



Meeting Minute of National Steering Committee

Provincial and Local Governance Strengthening Programme (PLGSP)

The First National Steering Committee (NSC) meeting of reprogrammed PLGSP held on 03 February 2025 (21 Magh, 2081) in Nagarkot. Mr Raj Kumar Gupta, Hon Minister of MoFAGA Chaired the meeting in the co- chair with Hon. Chief Ministers Mr Bahadur Singh Lama (Bagamati province) and Mr Kamal Bahadur Shah (Sudurpashchim province).

The meeting was attended by member of National Planning Commission, Secretaries of MoFAGA and National Natural Resource and Fiscal Commission, Principal Secretaries of the provinces, Joint Secretaries of the Federal Ministries and Secretaries of the provincial governments (mostly from OCMCMs), other officers of the federal and provincial governments, representatives from Local Government Associations (NARMIN, MUAN and ADCCN), PLGSP funding partners (SDC, FCDO, EU, Norway) and UNDP (also Technical Assistance partner).

Decisions:

- 1- NSC decided to implement approved reprogrammed PLGSP 2024-2029.
- 2- NSC decided to implement approved PLGSP Annual Strategic Plan and Budget (ASIPB) for FY 2081/82 (2024/25).

Meeting Memoire:

1. Welcome Remarks:

Mr Raj Kumar Gupta, Hon Minister, MoFAGA and Chair of the meeting declared the start of the meeting welcoming all participants in the first NSC meeting of PLGSP where he highlighted the key agenda of the meeting (decision to implement ASIPB 2024/25) to formalize PLGSP implementation. Hon Minister stressed that previous phase of PLGSP could not be implemented as expected and thus reprogramming was required to accomplish the key objectives of supporting federalism in Nepal. He also informed that civil service management bill will be in place soon so that PLGSP delivery will be effective. He handed over the meeting to the secretary of the NSC (National Programme Director of PLGSP) for further proceeding.

2. Presentation of PLGSP accomplishments (2019-2024) and Key Features of reprogrammed PLGSP

National Programme Director (NPD) and Joint Secretary of MoFAGA Mr Rudra Singh Tamang took over the floor and made a brief presentation on PLGSP accomplishments (2019-2024). He also made a brief presentation on key features of reprogrammed PLGSP (2014-2029) to inform the participants what the key areas of reprogrammed PLGSP are. During the presentation, he highlighted that reprogrammed PLGSP is aiming to transformation from the traditional way of capacity building for federalism. He also shed light that reprogrammed PLGSP is more flexible and comes with autonomy to the



provinces so that the process could address the emerging capacity needs immediately. Technical assistance is also composed accordingly including a number of other tools to bring changes on top of human resources.

3. Open Discussion:

Endorsing the proposed agenda, **Mr. Ganga Dutta Awasthi, member of National Planning Commission (NPC)** highlighted that PLGSP is an important programme for strengthening federalism in Nepal. He stressed that Chief Ministers have critical role in its implementation from designing annual activities with a focus on both provinces as well as local government levels. He also highlighted that flexibility in the programme brings a lot of opportunities that can address demand sides but also with increased accountability at all levels. He also suggested to align PLGSP next year plans to the 16th Periodic Plan as well as MTEF and Project Banks of NPC so that a better delivery is ensured. He suggested Chief Ministers to pay more attention on the implementation so that 100% financial delivery is achieved. He also advised to ensure the quality of the work under PLGSP.

Mr. Babu Ram Adhikari, Principal Secretary, Lumbini Province highlighted that Local Governments are lacking the resources where PLGSP could complement. He vowed that provision of Provincial Steering Committee (PSC) with authority to approve annual program is welcoming. This NSC meeting to endorse FY 2081/82 annual work plan is not ideal as work plans are already approved by the respective parliaments. Timely availability of TA team would support in better implementation at provinces.

Mr. Mahadev Pantha, Principal Secretary, Bagmati Province highlighted that PLGSP is a very effective programme to build Provincial and Local Governments (PLGs) capacities. He opined reprogrammed PLGSP could support all provinces in establishing project banks, PG level *Kitabkhana* (personnel records system) & cabinet system, refining synchronized civil service staff benefit package across all provinces and support to judicial committees of the LGs.

Dr Kamal Pokharel, Principal Secretary, Sudurpashchim Province expressed that this year budget expenditure of PLGSP will be low for sure as the authorization for expense is released only recently. He also proposed to discuss on if PLGSP could support hardware activities as there are LG expectations to this. He proposed PLGSP support in building provincial competency in IT infrastructure for digitalization along with support in project banks for better efficiency. He also suggested PLGSP support in devising strategy to engage private sector as governance will be felt when there are economic opportunities created which is slightly a non-traditional approach. He also suggested all DPs programmes in the provinces are in accordance with the federal law and better aligned through common partnership framework as provinces are observing DPs reaching out to them for support in different sectors and with different approaches.

Mr Kiran Raj Sharma, Secretary of National Natural Resource and Fiscal Commission (NNRFC) suggested PLGSP could support in devising online training manual for local governments for virtual courses. He also suggested to focus on avoiding duplication of the budget at PLGs, perhaps



through support in data management which may be helpful to reduce administrative cost of the activities which is up to 900% as per the NNRFC study.

Mr Chakra Bahadur Budha, Joint Secretary of Ministry of Women, Children and Senior Citizen (MOWCSC) informed that the Ministry looks after almost 80% of population of the country. He added that use of gender budget code has been increased but we need to evaluate the real impact. Ministry has also developed child budget code which is yet to implement where PLGSP could support. He also advised PLGSP to support in achieving government commitment to end child marriage by 2030.

Mr Kalanidhi Devkota, Executive Director of Municipal Association of Nepal (MuAN) reminded authorities **not to** use of word 'local level' for Local Governments which is against the spirit of the Constitution of Nepal. He also stressed the PLGSP budget division of 10/50/40 percent at federal, province and Local levels is not logical where MuAN is not supportive to spend LG allocation of 40% through provinces. He also questioned the government revenue sharing formula of 70-15-15 percent at federal, provinces and LGs and asked for a proper assessment of this formulae that address the real needs of all levels and where PLGSP could support. He also advised PLGSP to support those LGs who are not able to prepare and approve their annual program and budget on time.

Mr Govinda Prasad Thapaliya, Executive Member of National Association of Rural Municipalities in Nepal (NARMIN) thanked MoFAGA for including LG associations in the PLGSP governance as member. He also requested Chief Ministers to invite LGAs at the provincial steering committee meetings as well. He expected PLGSP will be for those whom it aimed to and thus LGAs would fit best to implement PLGSP but also in ensuring quality of delivery. He expressed NARMIN is not happy that PLGSP has not considered LGs as const centers but still suggests sending conditional fund for time sensitive activities. He committed NARMIN will be standby for PLGSP effective implementation.

Mr Bharat Kumar Bhattarai, Executive Director of Association of District Coordination Committee Nepal (ADCCN) inquired if DCCs are considered in capacity development approach of PLGSP that is meant for PLGs. He requested PLGSP to consider DCC capacity building during the implementation as DCCs are in dire need of IT staff and financial analyst to monitor the district level activities of LGs following the constitutional mandate.

Mr Mattias Meier, Head of Development Cooperation of SDC (DP Chair) congratulated MoFAGA and provincial governments for reprogrammed PLGSP. He highlighted that reprogrammed PLGSP has focused on active structures, process and targeted planning so that an operational environment could be reformed for effective service delivery to the citizen. He vowed political ownership of PLGSP could be increased through such active participation and involvement in decision process where NSC is for strategic guidance. He appreciated the recent Technical Assistance Committee (TAC) meeting and expects others to held soon, namely, Federal Coordination Committee (FCC), Provincial Steering Committee (PSC) and Provincial Technical Assistance Committee (PTAC). He mentioned that DPs have noted the potential for funding gap to technical assistance post 2026 and stressed that DPs are willing to further discuss modalities to



address this gap with GoN counterparts, to ensure PLGSP continues to deliver on its intended targets.

Mr. Matthias Meier, Head of Development Cooperation of SDC stressed that role of Office of Prime Minister and Minister of Councils (OPMCM) is crucial in federalizing governance where Inter Governmental Relations (IGR) is considered a key agenda. He noted the discussion of pertinent issues in National Thematic Committee meeting yesterday led by MoFAGA is a welcome progress. He expressed DPs would like to see chief ministers round table meetings also held soon and would also like to see joint annual visit to the provinces for better ownerships. He requested the Minister to ensure government financial commitment to PLGSP is maintained. He also raised the issue of frequent transfer of leadership is a key constraint for delivery and requested for stability of the staff. At the end he versed DPs are happy to endorse ASIPB 2081/82.

Mr Andrew Long, Team Leader (Governance, Politics and Service) of FCDO appreciated leadership for organizing NSC that would be guidance for PLGSP implementation. He also requested to finalizing the unbundling report, finalize and implement civil service bill, laws related to provincial training and research academies and others which are now blocking a lot of developments including PLGSP implementation. He offered to work together to make GESI in real meaning in the Programme.

Mr Tor Anestad, Governance Manager of Norwegian Embassy highlighted that reprogrammed PLGSP is an opportunity to focus on critical areas such as institutionalizing an inclusive law-making framework, clear focus on civic engagement – in policy making, core planning and budgeting processes of provincial and local governments. He also suggested MoFAGA, Province governments and UNDP to recruit diverse, highly skilled and transformative technical assistance staff to support the programme and noted considerable progress that has already been made on this. He further suggested MoFAGA and UNDP to develop a comprehensive induction material for the TA and shared the expectation that the new TA staff will be provided with adequate space, authority and resources to fully operate and deliver. He urged remaining provinces to promulgate dedicated bills to institutionalize Provincial Research and Training Academies (PRTAs) and urged to promote harmonization of training activities at the provincial level through these institutes and facilitate cross-learning between and among the three tiers of government. He also highlighted the need to bring clarity in roles, functions within all training institutes at federal and provincial level such as the Local Development Training Academy (LDTA), PRDAs and Nepal Administrative Staff College (NASC). He advised to develop a comprehensive Results Framework as well as prepare a GESI framework so that a transformation in GESI behaviors could take place in the reprogrammed PLGSP. He also suggested provinces and MoFAGA to coordinate with other DPs in governance sector for more coherence.

Mr Jose V. Santamaria of European Union Delegation in Nepal emphasized to prepare a comprehensive communications strategy for PLGSP so that it could message properly to citizens to build public trust and maintain transparency. He also proposed to prepare an annual calendar of intended activities for planning key milestones and meetings. He reaffirmed that DPs remain committed to support Nepal's endeavor of development.



Ms Kyoko Yokosuka, Resident Representative of UNDP appreciated the organization of this critical meeting. She highlighted that UNDP is actively engaged in implementing federalism in Nepal. She vowed that reprogrammed PLGSP increases ambition on Nepal's federalism process through a priority on developing capacity and systems at PLGs. She opined the better representation of PLGs in such governance structures is a welcome development. She expressed that Technical Assistance to PLGSP has come up with range of flexible tools, vehicles and expertise which could help to realize the PLGSP ambitions. She committed that UNDP would bring comparative expertise and global experience to PLGSP as added value including from its other programs in governances such as parliamentary support program, access to justice program and so on. She hoped the ongoing parliamentary session will come up with crucial bills on civil service, education, health and others that will be guiding instruments for successful implementation of reprogrammed PLGSP. She acknowledged the government of Nepal, DPs and other stakeholder for their trust on UNDP.

Mr Rabi Lal Pantha, Secretary of MoFAGA expressed that the 40% delivery of earlier PLGSP is reasonable amid COVID- 19 pandemic and newly set up agencies- absolute criticism is not helpful. He highlighted that federal government has more of a coordination role with only 10% budget in reprogrammed PLGSP meaning PGs are now in driving role. He also focused that the Programme is not much tangible to go away from strengthening but let's remain in this as it will support only very few and supportive infrastructures (again for capacity development). He proposed to explore if a similar structure to FCC could be added in provincial governance structure (to be led by principal secretary). He agreed with the idea of PLGSP supporting in establishing project banks at PLGs. He suggested to go for effective implementation rather endorsement of ASIPB this year as its already late. Responding to frequent transfer of senior officials of PLGSP, he indicated this is taken seriously but also as a challenge and suggested to manage it with no disturbance. He expressed his excitement for better implementation of reprogrammed PLGSP.

Mr Kamal Bahadur Shah, Hon Chief Minister (co -chair) Sudurpashchim province stressed that federal government needs to be clear on use of right of governments following the constitutional spirit as well as needs and direct benefits to the people. He viewed that our total budget envelope (of the country) has not increased significantly after 2015 leading PLGs to operate in a very limited resources where PLGSP could be supportive. He also expressed that there is a need to improve our planning process (including budget) for which we need to understand our own role and authority. He expressed his unhappiness in duplicating the projects mostly arising from doing the same size projects from federal to provinces (eg NPR 2,500,000 budget projects)- federal government is considered dictating provinces. Mr Shah suggested PLGs do more on service delivery side and focus on strengthening PRTAs in the years. He expressed that PLGs are now in need of more economic activities where IPF could be an avenue. He appreciated the TA provision that should serve as advisory to the PLGs. He also expressed that this year PLGSP budget is already in the PLMBIS and proposed for repurposing.

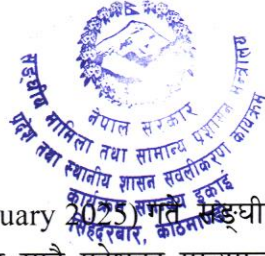
Mr Bahadur Singh Lama, Hon Chief Minister (Co chair) Bagamati province expressed that there is a need to address the fiscal year mismatch of DPs and Government of Nepal for PLGSP reporting. He also suggested to focus on sustainability of the activities that PLGSP supports such as training



(whereabout of the training recipient). He also suggested provinces better utilize the available TA expertise. He also suggested to make people understand what capacity building is and how will this process help them to get better service delivery.

4. Closure


Mr Raj Kumar Gupta, Hon Minister MoFAGA informed the decision of reprogrammed PLGSP to implement effectively and also the implementation of approved ASIPB 081/82. He thanked everyone for their wholehearted discussion in this meeting. He also proposed to commit everyone (specifically Chief Ministers and Principal Secretaries) for effective implementation of reprogrammed PLGSP so that 100% implementation is achieved. He declared the ending of this meeting.



मिति २०८१ माघ २० र २१ (2nd - 3rd February २०२१) तारिखमा मध्यम मामिला तथा सामान्य प्रशासन मन्त्रालयका मन्त्री श्री राज कुमार गुप्ताज्यूको अध्यक्षतामा सातै प्रदेशका मुख्यमन्त्रीज्यूहरू, सातै प्रदेशका मुख्यसचिवज्यूहरू, मन्त्रालयका सचिवज्यू, सहसचिवज्यूहरू तथा विभिन्न मन्त्रालयका सह-सचिवज्यूहरू, विकास साझेदार तथा विभिन्न निकायका प्रतिनिधिहरूको उपस्थितिमा प्रदेश तथा स्थानीय शासन सवलीकरण कार्यक्रम (PLGSP) को राष्ट्रिय निर्देशक समिति (NSC) को पहिलो बैठक बसी निम्नानुसारको निर्णयहरू गरियो ।

निर्णयहरू:

- राष्ट्रिय कार्यकारी समिति (NSC) ले PLGSP को ५ बर्ष (आ.व. २०८१/८२- २०८६/८७) तदनुसार सन् २०२४-२०२९ कार्यक्रम अवधि लागू गर्ने निर्णय गर्‍यो ।
- यस समितिबाट प्रदेश तथा स्थानीय शासन सवलीकरण कार्यक्रम (PLGSP) को आर्थिक वर्ष २०८१/८२ (२०२४/२५) को वार्षिक रणनीतिक योजना र बजेट (ASIPB) लागि स्वीकृत गरी लागू गर्ने निर्णय भयो ।


००९/१२/२०
मा. राजकुमार गुप्ता
मन्त्री