation and incentives of all three tiers of governments (elected representatives and civil servants) to promote organizational and behavioural change at organizational and individual levels.

There are a number of key risks associated with these assumptions. These include, for example, that the pre-conditions and assumptions underpinning the overall strategy and assumption of the PLGSP do not materialize, such as related to timely approval of necessary legal and regulatory framework (e.g Civil Service Act), lack of ownership or acceptance of the proposed approach for systemic transformational change (including for GESI transformation), and challenges to attract and retain competent human resources to support PLGSP and TA implementation.

5. How do we know we are succeeding?

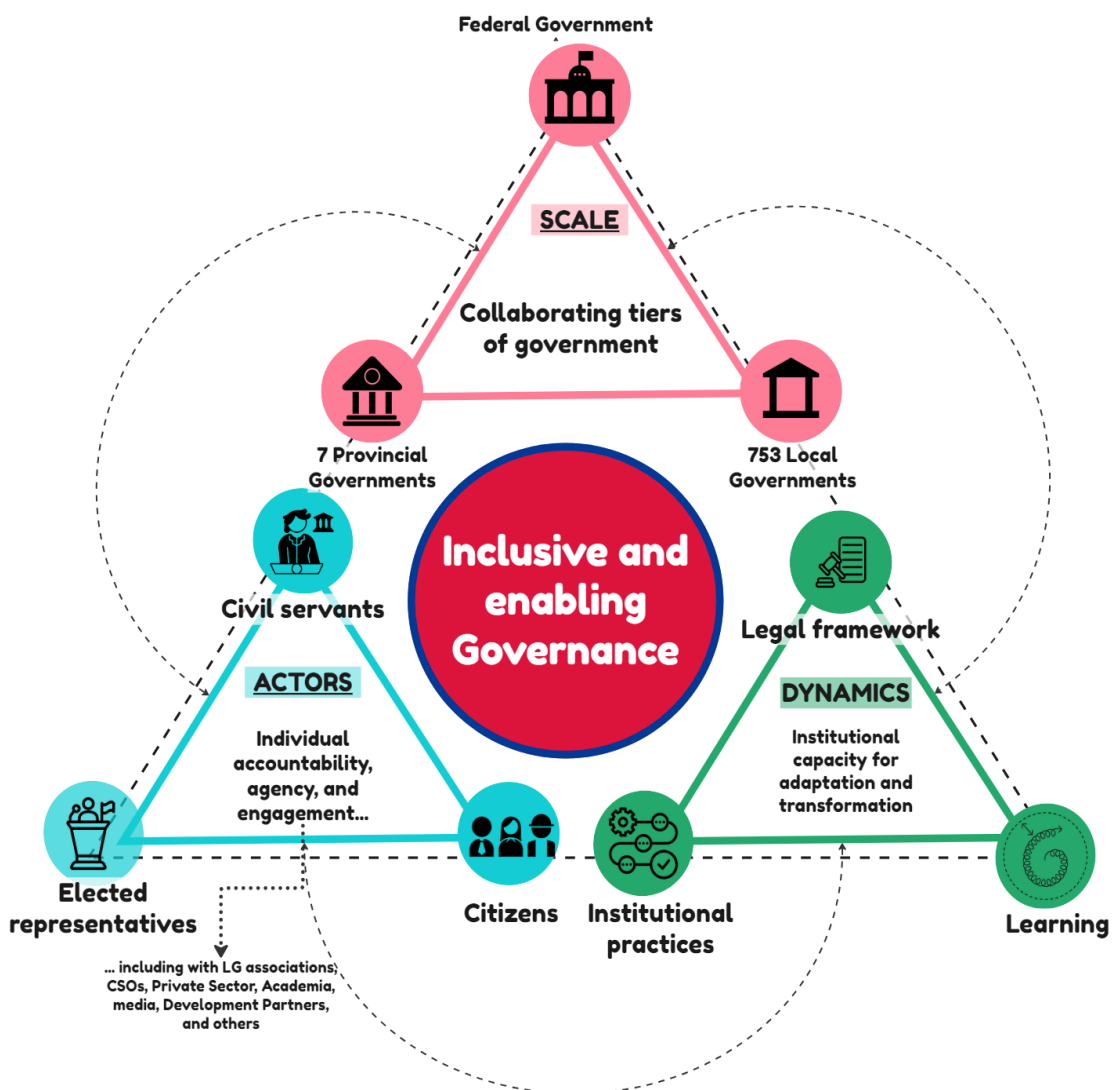
In the early phases, success will be measured by the level of acceptance and ownership of the overall PLGSP and TA portfolio by all relevant stakeholders, including federal, provincial and local governments. Some stakeholders (F/P/LGs/elected representatives/bureaucrats) begin to demonstrate a different way of working, learning, and collaborating. Further, key PLGSP baseline and research pieces are finalized, and findings incorporated in plans, inter-governmental coordination mechanisms are increasingly regular and effective, and mechanisms for inclusive citizen engagement are established.

Theory of Change diagram

The following diagram summarizes the key underpinning logic of the portfolio.

The portfolio operates to build a coherent system that:

- cuts across key actors (Civil Servants, Citizens, Elected representatives and politicians)
- through key dynamics (Legal Frameworks, Institutional Practices, Learning mechanisms)
- across different scales (National, provincial and local government level).



Annex 8 Additional background on PLGSP programme and TA approach

Brief background on portfolio context

Nepal adopted a new Constitution in September 2015, with the intent of transforming the then unitary and centralised system of governance into a federal and decentralised one as a vehicle to ensure equality, equity, and social justice. Nepal's federal system is characterised by three levels of government (federal, province, and local) with non-hierarchical relationships within the levels of government. The Constitution stipulates that the three levels shall be the main structures of the Federal, Democratic and Republican Nepal, and all levels shall exercise the power of the State of Nepal pursuant to the Constitution and law. The federal system of governance became fully functional in February 2018 after all seven province governments were formed following the general election in November 2017. Over the years, the federal system has witnessed many developments in political, fiscal and administrative aspects of devolution. A second round of elections of the province and local government representatives was completed in 2022.

The province and local governments have gained in maturity over the years and are gradually becoming more assertive in terms of claiming their constitutional rights with the federal government. Inter-governmental fiscal transfer windows as provided by the Constitution have been activated since 2018/19. In addition to revenue sharing, the PLGs have been receiving equalization, conditional, complementary and special grants as well as royalties from the natural resources from the federal government and the Local Governments (LGs) have been receiving the grants and revenue sharing under the same headings from the PGs except for the royalties from natural resources. Key legislation has been adopted by the federal, province and local governments for the implementation of the federal system.

However, due to the hierarchical nature of the law-making concerning the concurrent powers, the province and local governments have not been able to pass all required laws. Even if the PLGs have passed the laws, these need to be reviewed to ensure that they do not contradict federal law. In absence of the major acts (e.g. the Civil Service Bill and other sectoral bills) the services at the PLGs level have been hampered.

The Government of Nepal (GoN) has recently re-programmed the Provincial and Local Governance Strengthening Programme (PLGSP) for the years 2024-2029. Funded jointly by the GoN, European Union (EU), the Government of Norway, the Swiss Development Cooperation (SDC), the British Government (FCDO), and soon USAID. The Programme Document was initially signed between the GON and PLGSP DPs in July 2019 and the Joint Financing Agreement was signed in early September 2019. UNDP has been acting as the technical assistance partner to the programme, with financing provided through MOFAGA, and co-financing from core resources. The programme mainly aims to strengthen the capacity of provincial and local governance systems and processes and inter-governmental relationships to maximize the benefits of cooperative federalism in the progressive realisation of economic prosperity, inclusive governance, equality and social justice. The programme will be implemented over five years (July 2024 to July 2029). MoFAGA is the programme's executing agency, while relevant ministries and agencies of the federal government, including Financial Comptroller General Office (FCGO), all the seven provincial governments, the Provincial Research and Training Academy (PRTA), 753 local governments, Office of the Prime Minister and Council of Ministers, acting as the implementing agencies.

The reprogrammed PLGSP aims to address the findings of the Mid-Term Evaluation and related TA structural review. The MTR suggested revamping the TA structure ensuring that all TA staff can take the roles of PLG coaches and mentors who are fully conversant with the objectives of PLGSP and the basic tenets of good local governance, including the concepts of accountability and inclusiveness. It also recommended that provinces get a say in the TA staff composition, with TA approaches tailored to local context and needs.

The programme carried out extensive consultations with stakeholders at all levels between the end of July to mid-October 2023, and a reprogrammed document is now available, providing a framework for UNDP role as TA partner.

While the re-programming rationale is that PLGSP CD activities, as taken up in the PLGSP ASIP, need to be implemented by the province and local governments themselves, in most Provinces PLG civil service organisations and PCGGs still have too limited capacity now to fully implement the Programme. Therefore, implementation support cannot be phased out instantly at the end of the current phase of PLGSP by July 2024. The re-programming encompasses a (gradual) transitioning from the TA having an implementation role, towards handing-over full

implementation responsibility to PG, PCGG and Local Governments, with the TA having a capacity development and change management role.

Principles of TA Partnership

The Technical Assistance will be provided with a two-pronged approach:

Support to re-programmed PLGSP implementation through Implementation Support Technical Assistance (ISTA)

In order to address immediate capacity gaps/limited capacity, UNDP TA will mobilize support to the federal level and provinces on the implementation of the programme. This will be significantly smaller in size compared to current support, as provinces begin to take over some responsibilities. This type of support will be fully phased out by the end of 4th year in all provinces and if environment allows some could phase out earlier. The team will be managed by the respective provinces directly in coordination with PCU and UNDP (in charge of recruiting and managing contracts). ISTA teams will be tailored to accommodate flexible provincial needs and ensure autonomy and ownership. During the inception phase, initial team with minimum staff/personnels will ensure continuity and support needs assessments to determine the full composition of the teams, in consultation with the NPD/NPM and PPD/PPMs/EDs. These teams will facilitate the implementation of the agreed work plan at federal and PLGs level, and transfer of related capacities to their counterparts. The capacity development mandate of ISTA teams will be strengthened compared to current PLGSP teams.

TA as an agent of Transformational Change

UNDP will mobilize a high-quality team with capabilities for hands-on support (mentoring and coaching) and to develop and/or upgrade CD packages required to transform in the identified areas (GESI, PFM, IPF, IGR, fiscal federalism, data management, etc) – building on existing best practices. It will also enhance the support to the LGs through outreach interventions and leverage UNDP's international experiences and networks.

Furthermore, UNDP will diversify TA instruments and bring in specialized expertise through rosters (consultants on LTAs), partnerships (academia/research institutions, other projects, UN agencies, specialized organizations, municipal associations). For example, outreach to local governments will build on existing experiences and models being tested in Nepal, including mentorship with involvement of students / young graduates, volunteers, roving support teams, and capacitating champions within LGs.

This TA component will focus on the following types of interventions:

Development of strategies and plans: The TA will develop a CD strategy and Plan as well as integrated change management strategy and plan (to suit the capacity development needs and priorities of the province and local governments). To ensure relevance of the plans, they will be updated periodically to accommodate emerging issues and changing environments.

Stakeholder engagement, facilitation and networking: The TA will engage as a key initiator and facilitator of stakeholder engagement, networking, and reform/change process facilitation. In addition, the TA teams will collaborate closely with other, more sector or thematic oriented, programmes such as related to PFM, IT system development, civic engagement (e.g. Coherence), access to justice (e.g. UNDP A2J), GESI, local infrastructure development (e.g. LISP). The Programme will also actively engage with relevant 'thematic networks', universities, I/NGOs, think tanks and research centers. As recommended by the MTR, one of the tasks of the TA team would be to support discussion and cross-province peer learning on how to combine the functioning of a training centre with approaches of mentoring and coaching in a demand-driven fashion. The purpose of collaboration is to create joint learning from approaches and good practices and to scale these within the PRTAs.

Mentoring and coaching: The TA will play a role as mentor and coach to facilitate PLGs growth in terms of organisational capacity rather than implementation of PLGSP activities, also drawing on relevant regional and international experiences. It will explore various models for LG outreach, and actively identify and disseminate best practices and lessons learnt.

Provision of international expertise on federal system: While Nepal's federal system is quite unique, among others, in terms of its structures and devolution of powers, the system is still in its infancy, meaning that Nepal's federal system has a lot of scope to learn from relevant international experiences. This is particularly important given that the PLGs are hard-pressed to deliver without being given sufficient time for institutional development which is a

long-term process. In this regard, the TA support will leverage on international experiences and expertise to help learn Nepal federal system in the areas of organizational/institutional development, including the inter-governmental relations. This will include receiving advisory/expert support, and collaboration and partnership (with thinktanks, training centers, universities) as well as learning visits.

Programme monitoring, evaluation and learning: A strong learning component will be managed by the transformational TA team to validate, monitor and adjust the CD and transformation strategies and annual plans as and when required. In addition to documenting stories, insights and advises from the PLGs representatives and staff, this component will support policy related research, development of MEL framework, and commissioning of the third-party monitoring, mid-term review, endline and impact evaluations.

This TA component will also conduct regular policy/context analysis that will help to guide the framework programme document implementation, monitor trends and assess any needs to recalibrate the TA approach.

Approach to Gender Equality and Social Inclusion

The PLGSP reprogramming document includes an analysis of key GESI challenges in the context of PLGSP, and details on the proposed approach for GESI. UNDP will support the implementation of this approach by mobilizing a range of instruments and expertise. As mentioned above, UNDP will assess critical gaps in the inception phase, with UNWOMEN involvement on GESI aspects, and draw on existing analysis and data when available. This analysis will aim to scope drivers and norms perpetuating intersectional forms of discrimination, and to formulate social and gender norm change objectives, and interventions to transform harmful social and gender norms. On this basis, UNDP will identify relevant partners with expertise and tools to support the identified interventions (including UNWOMEN) and mobilize the GESI Analyst(s) within the TA team. The TA team and UNWOMEN will support the development of GESI specific Programme MEL and Results frameworks and associated baselines for each Province.

Prevention of Sexual Exploitation and Abuse will be an integral part of the TA approach. Dedicated capacity development packages will be developed and delivered for portfolio staff and for P/LGs. Any PSEA related issues as the corresponding response will be tracked through UNDP and P/LGs grievance handling systems.

Integrated UN Support

PLGSP scope is quite comprehensive and covers many cross-cutting themes. To this end, UNDP proposes to draw on the collective experience, comparative advantages, and knowledge of other UN agencies as relevant and required to support the implementation of the programme and consistent with its implementation modality.

As an example, and given the strong focus on GESI, UNDP plans to partner with UNWOMEN, first in the inception phase to assess current gaps and needs, and then to mobilize UNWOMEN comparative advantage and tools regarding intersectionality and gender-responsive budgeting, bringing out gender perspectives in to the decision-making process through story-telling, and GESI tools for programme monitoring.

TA composition (to be refined and tailored to provincial needs)

Based on initial consultations with MOFAGA and provincial governments, UNDP will continue supporting the recruitment and management of the following personnel (maximum of 69 staff and with ISTA to be phased out by July 2028 at the latest).

Composition PCU Implementation Support TA Team and Transformative TA Team

PCU – ISTA	PCU – TA
Federal Programme Coordination Analyst-1 IT and e-Governance Analyst-1 Administration and Logistics Analyst -1 Programme Associate-1 Drivers-3	Federal Governance Specialist (<u>Intl</u>)-1 Intergovernmental Relations (IGR) Analyst-1 Monitoring, Evaluation and Reporting Analyst-1 GESI Analyst-1 Knowledge Management Analyst-1

Composition PPSU Implementation Support TA Team and Transformative TA team

ISTA team (in each province)	TA team (in each province)
Provincial Programme Coordination Analyst-1 Training Coordination Analyst-1 IT Analyst-1 Monitoring, Learning and Reporting Analyst-1 Flexible positions (Analyst)- 2 (needs-based – among governance, planning, budgeting, GESI, civic engagement, IPF, IGR/Legal, fiscal federalism, knowledge management) Note: Final composition to be agreed during inception phase and tailored to provincial context.	Provincial Governance Analyst-1 Driver-1 Other TA instruments (consultants, partnerships) to be refined during inception and adjusted during implementation as needed.

Annex 9 Transition management and inception phase

TA Transition Management

In order to address evaluation and review findings regarding TA conditions of service and profiles, UNDP will be recruiting both ISTA and the transformational TA teams under the NPSA modality. UNDP has had success attracting and retaining staff with the required competencies and experiences by using this contractual modality in several other governance programmes (including EUSIF support to federalism in Karnali province, and the Parliament Support Programme). This means that current positions under the NIM contract modality will be discontinued, and current PLGSP staff interested in a new position will be invited to apply through a competitive process.

Recruitment for a first batch of core positions will be immediately launched upon approval of the TA portfolio document, while the remaining positions will be recruited upon confirmation of the specific needs during the inception phase. To avoid any major gaps in support to PLGSP and depending on the timeline for approval of the TA portfolio document, UNDP may use the short term NPSA modality (up to 6 months) or consultant contracts to hire crucial staff at short notice within its rosters and networks and through a simplified review process, in which case the recruitment process for longer term positions will be conducted during inception phase.

The transition process for the TA will be guided by the following timeline and steps (start of the Programme envisioned by July 15, 2024):

- Immediately after approval of this document and before actual programme start: UNDP will initiate recruitment of key ISTA and TA positions (see table below) to maintain key PLGSP functions, and lead inception phase activities, with MoFAGA also an implementing partner during this phase. This assumes this document is approved by end of June 2024.
- By 15 December 2024: Provinces and UNDP will agree on the province level capacity development priorities, expected results and support needs (ISTA as well as 'new' TA), including TA support and outreach arrangements to Local Governments, and reflect this joint agreement in signed provincial work plans (note: MoFAGA MoU with provinces to be signed prior to this). For this purpose, UNDP will deploy expertise to assess provincial and LG needs and capacity development priorities, map existing support and potential partnerships, and formulate recommendations on TA priorities in consultation with provincial government and local government associations. Relevant partners and UN agencies will be associated to this assessment process.

During this period, UNDP will ensure full engagement of all concerned stakeholders (PLGSP and beyond), both at federal and provincial level. Where possible, PTACs will be operationalized to guide the process (capacity assessment, partnership mapping, priorities and support needs, identification of expected results, proposed partnerships / outreach arrangements). Provinces will be effectively integrated as implementing partners by signing the portfolio document and their respective work plans at this point.

- By 31 January 2025: Operational Plan development with each Province covering the full programme period (multi-year planning), with specific arrangements for the ISTA to support (i) Province Government and (ii) the PRTA, including:
 - Composition of the ISTA and the new ToRs of the ISTA (for PG and PRTA). The ISTA teams will comprise of core CD expertise positions required for Programme implementation, as well as positions which will be decided based on specific Province demand.
 - The initial TA-Programme operational (five-year) plan will be developed in support to the Programme operational plan and Province ASIPBs, based on a joint assessment of Province and TA-Partner of the composition required for the ISTA and TA teams, to ensure a coherent and 'whole-team' approach.
- During Programme Implementation: The composition of the ISTA teams, as well as the TA teams can further evolve and change over time as per requirement. Changes in ISTA and TA teams may be decided jointly with TA-Partner and Province Technical Assistance Committee (PTAC), with subsequent endorsement from the TAC, and will be reflected in Province TA-Programme annual results plan and budget. The foremost (and only) justification for changes in ISTA and TA teams is the achievement of TA-Programme results, as well as Programme results.

- MTR in July-August 2026: The ISTAs are meant as temporary support to PG/PRTA towards the new Programme objectives and ISTA budget will in principle therefore be entirely phased out by the end of year 4 of the Programme. The MTR will therefore make an assessment for each Province, as well as for federal level (PCU), on requirements and options for reduction and phasing out of ISTA positions and subsequent budget allocations. This will then also entail a reassessment of the province TA team composition required, to ensure prioritised CD support to Provinces will continue unaffected towards the end of the Programme.
- By end December 2027: As per the MTR recommendation the TA-Partner will develop a reduction and/or phasing out plan for the ISTA positions, which will take place between January 2027 and July 2028 depending on Province context (as per MTR). The phasing out of federal level ISTA under the PCU will follow the same time frame and arrangements as described above for Provinces. The Province Plan will be approved in the P-TAC and endorsed by TAC, and the federal as well as overall Programme Plan will be approved in the TAC.

Positions to be recruited from inception phase

Federal level

PCU ISTA	PCU TA
<ul style="list-style-type: none"> ● Federal Programme Coordination Analyst ● IT and e-Governance Analyst-1 ● Admin and Logistics Analyst -1 ● Drivers-3 	<ul style="list-style-type: none"> ● Federal Governance Specialist- international -1 ● IGR Analyst-1 ● GESI Analyst-1

Province level (for all seven provinces – ASK EXACT LOCATION)

ISTA team	TA team
<ul style="list-style-type: none"> ● Provincial Program Coordination Analyst-7 ● Training Coordination Analyst-7 ● IT Analyst-7 	<ul style="list-style-type: none"> ● Provincial Governance Analyst-7 ● Driver-7

Annex 10: Summary table of relevant recommendations from MTR, TA Structure Review and TA Final Evaluation.

Documents/Reports	Key Recommendations	TA doc provision/response	Remarks
Mid Term Review	Expand the UNDP/TA team with at least two positions to be filled by persons that have international experience and exposure with devolution reforms and capacity development for Local governments. One position should support the broader definition and implementation of Outcome 1, whilst the other position should be for a charismatic TA team leader that can push, promote and facilitate teambuilding, peer learning (also across the provincial Centres of Good Governance) with the aim to arrive at a shared vision on PLG capacity development. It was found that many of the present TA are insufficiently acquainted with the principles and accountability mechanism engrained in a local government set-up	One International team leader (federalism) is proposed under transformative TA to address this recommendation. In addition, international expertise will be brought in through partnerships and expert rosters, on a need's basis. UNDP will also use international experts as quality assurance of the TA delivery.	Adjusted based on the discussion with the GoN and possible cost implications of having two full time internationals.
	As much as the PCGGs are mainly focused on the Local Governments, the MTR has suggested to rethink the composition of the PPIUs as units that provide TA to the Provincial Governments. In the light of the above suggestion to 'take PLGSP to the provinces', it is suggested, contrary to the one-size fits all approach, to allow tailor made solutions to be discussed and negotiated with the respective provincial governments. Equally, the Provincial governments should get a say in the composition of the TA as provided to the PCGGs.	Provincial governments will be in the driving seat to prioritize their needs with support from the TA team, and to coordinate TA support through the Provincial TA Committees. They will also lead to refine the composition of both the ISTA and TA teams, and to set priorities for TA support to be provided through partnerships / short-term experts.	This was also a strong suggestion from the stakeholder consultations for PLGSP) as well as TA review.
	Use TA as agents of change	Provision of transformational TA including rosters/academia and LTA is proposed in the TA portfolio approach going forward for PLGSP, with a strong focus on analyzing bottlenecks, and designing transformative approaches with a range of instruments at their disposal. This is distinguished from implementation support functions, which are downsized and will be phased out by year 4.	Assumption is that the more "federalized" governance arrangements will also create more space and ownership of TA objectives.
TA evaluation	Keeping in view that tangible results in the technical assistance support of provincial and local governance under a transition phase of federalism require time and	TA approach revised accordingly - with flexibility, provincial ownership, and different set of skills with a distinction between ISTA and TA.	

	sustained follow-up, it is recommended to extend/refine at least a 4–5-year program for TAP, but with revised and refined design and modalities.		
	The revised programme should clearly shift from ‘Ready Made’ model of TA support towards ‘Tailor Made’ technical support to provincial & local governments to cater heterogenous needs. TAP’s support should be determined by demand-driven approach as the present modality was found more supply driven. This helps to shape the support to being province specific and overcomes the shortcomings of generic i.e. blanket approach of TAP’s support. It is recommended to conduct a new needs assessment exercise of technical support for all provinces to revise the structure and modality of technical support including TA staff deployment accordingly.	TA document addresses this recommendation as described above - further provincial need assessment will be done during the inception phase, with ownership from the provincial government, leading to a tailored approach, using a range of instruments.	
	The revised ProDoc for TAP should have its specific results framework with clearly defined outcomes and outputs along with the related indicators and targets. The results framework may be aligned with current/revised results framework of the PLGSP. The ProDoc should also include clearly defined roles & responsibilities of UNDP and other partners, particularly with regards to the performance management of TA staff to avoid any confusion/dispute at a later stage. The mechanism defined in the existing ProDoc ‘Performance Review Panel’ may also be adopted in letter and spirit instead of reinventing any mechanism.	TA results framework aligned with the reprogrammed framework PLGSP is developed. TA team performance management is also clearly defined (ISTA-PPDs/PPMs/EDs and UNDP and Transformational TA-UNDP). Annual performance reviews will be conducted, linked to the TA results that individual TA staff contribute to.	
	Since federalism in transition requires administrative and behaviour change, a comprehensive change management strategy with adequate tools and resources should be developed and adopted at all levels including federal,	Change management strategies will be developed during the inception phase, based on needs assessments. The TA document also includes regular checkpoints and a strong	

	provincial, and local government, PLGSP management, particularly with direct implementation at PCU, PCGGs and PPIUs.	emphasis on learning, to adjust the approach as needed during implementation.	
	A clear and comprehensive sustainability and exit strategy which is developed in participatory manner and agreed by all stakeholder is highly recommended to outline the long-term sustainability of TAP.	Phase out of ISTA is agreed with a 4-year deadline included in the document. Remaining TA will have a capacity development role, with implementation fully under governments. A detailed HR plan (recruitment, retention, phase-out and sustainability) will be developed.	
	It is recommended that PPIUs should play a more vital 'technical advisory support' to the provincial governments whereby a lesser but more focused technical advisory staff should work directly with relevant provincial departments to provide technical support in policy/systems development and reforms. The deployment of technical advisors to PPIUs should not be uniform but based on unique requirements of provinces.	As mentioned above, the approach will be needs-based, led by provinces and flexible / tailored to specific needs.	
	With the changed context, going forward, there should be a shift from standard GESI support for provinces towards a needs/demand based GESI support for different provinces as different provinces can have different GESI related requirements. It is recommended to conduct an updated needs assessment of GESI for each province.	A comprehensive GESI analysis will be carried out, with involvement from UNWOMEN, leading to the design of more ambitious and tailored TA packages.	
	As there is significant progress found in GESI mainstreaming (mentioned above in the section on GESI), it is also suggested to compile a compendium of best practices, models and success stories from the provinces and local governance whereby GESI strategy/policy, gender audit and gender responsive budgeting have been successfully implemented and institutionalized by the provincial and local governments. It will assist in documenting the best practices and key enabling factors, lessons learned that will assist in replicating the GESI mainstreaming in the remaining provinces and local governments more efficiently.	Comprehensive GESI analysis described above will help in this regard, and the programme includes a strong emphasis on learning and knowledge management, for which the TA team will be accountable.	
	Based on a consensus found in the data collection whereby it was reported that GESI is predominantly focused on gender dimensions, it is recommended to further	GESI analysis above will be helpful to this effect, and UNDP will ensure adequate expertise is mobilized beyond gender expertise only.	

	strengthen GESI strategy for other vulnerable groups, particularly for the persons with the disabilities (PWDs). It can be done by reassessing the needs and requirements of this vulnerable group and revise the GESI strategy and related capacity building activities wherever possible.		
TA Structural Review	<i>Changes suggested for PCU TA positions are as follows:</i>		
	Dedicated PPM and PPD, cost to be booked under TA	PPM and PPD are government staff, cannot be TA staff.	
	Deputy Programme Manager (DPM) with DP coordination function, cost to be booked TA component (New Position)	TA document addresses main points of these recommendations, including international federalism expertise, a deputy to the NPM and a knowledge management analyst. It has been agreed that the finalization of TA teams will be needs based and led by provinces, so their priorities will be reflected.	
	Split the position of Federal Governance and DP Coordinator position into two Positions- a) Governance and Federalism Expert (international) and merge the function of DP Coordinator with the DPM role (Revised)		
	Split the C&M coordinator position into IGR specialist and MEAL Specialist (Revised)		
	Change HR and Liaison Specialist to HR Liaison and HR Administration specialist (Revised)		
	Admin and Finance Officer to Account and Finance Officer (Revised)		
	Add one IT officer position (New Position)		
	Other Positions- PFM, and GESI remain the same.		
	Programme Associate (redundant) upgrade to Communication and visibility expert (New Position)		
	A slim but core team of homogenous TA positions is suggested across all provinces for PPIU. Major changes suggested for PPIU TA positions are as follows:	Major suggestions are addressed as the PLGSP reprogrammed document draws on the essence of this recommendation. ISTA teams have been streamlined (almost halved), with some core positions but also flexibility to respond to specific provincial needs. Governance/IGR, IT/e-governance and M&E functions are covered, while provinces could add support for example on IPF, as needed.	
	Provisioning of a dedicated NPM and NPD at the Federal level, and PPM and PPD at the provincial level, cost to be booked within the TA component		
	Deputy Provincial Programme Manager (DPPM)- (New Position)		
Governance and Legal Expert/ Team Leader- Change to Governance/ IGR expert, redundant the legal job title, limit the team leader job role to its responsibility only (Revised)			

IT and E-Governance Expert- Change to IT Expert – no changes		
Public Finance Management Expert- Relocate to PCGG		
Monitoring and Reporting Expert- Change to Monitoring, Evaluation, Accountability and Learning (MEAL) expert		
Innovation Public Fund Expert (IPF)_ redundant, but subject to discussion upon fund availability		
Admin and Finance Assistant- Change to Admin Officer		
New Position: Economic Development Analyst with expertise in Policy, Data Analyst, and Resource Mobilization Coordinator (New)		
It is suggested that a flexible fund to hire expert services is provisioned to be used by the PCGGs as and when required for hiring the TA experts on a short-term basis.	Transformational TA has this provision.	
Make the role of principal secretary more prominent for effective TA management and its ownership at the provincial level.	Principal Secretary would be part of PSC and PPD (who reports to Principal Secretary) will lead PTAC for TA related discussions.	
Given the changing state transition context, the provinces require a higher level of TA services from experts to strengthen various areas, including intergovernmental relationships, citizen engagement, gender transformative support, capacity building of PCGGs using OD/ID approaches, and innovative methods of delivering capacity development functions with TA support, thus ensure a high level of TA expertise at the provincial level with technical skills as well skills on collaboration, cooperation and coordination.	This is managed through the transformational TA approach, including provision for cooperation with think tanks, academia and expert roster, in addition to TA staff with stronger profiles for transformational change.	
Follow the legal mandates of PCGG and PPIU to overcome the discussion on merging issues and align the TA positions with the O&M structure of the provinces, both for PPIU and PCGGs.	ISTA will be deployed based on respective mandates of PRTA and PPIU, but with less positions and a phase-out.	
Also, focus on the TA support for the Institutional and organizational development of PPIU and PCGGs for improving the performance and sustainability of the works.	This one of the main intentions of the transformational approach	
Finalize the Performance Evaluation of TA staff, based on preferably following the 360-degree PE evaluation, engaging Teammates, UNDP, and supervisor	UNDP will organize individual performance evaluations with inputs from supervisors, but P-TACs and TAC will also provide a forum to review collective results and performance.	

	Develop Internal Control System Guidelines, for PLGSP. For example- staff management including recruitment, transfer, PE and Professional Growth, staff code of conduct, grievance handling,	This is largely addressed with the new contractual modality with contracts administered by UNDP, these policies are in place. A dedicated project grievance handling mechanism will be established, and focal points trained.	
	Apply NIM Guideline provisions for all the NIM staff as per circular dated 01 April 2017 on TA staff salary and other benefits.	NPSA contract is proposed for both the teams to address this issue.	
	Apply equal norms to government officials and TA staff for field monitoring and reporting. The cost of the Government officials is also to be booked under TA, not exceeding a maximum of 7-10 days per month	This is provisioned under travel cost of TA team- all PPDS/PPMs to be supported by TA team travel provisions.	
	Take a more holistic ID/OD approach to LG capacity development	The recommendation covers multiple aspects of ID/OD of LGs' capacity development. TA will support in the assessment of the overall institutional capacity of PRTAs, develop a business/capacity development plan based on the identified capacity gap and strengthening institutional development and organizational development of PRTA TA would also help to customize training packages per the local context of PRTA and LGs with quality assurance from subject matter experts.	PLGSP to work out other measures to be implemented under this recommendation.
	Provision of legal officers/ mentors for local Government as a part of TA support	A needs-based approach will be followed. Legal expertise is planned under rosters, and various models for outreach / mentoring for LGs will be piloted.	

Annex 11: Indicative result indicators for the two TA components (to be refined during inception)

S.N.	Areas	Implementation Support Technical Assistance	Transformative Technical Assistance
1.	Participatory Law making	<ul style="list-style-type: none"> - # of bills and regulations drafted following consultations/workshops including women and marginalized groups - # of bills and regulations drafted following public calls made to the concerned stakeholders for public submission - # of bills and regulations drafted following interactions held with the parliamentary committees 	<ul style="list-style-type: none"> - # and type of analytic documents / studies developed and fed into the law-making process - Participatory law-making guideline developed and effectively disseminated. - Digital repository of laws in place
2.	GESI sensitive policy reform	<ul style="list-style-type: none"> - # of orientations and trainings conducted on GESI sensitive policy - # of government officials and elected representatives trained on GESI-sensitive policy reform (by gender) 	<ul style="list-style-type: none"> - Guideline on GESI sensitive law and policy reform is in place. - # of draft laws and policies for which a GESI analysis is conducted and fed into the drafting process - # and type of innovative engagement methodologies for officials and elected representatives on GESI-sensitive policy reform
3.	Accountable and inclusive institutions and organizations	<ul style="list-style-type: none"> - # of grievance handling systems established to receive and address complaints - # of citizens making use of the grievance handling systems (by gender) - # of dialogues conducted on governance, accountability and transparency with diverse CSOs, social leaders, private sector and interest groups. 	<ul style="list-style-type: none"> - Perception survey / analysis available on the level of people's confidence in quality service delivery - Analysis conducted on grievances received and settled at the province and local level, with policy recommendations
4.	Capacity development of PRTAs	<ul style="list-style-type: none"> - # of PRTAs with required set of rules, regulations, and guidelines to operationalize their mandate - # of PRTA staff/officials trained and inducted on its mandate and rules/regulations (by gender) 	<ul style="list-style-type: none"> - System of a self-capacity assessment is in place in PRTAs.

		<ul style="list-style-type: none"> - # of national experts listed under the roster (by gender) 	<ul style="list-style-type: none"> - # of community of practices (COP) events conducted among PRTAs, with learning and policy recommendations documented - # networks developed with international training academies - Analysis produced to support sectoral coordination and synergies with like-minded training academies.
5.	Inclusive Basic Service Delivery	<ul style="list-style-type: none"> - # of coordination meetings conducted between province and local government bodies - # of elected representatives and civil servants trained on inclusive service delivery system (by gender) 	<ul style="list-style-type: none"> - # and type of analysis conducted on effectiveness of service delivery from GESI lens, with policy recommendations - # of P / LGS with laws, policies and procedures operationalizing functions as per the unbundling report - # of learning events or knowledge products for cross-learning among P/LGs on implementation of the unbundling report
6.	Civic engagement	<ul style="list-style-type: none"> - # of public and community hearings conducted on governance, access to services, empowerment of women and marginalized communities - # of procedures developed on the right to information (RTI) - # of help desks established at the province and local government bodies to provide information to citizens 	<ul style="list-style-type: none"> - # of COP events conducted among CSOs and governance practitioners on civic engagement. - Users' guide on citizen engagement developed and disseminated among CSOs. - # and type of analysis and policy recommendations on effectiveness / impact of civic engagement practices - # and type of innovative methodologies developed and tested for civic engagement

7.	Innovation/digitization, information technology and data systems, e-governance	<ul style="list-style-type: none"> - # of inclusive sense making exercises conducted on e-governance and innovations - # of inclusive interactions conducted on P/LG operationalization of the blueprint developed by the e-governance commission in Nepal 	<ul style="list-style-type: none"> - Mapping exercise on opportunities, challenges, resource requirements, cost-benefits and capacity requirements for P/LG adoption of open e-governance systems conducted. - # of digital literacy assessments conducted, with GESI analysis - # of E-governance strategies (developed based on international good practices) at sub-national level - # and type of e-governance tools effectively introduced by P/LGs - # of events or knowledge products for learning on e-governance across P/LGs
8.	Behavioral change/transformation	<ul style="list-style-type: none"> - # of inclusive dialogues with diverse stakeholders (e.g. academia, experts, CSOs, private sector, etc.) on identifying contextual GESI barriers (e.g. chhaupadi, witchcraft) - # of elected representatives and officials benefiting from innovative capacity development packages aiming at behavior change (by gender) 	<ul style="list-style-type: none"> - # of knowledge, attitude and practice (KAP) studies, including a GESI lens, conducted of the federal to local government bodies - # of learning events conducted on best practices and lessons learnt for behaviour change, with policy recommendations - # and type of innovative methodologies for behavior change (towards federalism principles and GESI) developed and tested
9.	Socialization of unbundling report at federal and sub-national level	<ul style="list-style-type: none"> - # of PLG staff and elected officials trained on unbundling provisions and implications for their work 	<ul style="list-style-type: none"> - # of interactions organized through PLG learning networks on implementation of unbundling
10.	Effective coordination meetings held at Provincial Coordination Council (PCC) and National Coordination Council (NCC)	<ul style="list-style-type: none"> - # meetings held with effective support from OPMCM / OCMCM (timely and with mechanisms for follow-up on previous decisions) 	<ul style="list-style-type: none"> - # of policy analysis (including best practices) and recommendations on unbundling implementation submitted by PLGs to IGR mechanisms for decision

11.	Drafting of laws and policies in line with the unbundling report of government and with existing best practices	<ul style="list-style-type: none"> - # of inclusive consultations and FGDs facilitated on the review of laws and formulation of policies/bills 	<ul style="list-style-type: none"> - # laws and policies effectively reflecting inclusive citizen/stakeholder inputs, and international/national best practices
12.	Development and implementation of capacity development plans	<ul style="list-style-type: none"> - # of CD plans in place - # of CD plans with annual reports - # of CD plans with at least 70% of activities on track 	<ul style="list-style-type: none"> - # of CD plans based on capacity gap assessment conducted by PLGSP TA - Type and number of proven best practices incorporated in CD plans. - (at impact level, mid-term assessment of PLGs capacities against 2024 baseline)
13.	Federal civil service bill adoption	<ul style="list-style-type: none"> - # of interactions with parliamentary committees on the bill supported by PLGSP 	<ul style="list-style-type: none"> - Position papers developed and policy discussion conducted (in collaboration with Parliament Support Project)
14.	Provincial civil service laws aligned with the federal act and incorporating best practices on inclusion	<ul style="list-style-type: none"> - # of inclusive (vulnerable groups, LGs) review meetings supported on the provincial civil service laws 	<ul style="list-style-type: none"> - Analysis conducted on the current Provincial civil service laws based on federal civil service bill and international good practices (focus on inclusion) - Effective interaction and sharing of experience between provinces