



**Government of Nepal**  
Ministry of Federal Affairs and General Administration  
**Provincial and Local Governance Strengthening Programme**  
**(PLGSP)**

**Implementation Guidelines, 2025**



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## Abbreviations And Acronyms

ACC	Administrative Coordination Council
ADB	Asian Development Bank
ADCCN	Association of District Coordination Committees in Nepal
ASIPB	Annual Strategic Implementation Plan and Budget
BSD	Basic Service Delivery
CAO	Chief Administrative Officer
CBA	Cost Benefit Analysis
CBO	Community Based Organisation
CD	Capacity Development
CGAS	Computerised Government Accounting System
CIAA	Commission for Investigation of Abuse and Authority
CSO	Civil Society Organization
DAG	Disadvantaged Group
DCC	District Coordination Committee
DFDP	Decentralized Financing and Development Programme
DP	Development Partner
ED	Executive Director
EUSIF	European Union Support to Inclusive Federalism project
FASIPB	Federal Annual Strategic Implementation Plan and Budget
FCA	Foreign Current Account
FCC	Federalism Coordination Council
FCDO	Foreign and Commonwealth Development Office (UK)
FCGO	Financial Controller General's Office
FCNA	Federalism Capacity Needs Assessment
FGD	Focus Group Discussion
FRA	Fiduciary Risk Assessment
FRR	Fiduciary Risk Reduction
GESI	Gender Equality and Social Inclusion
GFP	Gender Focal Person
GIS	Geographical Information System
GoN	Government of Nepal
GRB	Gender Responsive Budgeting
HRM/HRD	Human Resource Management/Human Resource Development
I/NGO	International Non-Governmental Organization
ICT	Information and Communication Technology
IGCC	Intergovernmental Coordination Council
IGFC	Intergovernmental Fiscal Council
IGFFA	Intergovernmental Fiscal Arrangement Act
IGR	Intergovernmental Relations
ING	Indigenous Nationalities Commission
IPCC	Inter-Province Coordination Council
IPF	Innovative Partnership Fund
ISTA	Implementation Support Technical Assistance
IT	Information Technology
JFA	Joint Financing Agreement
JICA	Japan International Cooperation Agency
KPI	Key Performance Indicator
LDTA	Local Development Training Academy
LED	Local Economic Development
LG	Local Government/s
LGA	Local Government Association

LGBTQIA+	Lesbian, gay, bisexual, transgender, queer, intersex, asexual and other non-binary
LGCDP	Local Governance and Community Development Programme
LGOA	Local Government Operation Act (2017)
LGP	Local Governance Programme
LISA	Local Government Institutional Capacity Self-Assessment
LISP	Local Infrastructure Support Project
LMBIS	Line Ministry Budget Information System
LNOB	Leave No One Behind
LSGA	Local Self-Governance Act 2056 (1999)
M&E	Monitoring and Evaluation
MARS	Municipal Administration and Revenue System
MdC	Madheshi Commission
MDTF	Multi Donor Trust Fund (for PFM)
MEL	Monitoring, Evaluation and Learning
MoALD	Ministry of Agriculture and Livestock Development
MoEAP	Ministry of Economic Affairs and Planning (Provincial Ministry)
MoEST	Ministry of Education, Science and Technology
MoF	Ministry of Finance
MoFAGA	Ministry of Federal Affairs and General Administration
MoHP	Ministry of Health and Population
MoIA	Ministry of Internal Affairs (Provincial Ministry)
MoID	Ministry of Infrastructure Development (Provincial Ministry)
MoLJPA	Ministry of Law, Justice and Parliamentary Affairs
MoSD	Ministry of Social Development (Provincial Ministry)
MoU	Memorandum of Understanding
MoUD	Ministry of Women, Children and Senior Citizen
MoWCSC	Ministry of Urban Development
MTR	Mid-Term Review
MuAN	Municipal Association of Nepal
NARMIN	National Association of Rural Municipalities of Nepal
NCC	National Coordination Council
NDC	National Dalit Commission
NEC	National Executive Committee
NIC	National Inclusion Commission
NNRFC	National Natural Resources Fiscal Commission
NORAD	Norwegian Agency for Development Cooperation (referred to as 'Norway')
NPC	National Planning Commission
NPD	National Programme Director
NPM	National Programme Manager
NPSA	National Personnel Service Agreement
NSC	National Steering Committee
NSO	National Statistics Office
NVC	National Vigilance Centre
NWC	National Women Commission
O&M	Organization and Management
OAG	Office of the Auditor General
OCMCM	Office of the Chief Minister and Council of Ministers (Provincial Government)
OD/ID	Organisational and Institutional Development
OLPGA	Open Local/Provincial Government Account
OPMCM	Office of the Prime Minister and Council of Ministers
OSR	Own Source Revenue
PAC	Public Account Commission
PAMS	Public Asset Management System
PASIPB	Provincial Annual Strategic Implementation Plan and Budget

PCC	Programme Coordination Committee /Council
PCGG	Provincial Centre for Good Governance (now referred to as PRTA)
PCU	Provincial Coordination Unit
PFM	Public Financial Management
PFMTC	Public Financial Management Training Centre
PG	Provincial Government
PIG	Programme Implementation Guideline
PLG	Provincial and Local Governments
PLGSP	Provincial and Local Governance Strengthening Programme (2024-2029)
PLGSP	Provincial and Local Governance Support Programme (2019-2024)
PLMBIS	Provincial Line Ministry Budget Information System
PPC	Provincial Planning Commission
PPD	Provincial Programme Director
PPIU	Provincial Programme Implementation Unit
PPM	Provincial Programme Manager
PPSC	Provincial Public Service Commission
PPSU	Provincial Programme Support Unit
ProDoc	Programme Document
PRTA	Provincial Research and Training Academy (formerly PCGG)
PSC	Provincial Steering Committee
PSP	Provincial Support Project (Swiss)
PTAC	Provincial Technical Assistance Committee
RBA	Right Based Approach
RBME	Results Based Monitoring, Evaluation and Learning
RM	Rural Municipality
RTC	Regional Training Centre
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goals
SMART	Specific, Measurable, Agreed, Realistic and Timebound
SOGI	Sexual Orientation and Gender Identities
SuTRA	Sub-national Treasury Regulatory Application
TA	Technical Assistance
TAC	Technical Assistance Committee
TASC	Technical Assistance Sub-Committee
TASP	Technical Assistance Service Provider
TLO	Tole/ lane (Community) Associations
ToC	Theory of Change
ToR	Terms of Reference
ToT	Training of Trainers
TPM	Third-Party Monitoring
TS	Thematic Stream
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNSCR	United Nations Security Council Resolution
USAID	United States Agency for International Development
VSM	Viable Systems Model
WA	Withdrawal Application
WB	World Bank
WCF	Ward Citizen Forum
WDO	Women Development Officer

## Executive Summary

The Provincial and Local Governance Strengthening Programme (PLGSP) aims to build on the successes and lessons learned from its initial phase, striving to enhance governance practices and foster inclusive socio-economic development across federal, provincial and local level governments of Nepal. The key objectives of the PLGSP focus on improving service delivery, promoting inclusive economic development, and ensuring that governance frameworks remain adaptable to changing circumstances and evolving needs (Ministry of Federal Affairs and General Administration [MoFAGA], 2024, PLGSP Project Document).<sup>1</sup> The PLGSP 2024 programme document (ProDoc) requires further detailing to include processes, necessary documents, and templates to guide the implementing agencies for smooth execution.

This document presents the **Programme Implementation Guideline** for the Provincial and Local Governance Strengthening Programme (PLGSP), designed to serve as a comprehensive and systematic reference for all aspects of the programme's operations. The Guideline provides clear, step-by-step procedures and protocols to enhance efficiency, consistency, and clarity. It includes essential information on the programme's governance structure, decision-making processes, and issue resolution mechanisms, ensuring that every aspect of the programme is managed effectively.

The primary objective of this strategic document is to empower managers, team members, and key stakeholders by offering the necessary tools and information to navigate the PLGSP lifecycle seamlessly and successfully. By adhering to these guidelines, the programme aims to foster best practices, achieve desired outcomes, and maintain a high standard of execution.

Moreover, the Guideline is designed to be a dynamic resource, regularly updated to reflect any changes in requirements, strategies, or external factors. This ensures that the document remains relevant, up-to-date, and continues to serve as an invaluable tool for the ongoing success of the PLGSP programme.

This guideline will elaborate on key concepts of PLGSP and provide step-by-step implementation procedures, clearly defining the necessary steps, relevant documents, responsible parties, and timelines. Additionally, the required templates and formats are suggested.

The implementation guidelines help provincial and local governments institutions operate efficiently, inclusively, and accountably, fostering better coordination between federal and local governments. Consequently, local governments are empowered to deliver high-quality services efficiently and effectively, promoting inclusive socio-economic development. The proposed implementation guidelines' procedural steps and required documents/templates will provide standard procedures to achieve these results and those outlined in the PLGSP 2024-29 results chain.

The specific objectives of the PLGSP Implementation Guidelines are as follows:

- a) **Guide Strategic Implementation Planning:** Assist implementing agencies in preparing and executing Annual Strategic Implementation Programmes (ASIP) effectively by providing structured procedures, templates, and timelines, ensuring alignment with PLGSP goals.
- b) **Promote GESI Integration:** Facilitate the incorporation of Gender Equality and Social Inclusion (GESI) principles into strategic plans, Medium-Term Expenditure Frameworks (MTEF), and Annual Strategic Implementation and Action Plans (ASIAP) of provincial and local governments.

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<sup>1</sup> <https://mofaga.gov.np>

- c) **Ensure Results-Based Reporting:** Establish systems and templates to enable consistent periodic reporting on results-based indicators, ensuring measurable progress towards programme objectives and enhancing accountability.
- d) **Strengthen Financial Oversight:** Develop tools and procedures to streamline internal and final audits, reduce fiduciary risks, and ensure robust financial management practices across all tiers of government.
- e) **Support Monitoring, Evaluation, and Learning (MEL):** Implement well-structured Standard Operating Procedures (SOPs) for MEL processes, including the adoption of a digital portal to enhance governance practices and decision-making.
- f) **Foster Programme Sustainability:** Design adaptive guiding points to address governance challenges, promote resilience, and ensure long-term sustainability through innovative approaches.
- g) **Enhance Coordination Across Government Tiers:** Provide actionable frameworks to improve collaboration between federal, provincial, and local governments, enabling efficient service delivery and inclusive socio-economic development.
- h) **Empower Stakeholders:** Offer tools, templates, and guidance to empower managers and team members to navigate the PLGSP lifecycle, ensuring successful programme execution within specified timelines.

These objectives are designed to ensure the effective implementation of the PLGSP guidelines while contributing to enhanced governance and inclusive development in Nepal.

By introducing innovative contents, processes, and templates, these guidelines aim to enhance resilience, improve governance practices, and ensure informed decision-making across federal, provincial, and local governments. Additionally, the well-structured Standard Operating Procedures (SOPs) for the Monitoring, Evaluation, and Learning (MEL) process will support the three tiers of government in adopting a digital portal for MEL, offering a comprehensive and adaptive approach to governance improvements.

Critical concepts derived from the Prodoc, Theory of Change, and Gender Equality and Social Inclusion (GESI) are emphasized in the guidelines. Key proposed templates support in various domains, including planning and budgeting processes, financial management, procurement procedures, fiduciary oversight, agile monitoring and reporting systems, and comprehensive exit strategy development.

By embracing these procedural steps, the PLGSP boosts the governance capabilities at federal, provincial, and local levels. Consequently, these enhanced capabilities pave the way for a more equitable and inclusive future for Nepal. As a result, the implementation guidelines present a thorough, evidence-based framework that enhances governance and fosters inclusive development in Nepal. Additionally, this framework offers a clear roadmap to achieve the program's objectives, tackle potential challenges, and ensure long-term sustainability and impact through innovative approaches. Ultimately, this helps to harmonize efforts across all three tiers of government within the federal system.

The Provincial and Local Governance Strengthening Programme (PLGSP) aims to build on the successes and lessons learned from its initial phase, striving to enhance governance practices and foster inclusive socio-economic development across federal, provincial, and local levels of Nepal. Recognizing the need for clear guidance, the Implementation Guidelines has been developed to provide essential procedures and tools to improve service delivery, promote inclusive economic development, and ensure adaptable governance frameworks. By clearly outlining steps, responsibilities, and timelines, the guidelines facilitate the implementation process for programme implementing agencies, ensuring efficient and effective execution of the PLGSP.

## SECTION I : PRELIMINARY

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### 1. 1. PLGSP in Nutshell

The Provincial and Local Governance Strengthening Programme (PLGSP) is Nepal's national framework programme aimed at enhancing institutional, organizational, and individual capacities across all government levels, with a special focus on provincial and local levels. After a successful initial phase (2019-2023), the Government of Nepal, along with stakeholders and Development Partners, decided to extend the programme to make it more effective and responsive to the needs of Provincial and Local Governments (PLGs). The programme's budget includes unspent committed funds of USD 79.23 million including GoN, with potential additional contributions from Development Partners.

Between July 2023 and June 2024, an extensive stakeholder engagement and re-programming process led to a revised Programme Document (ProDoc). This document outlines the rebranded "Provincial and Local Governance Strengthening Programme," which will be implemented over the next five years (until July 2029). The programme's core goal remains the attainment of functional, sustainable, inclusive, and accountable provincial and local governance. However, the rationale, outcomes, and outputs have been updated to reflect past progress and accelerate future impacts.

The revised programme is now structured around three outcomes for federal, provincial, and local government levels, each with three related outputs. Four cross-cutting streams have been defined, and a detailed Results Framework will be established within the first six months (by June 2025). This framework will identify each province's priorities and SMART deliverables, ensuring greater control and accountability for provinces in meeting their specific needs and priorities.

The Technical Assistance (TA) component has been streamlined, reducing established posts from 109 to 68 and emphasizing flexibility and adaptability. Provinces can now determine their TA needs to achieve programme results, with the total TA budget capped at USD 15 million. Additionally, the federal component has been strengthened to support constitutional federalism, legislative capacity, and effective intergovernmental relationships. The role of the Office of the Prime Minister and Council of Ministers (OPMCM) has been clarified, operating as a specific PLGSP cost centre.

Provincial Centres for Good Governance have been renamed as "Provincial Research and Training Academies," continuing to drive PLG capacity development. The Innovative Partnership Fund (IPF) will also continue, with revised guidelines and a clearer process, ensuring it remains a platform for innovative governance initiatives. Governance and accountability tools have been further developed and established at the local government level, with ongoing support for improvements in these areas. The re-programmed PLGSP aims to address low financial delivery, with flexibility, revised governance and planning processes to boost programme impacts and spending. Unspent funds, combined with potential new contributions, provide a solid foundation for sustainable change over the next five years. The programme's transformational approach to Gender Equality and Social Inclusion (GESI) ensures that all excluded and disadvantaged groups are engaged and have access to services. The inception phase from focuses on operationalizing the ProDoc, including evaluating and establishing SMART indicators and Provincial TA Structures based on specific contexts and needs.

## **1. 2. Programme Indicators**

1. The implementation agencies shall prepare FASIPB/PASIPB based on the following guiding result framework and incorporate in their respective five-year periodic plan, MTEF and annual plans based on the following summary result indicators (**Annex 1.1**).

## **1. 3. Programme Management Arrangement**

PLGSP will be implemented through the 17 costs centre. Where, three cost centre will be at federal level and 14 cost centre will be at provincial level. LGs intervention will be implemented from Provincial level. LGs will not be cost centre for this program. This programme will cover 7 Provinces, 77 District Coordination Committees, 6 Metropolitan Cities, 11 Sub Metropolitan Cities, 276 Municipalities and 460 Rural Municipalities.

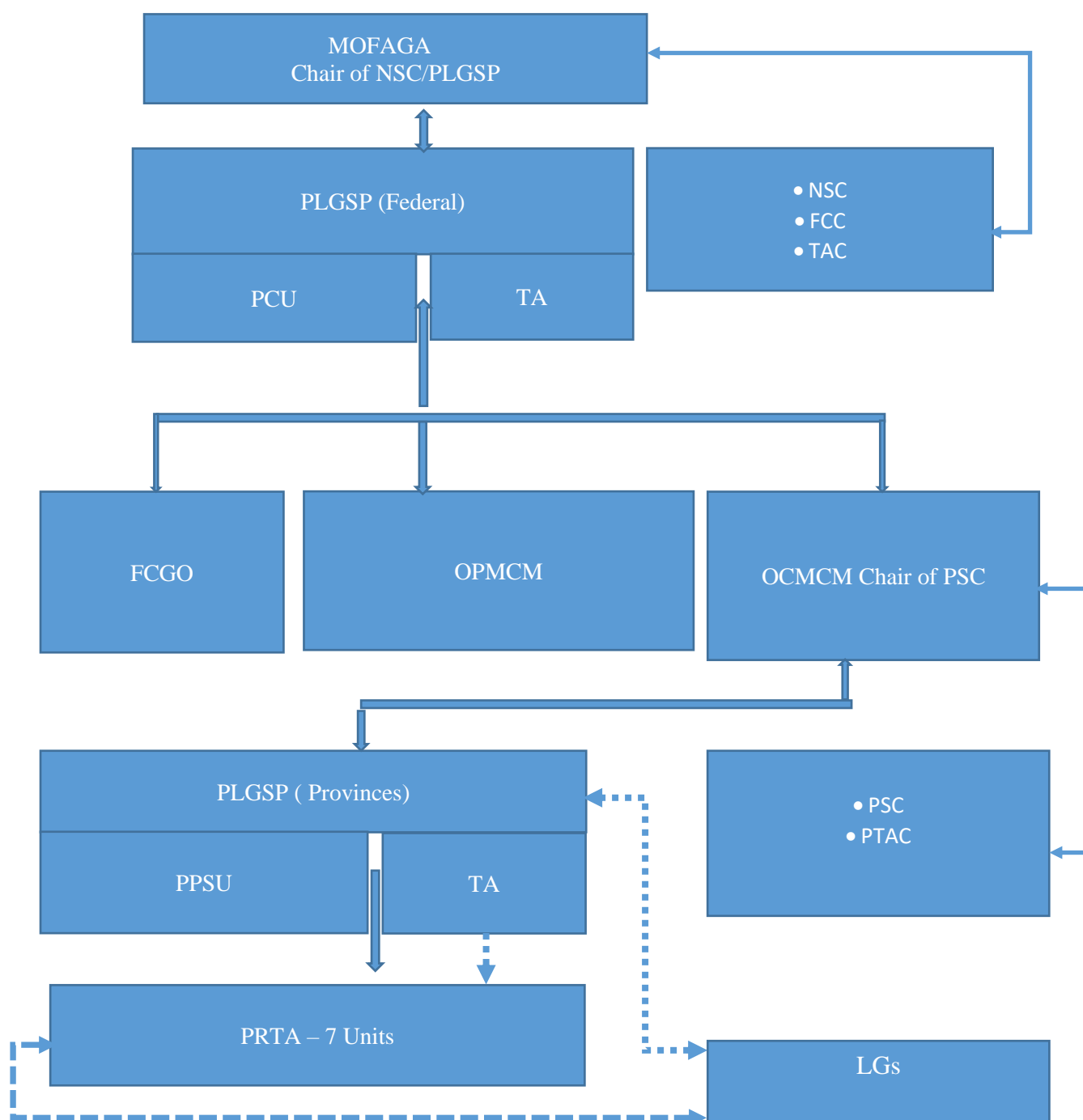
The fund about USD 79.23 million including matching fund of GoN to be mobilized from unspent balance of Provincial & Local Governance Support Programme, this fund to be contributed by SDC, Norway, FCDO, EU, UNDP/UN Agencies as a conditional grant.

PLGSP operational structure will be as follows:

The PLGSP management structure shall consist of two levels. At the federal level, governing committees with horizontal implementation agencies will oversee the implementation of federal activities. Similarly, at the provincial level, governing committees with horizontal cost centre will manage provincial activities. Local Government (LG) activities shall be implemented across all provinces. All implementing agencies shall adopt standard reporting system ensuring effective communication and accountability.



**Figure 1: PLGSP Programme Structure**



#### 1. 4. Programme Implementation Plan

The PLGSP will be implemented over five years, from FY 2024/25 to FY 2028/29, using an adaptive and transformative approach. The programme is designed to conduct a mid-term evaluation and prepare an exit strategy to ensure the continuity and sustainability of the programme. The guiding points on the programme are elaborated in the summary of implementation plan (**Annex 1.2**)

## 1. 5. Programme Cost and Financing

The programme costs will be managed through the Joint Financing Agreement (JFA) between the Government of Nepal and the Development Partners (JFA Development Partners). On a reimbursement basis, USD 52.66 million will be mobilized from the JFA Development Partners. The Government of Nepal will also contribute a matching fund of USD 26.57 million, bringing the total amount to USD 79.23 million. Out of the total fund, 10 percent, 50 percent, and 40 percent shall be allocated to the Federal, Provincial, and Local Governments (LGs), respectively. To ensure a stable source of funding and the continuity of multi-year activities, the 50 percent allocated to the provinces can be distributed across all provinces over a five-year period.

These funds will be allocated to all cost centre as a conditional grant under the government's planning and budgeting system, excluding the TA costs. The TA costs will be disbursed through UNDP to the PCU and PPSU as on treasury off budget.

**Table 1: Source of Fund:**

SN	Agency	USD in Million
A	<b>JFA :</b>	
1	FCDO	21.91
2	SDC	2.99
3	Norway	5.27
4	EU	20.48
5	UN Agency	2.00
	<b>Sub-Total</b>	<b>52.66</b>
B	GoN	<b>26.57</b>
C	<b>Grand Total (A+B)</b>	<b>79.23</b>

Source: PLGSP ProDoc

**Table 2: Allocation of Fund : (USD in Million)**

Governments	Outcome /Output	Percent	Amount		Percent	Amount	Fiscal Year				
			GoN	JFA			024-25	025-26	026-27	027-28	028-29
							15%	20%	25%	25%	15%
Federal	Outcome 1	10%		5.27							
	Output 1		2.65		20%	1.58	0.24	0.32	0.40	0.40	0.24
	Output 2				30%	2.38	0.36	0.48	0.59	0.59	0.36
	Output 3				50%	3.96	0.59	0.79	0.99	0.99	0.59
Provincial	Outcome 2	50%		15.71							
	Output 4		23.91		20%	7.92	1.19	1.58	1.98	1.98	1.19
	Output 5				30%	11.88	1.78	2.38	2.97	2.97	1.78
	Output 6				50%	19.81	2.97	3.96	4.95	4.95	2.97
Local	Outcome 3	40%		31.69							
	Output 7				45%	14.26	2.14	2.85	3.57	3.57	2.14
	Output 8				25%	7.92	1.19	1.58	1.98	1.98	1.19
	Output 9				30%	9.51	1.43	1.90	2.38	2.38	1.43
	Total	100%	26.56	52.67		79.23	11.88	15.85	19.81	19.81	11.88

Source: PLGSP ProDoc

## 1. 6. Human-Rights-Based Approach Contents and Process:

The PLGSP adopts a human rights-based approach informed by the specific context and needs at the provincial and local levels. This approach aims to enhance inclusivity, participation, and accountability by bringing together right-holders and duty-bearers together, and by addressing the unique challenges faced by marginalized groups of individual PLGs. By promoting social equity and non-discrimination, PLGSP aligns with the Constitution of Nepal, which guarantees fundamental rights and prohibits discrimination, thereby ensuring effective governance.

### a) **Active Participation:/ Participation and Targeting or prioritization**

- Hold community meetings, focus group discussions, and public consultations.
- Ensure diverse voices, including women, ethnic minorities, and persons with disabilities, are considered in decision-making.
- Empower marginalized groups through tailored capacity-building initiatives.

### b) **Accountability Mechanisms:/ Transparency and Accountability**

- Create independent monitoring bodies.
- Maintain transparency in resource allocation.
- Establish grievance redressal mechanisms to address community concerns.

### c) **Inclusion and Non-Discrimination:**

- Promote social equity and gender equality.
- Ensure programs are accessible to all, regardless of socio-economic status.
- Implement policies that prevent discrimination and promote diversity.

### d) **Constitutional Provisions:**

- The Constitution of Nepal guarantees fundamental rights, including the right to live with dignity, freedom of opinion and expression, and the right to assemble peaceably.
- It prohibits discrimination based on class, caste, region, language, religion, and gender and ensures social justice and inclusion.
- Mandates proportional representation and participation of marginalized groups in state governance and policymaking.

By adopting these principles, the PLGSP can create a governance framework that upholds human rights and effectively addresses the needs of all community members through planning and budgeting process.

## 1. 7. Theory of Change and Adaptive Programming

### a) **Core Concept and Purpose**

The theory of change (ToC) framework outlines how and why desired changes are expected to occur within the PLGSP in given context and stipulated timeframe. It maps the logical sequence from activities to outcomes and impacts to be implemented by federal, provincial and local governments.

The purpose of ToC is to ensure that every action taken is purposeful and contributes to the overarching goals of the program. Each tier of government plays a crucial role in this process, contributing to a cohesive and responsive governance system in Nepal.

### b) **Incorporating ToC into PLGSP**

**Mapping Causal Linkages:** Systematically identifying and documenting the connections between activities and expected outcomes enhances coherence efficiency and effectiveness in program implementation.

Risk and Assumption Management: ToC identifies potential risks and assumptions during the implementation that could impact the programme results. The implementing agencies address these new actions for adoption proactively to allocate resources efficiently and plan effectively during the annual planning and budgeting.

### **c) Key Features of Programme**

Continuous Assessment: The implementing agencies periodically assess, monitor and refine the strategies based on real-world evidence and experiences. This adaptability allows the program to respond to changing circumstances effectively.

Ownership and Sustainability Focus: ToC ensure that governance reforms are sustainable by grounding interventions in evidence-based practices, which enhances overall effectiveness and accountability. The implementing agencies prepare the sector wise baseline (profile) and use for planning and monitoring.

Targeted Service Delivery: ToC focuses on ensuring that marginalized groups, particularly women and historically excluded populations, receive quality services and benefit from improved local infrastructure and economic opportunities.

Service Delivery Improvement: ToC aims to improve the outreach, performance, and sustainability of the LG service delivery system (Output 8) by managing and adoptive the changes during implementation.

Responsiveness to Diverse Needs: Increase the responsiveness of PLG institutions to the needs of the population, especially women and disadvantaged groups (Outputs 5 and 9) by tracking and adopting the unexpected changes during the implementation period.

Strengthening Accountability: Enhance LG accountability through improved public financial management systems and fiduciary risk reduction (Output 3).

Legal and Policy Frameworks: Some bigger changes need the simultaneous strengthening of institutional, legal, and policy frameworks at federal, provincial, and local levels (Outputs 1, 4, and 7) to amend legal and policy frameworks.

Capacity Building: The implementing agencies need continuous support to enhance the organizational capacity of provincial governments to effectively perform their devolved mandates (Output 4) for face new challenges and changes.

Vertical and Horizontal Coordination: Needs created by new changes may be beyond the capacity of one agency such as pandemic regional level project implementation - needs to strengthen intergovernmental relations both vertically (across different governance levels) and horizontally (within each level) (Outputs 5 and 2). The implementing agencies need to create and promote formal IGR mechanisms and informal cross-sectoral networks to enhance collaboration bring tram formative change through synergy of coordinated actions.

By strengthening the adaptive capacity, PLGSP strengthens the capacity of PRTAs to deliver high-quality services and ensure the sustainability of local government capacity development beyond the program timeframe (Output 6) and encourage active participation of citizens in governance processes (Output 9). This enhances transparency and accountability.

The steps for adopting changes during the implementation of the PLGSP typically involve are given in the following table:

**Table 3: Adaptive Programming based of Theory Change**

<b>Tools for Tracking Changes</b>	<b>Remarks</b>
<b>Stakeholder Consultation:</b> Engage with relevant stakeholders to gather input and feedback on proposed changes.	Deviation or change from baseline (Profile)
<b>Assessment of Current Practices:</b> Evaluate existing processes and identify areas needing improvement or adjustment.	Monthly/trimester, and annual repro'ing
<b>Risk Analysis:</b> Identify potential risks associated with the changes, develop mitigation strategies and inform programme implementation.	Assess the financial and technical risks associated with new changes
<b>Resource Allocation:</b> Ensure that necessary resources (financial, human, and technical) are available to support the changes.	Costing and financing for fixing or adopting new activities
<b>Implementation Re-Planning:</b> Develop a detailed plan outlining the steps, timelines, and responsibilities for implementing the changes.	Incorporate in the annual planning document and endorse it.

### **1. 8. Innovative Partnership Fund Approach:**

The programme adopts an innovative partnership approach to support the overall innovation and CD process of local governments. The programme will ensure lessons from the IPF's first phase, as captured by the IPF review and associated recommendations. This partnership approach aims to support improve governance, service delivery, and local economies. To ensure effective implementation, IPF will be operationalized through the separate guidelines. For ensure effective implementation, IPF will be operationalized through the separate guidelines to be devised by the provinces on their own following the broader guidance provided by PCU.

### **1. 9. Intergovernmental Collaboration**

The PLGSP enhances inter-governmental cooperation and collaboration by strengthening existing mechanisms and exploring new ways, thereby improving the effectiveness and efficiency of governance in service delivery of PLGs. The implementing agencies will focus on the following:

- a) **Strengthening Existing Intergovernmental Mechanisms:** PLGSP enhances the operational capacity of the Inter Provincial Council, National Coordination Council, Intergovernmental Fiscal Council, Administrative Coordination Council and Thematic Committees in accordance with the legal framework established by the Government of Nepal (GoN). By implementing Provincial Coordination Councils in each province, PLGSP aims to effectively manage relationships within the province and between provincial and local levels. This initiative will foster strong vertical and horizontal intergovernmental relations (IGR), ensuring a more cohesive and collaborative governance structure.
- b) **Dual Functions of Provincial Coordination Councils:** Empower above councils to fulfil dual roles in policy coordination and harmonization, while also serving as mechanisms for dispute resolution, thereby fostering collaborative governance.

- c) **Enhancement of District Coordination Committees:** Strengthen the District Coordination Committees (DCCs) to facilitate comprehensive coordination on development initiatives, federal and provincial government activities, monitoring and other statutory responsibilities at the local level.
- d) **Focus on Provincial Operational Plans:** Develop and implement Provincial Operational Plans that delineate specific inter-governmental mechanisms tailored to provincial priorities and strategies for organizational capacity development.
- e) **Promotion of LG-PG Connectivity:** Foster effective collaboration between Local Governments (LGs) and Provincial Governments (PGs) to ensure seamless coordination, particularly by enhancing the organizational and representative capacities of associations such as the Association of District Coordination Committees of Nepal (ADCCN), Municipal Association of Nepal (MuAN), and National Association of Rural Municipalities in Nepal (NARMIN) and strengthening collaboration between national level training academy like LDTA and provincial training and research academy (PTRA) .

These strategic actions will collectively contribute to a more effective and efficient federal governance framework under the PLGSP, ensuring that intergovernmental cooperation is not only strengthened but also aligned with the overarching goals of sustainable development and service delivery.

## SECTION II: PROGRAMME GOVERNANCE STRUCTURE

The governance structures of the PLGSP are designed to ensure effective oversight, coordination, and facilitate implementation of the programme across federal, provincial, and local levels. The structures are hierarchical, with clear roles and responsibilities assigned to various committees and units to facilitate seamless execution and monitoring of the programme.

### 2. 1. National Steering Committee

The National Steering Committee (NSC) serves as the apex governance body, responsible for providing strategic direction and oversight for the PLGSP.

#### 2.2.1. Composition of Committee

The composition of the NSC will be as follows:

**Table 4: Composition of NSC**

Position	Representatives
Chair	Hon'ble Minister of MoFAGA
Co-Chairs	Chief Ministers of seven provinces
Members	Hon'ble Member of the National Planning Commission (NPC)
	Secretary of MoFAGA
	Secretary of the Office of the Prime Minister and Council of Ministers (OPMCM) [Federalism Affairs]
	Secretary of the Ministry of Finance (MoF)
	Financial Comptroller General
	Secretary of the Ministry of Women, Children, and Senior Citizens (MoWCSC)
	Secretaries of relevant Sectoral Ministries, as per the agenda
	Secretary of the National Natural Resources and Fiscal Commission (NNRFC)
	Deputy Auditor General
	Principal Secretaries of the Provinces
	Chairperson of the Association of District Coordination Committees of Nepal (ADCCN),
	Chairperson of Municipal Association of Nepal (MuAN),
	Chairperson of National Association of Rural Municipalities in Nepal (NARMIN)
Member Secretary	National Programme Director (NPD)/Joint Secretary, MoFAGA

The secretariat functions of this committee shall be executed by the Programme Coordination Unit (PCU) under the Ministry of Federal Affairs and General Administration (MoFAGA).

#### 2.2.2. Role and Responsibilities

The key roles and responsibilities of NSC are as follows:



- a) **Apex Governance Body:** Acts as the highest governing body of the programme, providing oversight, guidance, and quality assurance.
- b) **Strategic Guidance & Policy Deliberation:** Provides strategic direction, deliberates on policy issues related to federalism, and promotes coordination between different levels of government
- c) **Budget Approval & Allocation:** Approves budget allocations for the entire programme period, ensuring alignment with the overall programme budget and yearly allocations.
- d) **Endorsement of Plans:** Endorses the **Operational Plan** of MoFAGA/PCU and the seven provinces, as well as the **Annual Strategic Implementation Plan and Budget (ASIPB)**. Ensures that Provincial Annual Strategic Implementation and Budget Plans (PASIPBs) and the Federal Annual Strategic Implementation and Budget Plan (FASIPB) meet programmatic and financial conditions.
- e) **Budget Allocation:** Ensures an equitable budget allocation for provinces, considering diversity and contextual challenges.
- f) **Capacity Development Oversight:** Endorses the integrated **Capacity Development Plan and Budget** for federal and provincial Technical Assistance (TA) teams.
- g) **Facilitation of Intergovernmental Coordination:** Creates an enabling environment for **Provincial and Local Governments (PLGs)** to enhance cooperation and coherence in programme implementation.
- h) **Ensuring Coherent CD Approaches:** Supervises and ensures consistency in **Capacity Development (CD)** initiatives across provinces, promoting cross-learning and systematic lesson-sharing.

### 2.2.3. Functional Procedure

The key functional procedure of the NSC are as follows:

- a) **NSC Meetings:** Hold meetings biannually in Mid- December and Mid-July to review progress and endorse ASIPB; extraordinary meetings as needed. PCU sends an email to all members with a tentative agenda requesting PSC members to add if any in advance of **two weeks** from the date of meeting.
- b) **Decision-Making:** NSC makes decisions by consensus, sharing minutes for feedback.
- c) **Policy Coordination:** Align institution-building and CD support from other sources, avoiding resource overlaps. Provincial coordination devolved to PSCs.
- d) **Program Organization:** Ensure coherent federal and provincial structures, resolving synergy issues.
- e) **Budget Approval:** Approve annual budget allocations and adjustments for federal and provincial levels. Ensure resource availability.
- f) **Operation Plan:** Ensure Operational Plans of implementation agencies are prepared in harmony PLGSP including TA mobilization plan.
- g) **Progress Monitoring:** Monitor program activities strategically, considering baseline status.
- h) **Bi-annual Reviews:** Conduct reviews based on program progress and lessons learned; make necessary recommendations.
- i) **Risk Management:** Track, access and mitigate risks effectively.
- j) **Outcome Delivery:** Facilitate output delivery at Federal, provincial and local level to ensure effectiveness of program.
- k) **TA Results:** Facilitate delivery of TA program results proactively.
- l) **Follow-up:** Track the status of decisions of previous meetings, actions taken and results achieved.
- m) **Field Missions:** Conduct field missions to assess program implementation and provide feedback.
- n) **Arbitration:** NSC Chair as final arbitrator, resolving disputes by arbitration

## 2.2.4. Reporting System:

NSC will report as follows:

- a) Issue the annual schedule meetings of NSC that meets twice a year (Mid-Poush and Mid-Asar) in line with the Federal & PLGs program and budget endorsement timeline to all NSC members by the end of Asar.
- b) Circulate the draft agendas (**Annex 2.1**) (including minutes of the previous meeting) one week prior to the forthcoming meeting, after consultation with the chairman and DP chair.
- c) Circulate meeting minutes (**Annex 2.2**) to all NSC members for their feedback and input within a week.
- d) Circulate all decisions to relevant agencies and committees within 5 days after the final minutes are signed.
- e) Send JFA Development Partners the decisions of the meeting and related documents within 5 days for reference.
- f) Prepare and circulate reports of additional or extraordinary meetings as required.

## 2. 2. Federalism Coordination Committee

The Federalism Coordination Committee (FCC) is a key decision-making body that coordinates the implementation and achievement of results, ensuring collaboration, transparency, and alignment in federal, provincial, and local governance.

### 2.2.1. Composition of FCC

The composition of FCC will be as follows:

**Table 5: Composition of FCC**

Position	Organizations	Remarks
Chair	Secretary, Ministry of Federal Affairs and General Administration (MoFAGA).	
Members	Representatives:	
	Joint Secretary, Office of the Prime Minister and Council of Ministers (OPMCM) [Federalism Affairs].	
	National Planning Commission (NPC),	
	Ministry of Finance (MoF),	
	Financial Comptroller General Office (FCGO),	
	Ministry of Urban Development (MoUD),	
	National Natural Resources and Fiscal Commission (NNRFC),	
	Ministry of Education, Science and Technology (MoEST),	
	Ministry of Health and Population (MoHP),	
	Ministry of Agriculture and Livestock Development (MoALD),	
	Ministry of Women, Children, and Senior Citizens (MoWCSC)	
	Ministry of Law, Justice and Parliamentary Affairs (MoLJPA),	
	Other relevant Sector Ministries as per the agenda,	
	Association of District Coordination Committees of Nepal (ADCCN),	
	Municipal Association of Nepal (MuAN),	
	National Association of Rural Municipalities in Nepal (NARMIN)	
	Secretaries of Provincial Governments	
	Participating Provincial Programme Directors (PPDs),	

Position	Organizations	Remarks
	Chair/Convener of the participating Development Partners (JFA Development Partners) group,	
	All participating JFA Development Partners	
	Technical Assistance (TA) Partner	
Member Secretary	National Programme Director (NPD)/Joint Secretary, MoFAGA	

The Programme Coordination Unit (PCU) under the Ministry of Federal Affairs and General Administration (MoFAGA) shall execute the secretariat functions of this committee.

### 2.2.2. Roles and Responsibilities

The key roles and responsibilities of FCC are as follows:

- a) **Coordination and Results Related Functions:** Coordinate implementation and achieve results for Outcome 1, ensuring well-connected interventions across federal levels through thematic streams.
- b) **Leadership Functions:** The FCC guides to NCC and IPCC for delivery of Outputs 1 and 2 and PCU for output 3 under outcome 1.
- c) **Action Plans:** Prepare and approve operational plan of FCC.
- d) **Strategic Direction:** Oversee programme outcome 1 implementation, foster federal and provincial coherence, inter-governmental coordination, enable cross-learning, and address policy issues to support PLGs.
- e) **Program & Budget:** Prepares Federal Annual Strategic Implementation Plan and Budget (FASIPB) of FCC and recommends to the NSC for the final approval.
- f) **Engaging Stakeholders:** Work with the NCC, IPCC and other federal and PLGs stakeholders to plan and execute the program and budget under Outcome 1 to ensure the quality and enhance the coordination.
- g) **Monitoring and Guidance:** Track progress, issues, and challenges under Outcome 1 implementation and provides guidance to the PCU.
- h) **Arbitration:** FCC refers arbitration appeals to the NSC to resolve any dispute, controversy, or claim related to the FCC or this programme (refer to Annex 8 of PLGSP ProDoc).

### 2.2.3. Functional Procedure

The key functional procedures of FCC will be as follows:

- a) **Coordinate Implementation:** Serve as the coordination body for programme Outcome 1's implementation and result achievement.
- b) **Align Resources:** Coordinate with other institution-building or capacity development support sources to align outcomes and avoid resource overlaps.
- c) **Maintain Coherent Programme Organization:** Ensure coherence in programme organization across federal levels through Thematic Streams, supporting devolved programme management, and creating an enabling environment for PLGs.
- d) **Approve FASIPBs:** Approve Federal Annual Strategic Implementation Plans and Budget (FASIPB) within the multi-year programme budget allocation, ensuring resource availability.
- e) **Timelines for Meetings and Processes:** Clarify timelines for Federalism Coordination Committee and Technical Assistance Committee meetings related to plan and budget preparation, approval, and submission.
- f) **Monitor Progress:** Monitor strategic-level progress of Outcome 1 activities, considering baseline investments, and discuss quarterly and bi-annual reviews with lessons learned.
- g) **Risk Management:** Track and mitigate risks effectively.

- h) **Facilitate Delivery of Outputs:** Enable delivery of Outputs 1 and 2 by OPMCM and MoFAGA, fostering synergy towards programme Outcomes 2 and 3, ensuring policy and institutional changes.
- i) **Support Federal TA Program:** Enable the proactive delivery of Federal TA programme results, as recommended by the Technical Assistance Committee.
- j) **Follow-Up:** Ensure follow-up on previous meeting decisions, actions taken, and results achieved.
- k) **Agenda Proposals:** Allow individual members to propose agenda items for FCC meetings before two weeks of the meeting date.
- l) **Technical Committees:** Appoint technical committees to analyse and recommend interventions.
- m) **Consensus-Based Decisions:** Make decisions on a consensus basis, sharing minutes and agreements with members and invitees for feedback before finalization.
- n) **Field Missions:** Carry out independent or joint field missions with PG/PRTA/LGs as needed, providing findings and feedback to the Programme Coordination Unit (PCU).
- o) **FCC Meetings:** Meet quarterly in alignment with the approval, implementation, and monitoring processes of the FASIPB, interconnected with the annual planning and budgeting cycle. Review progress from the previous year, agree on strategic implementation actions, and address progress monitoring, implementation challenges, and lessons learned. Convene extraordinary meetings as needed to address urgent issues.

#### 2.2.4. Reporting

FCC will report as follows:

- a) Issue the annual schedule meetings to all FCC members that meets four times within the second week of each trimester in a year.
- b) Circulate the draft agendas (including minutes of the previous meeting) one week prior to the forthcoming meeting.
- c) Circulate meeting minutes to all NSC members for their feedback and input within a week.
- d) Circulate all decisions to relevant agencies and committees within 5 days after the final minutes are signed.
- e) Send JFA Development Partners the decisions of the meeting and related documents within 5 days for reference.
- f) Prepare and circulate reports of additional or extraordinary meetings as required.

### 2.3. Technical Assistance Committee

The Technical Assistance Committee (TAC) at federal level shall guide and facilitate the implementation of the programme across the implementation agencies of federal level as well as provincial level.

#### 2.3.1. Composition of Committee:

The composition of TAC at federal level will be as follows:

**Table 6: Composition of TAC**

<b>Position</b>	<b>Organizations</b>	<b>Remarks</b>
Chair	National Programme Director / Joint Secretary, MoFAGA	
Co-Chairs	TA Partner	
Members	Under-Secretary, Planning Section of MoFAGA,	
	Representatives of relevant ministries and agencies at the national level.	
	Development Partners' (JFA Development Partners) group chair,	
	Participating DP representatives,	
	Representatives of TA Partner.	
	Provincial Programme Directors	
	National Program Manager	
Invitees Members	Representatives of MuAN	
	Representatives of NARMIN	
Member Secretary	National Programme Manager	

The Programme Coordination Unit (PCU) under the Ministry of Federal Affairs and General Administration (MoFAGA) shall execute the secretariat functions of this committee.

### **2.3.2. Role and Responsibilities**

The key roles and responsibilities of TAC are as follows:

- Steer, facilitate, advise, and decide on the planning, execution, and monitoring of services with TA support.
- Approve expert composition and ToRs for federal and provincial levels.
- Ensure that TA design and delivery align with the results framework, based on TA implementation guidelines.
- Approve expert composition and ToRs of TA for federal and provincial levels.
- Ensure that TA aligns with the PLGSP results framework.
- Support a coherent CD and transformational support design, including adjusted ToRs for Implementation Support TA, new TA positions, and areas for outsourcing or collaboration.

### **2.3.3. Functional Procedure**

The key functional procedures of TAC will be as follows:

- TAC ensures TA design and delivery are aligned with the results framework at initial stage of TA design and after MTR.
- TAC approves expert composition and ToRs for federal and provincial levels based on provision of TA mobilization guidelines.
- TAC guides PCU, PPSU and PRTAs to ensure that coherent CD and transformational design are adopted in the activities and the results achieved based on the periodic reports.

### **2.3.4. Reporting**

TAC will report as follows:

- a) Issue the annual schedule meetings to all TAC members that meets four times in a year in advance.
- b) Reports/Decisions will send according to meeting schedule/quarterly ( at least 3 weeks prior to NSC meeting and in line with GoN planning and budgeting)
- c) Circulate the draft agendas (including minutes of the previous meeting) one week prior to the forthcoming meeting.
- d) Circulate meeting minutes to all TSC members for their feedback and input within a week.
- e) Circulate all decisions to relevant agencies and committees within 5 days after the final minutes are signed.
- f) Send JFA Development Partners the decisions of the meeting and related documents within 5 days for reference.
- g) Prepare and circulate reports of additional or extraordinary meetings as required.

TAC will report and forward decisions to the NSC before the meeting is held.

## 2. 4. Provincial Steering Committee

The Provincial Steering Committee (PSC) established in each province guides, steers, and approves the PASIPB, and establish functional correlation with federal and LGs towards enhancing federalism.

### 2.4.1 Composition of Committee

The composition of the PSC will be as follows:

**Table 7: Composition of PSC**

Position	Organizations	Remarks
Chair	Hon'ble Chief Minister.	
Members	Principal Secretary	
	All Secretaries	
	Provincial Treasury Comptroller	
	Vice-Chair, Provincial Planning/Policy Commission	
	Executive Director of PRTA	
	Representative of Provincial Public Service Commission	
	Representatives from provincial chapters of Local Government associations, namely ADCCN, MuAN, and NARMIN (totalling 6) considering the GESI norms. There will be two members from each association.	
	National Programme Director	
	Representatives of Development Partners and TA Partner	
Invitees Members	Representatives from CSOs working on GESI, with experience in the province (totalling 4).	
Member Secretary	Provincial Programme Director	

The PSC may invite additional government officials and representatives from JFA Development Partners as needed. PPSU shall execute the secretariat functions of this committee.

### 2.2.1 Role and Responsibilities

The roles and responsibilities of PSC are as follows:

- a) **Policy Guidance:** The PSC provides overall policy guidance and strategic direction for the implementation of PLGSP activities at the provincial level and Local Level
- b) **Coordination:** The PSC ensures effective coordination among various stakeholders, including provincial agencies, development partners (DPs working in the same domain in the province) and local governments, to achieve the program's objectives.
- c) **Approval of Plans and Budgets:** The PSC reviews and approves annual plans and budgets for PLGSP activities including annual plan of PRTAs, ensuring alignment with provincial priorities and strategies. IPF schemes/activities will be approved by PSC.
- d) **Monitoring and Evaluation:** The PSC monitors the progress and performance of PLGSP activities, ensuring that the program's goals and targets are being met effectively.
- e) **Resource Mobilization:** The PSC supports the mobilization of resources, both financial and technical, to ensure the successful implementation of PLGSP initiatives.
- f) **Reporting:** The PSC reviews and endorses study reports and other documentation related to PLGSP activities, ensuring transparency and accountability.

## 2.2.2 Functional Procedure

The functional procedures of PSC will be as follows:

- a) PPSU in consultation with PSC chair issues an annual schedule of PSC meetings in advance, aligning with the approval process of the PASIPB and the provincial government's annual planning and budgeting cycle.
- b) Coordinate with provincial agencies and development partners (JFA Development Partners), keep the PCU updated on program activities, and continuously circulate policy updates for implementation agencies of PLGSP at PLGs levels.
- c) PPSU prepares the agenda for PSC meetings in consultation with the Chair and circulate it, along with the final minutes of the previous meeting, to all PSC members one week in advance of the meetings.
- d) PPSU records the decisions made by PSC during the meeting, circulates the minutes to PSC members, and facilitates the signing process. The PSC Chair may call additional issues based meetings to address urgent issues requiring immediate attention.

## 2.4.4 Reporting

PSC will report as follows:

- a) PSC will issue the annual schedule/quarterly (in line with the approval process of PASIPB) meeting in advance to all members, by the end of Asar (Mid-July).
- b) Draft agendas with the final minutes of the previous meeting will be circulated one week prior to the forthcoming meeting consultation with Chairman.
- c) The draft minutes will be finalized ensuring feedback of PSC members and get it signed by members.
- d) All decisions will be circulated to the relevant agencies and committees within the 5 days after the PSC meeting.
- e) JFA Development Partners related decisions and documents will be sent after the meeting date .
- f) PPSU and PTA program related decisions will be sent to PCU/MoFAGA after the meeting date .
- g) Reports of additional or extraordinary meetings will be prepared and circulated as the meetings are held.

## 2. 5. Provincial Technical Assistance Committee

The Provincial Technical Assistance Committee (PTAC) established in each province, steers, facilitates, and coordinate planning process , GESI integration, program execution and monitoring of the TA programme of PLGSP.

**Table 8: Composition of PTAC**

Position	Organizations	Remarks
Chair	Provincial Programme Director	
Members	Section Head, MoEA	
	Executive Director, PRTA/PCGG	
	Representatives of relevant ministries at the provincial level.	
Invitees Members	Representative/s of MuAN/Province	
	Representative/s of NARMIN/Province	
	TA Expert nominated by PPD	
Member Secretary	Provincial Programme Manager	

**Note: New composition**

The PTAC may invite additional government officials, representatives from JFA Development Partners, members of PPSU and subject experts as needed. PPSU shall execute the secretariat functions of this committee.

## 2.5.2 Role and Responsibilities

The roles and responsibilities of PTAC are as follows:

- a) **Technical Support:** PTAC provides technical assistance and guidance to provincial and local governments in planning, implementing, and monitoring governance-related activities through TA team. PTAC guides the preparation of the final draft of PASIPB and recommends it for approval including quality assurance in IPF implementation.
- b) **Coordination and Collaboration:** PTAC ensures effective coordination and collaboration among various stakeholders, including provincial agencies, development partners, and local governments.
- c) **Capacity Building:** PTAC is responsible for enhancing the capacities of provincial and local government officials through training programs, workshops, and other capacity-building initiatives.
- d) **Policy Formulation and Implementation:** PTAC assists in the formulation and implementation of policies, guidelines, and frameworks that support good governance practices at the provincial and local levels.
- e) **Monitoring and Evaluation:** PTAC monitors and evaluates the progress and impact of PLGSP activities, ensuring that the program's objectives are being met effectively on quarterly basis
- f) **Resource Mobilization:** PTAC facilitates the mobilization of resources, both financial and technical, to ensure the successful implementation of PLGSP initiatives.
- g) **Reporting and Documentation:** PTAC is responsible for preparing and submitting regular reports and documentation on the progress and outcomes of relevant activities to PSC.

## 2.5.3 Functional Procedure



The functional procedure of PTAC will be as follows:

- a) PTAC convenes periodic meetings to ensure effective coordination and collaboration among stakeholders.
- b) PTAC provides technical assistance and guidance to provincial and local governments in planning, implementing, and monitoring governance-related activities on regular basis.
- c) PTAC organizes capacity-building initiatives, including training programs and workshops, to enhance the skills of provincial and local government officials as per plan.
- d) PTAC assists in the formulation and implementation of policies, guidelines, and frameworks that support good governance practices.
- e) PTAC monitors and evaluates the progress and impact of PLGSP activities, ensuring that the program's objectives are met effectively.
- f) PTAC supports the mobilization of resources, both financial and technical, to ensure the successful implementation of PLGSP initiatives
- g) PTAC prepares and submits regular reports and documentation to PSC.
- h) PTAC supports and recommends PPSU and PRTA in conducting studies, research, and assessments, reviews the final report, and facilitates the adoption of findings.

#### **2.5.4 Reporting**

PTAC will report as follows:

- a) PTAC will issue the annual schedule meeting in advance to all members, consultation with TA partner and Chairperson of the PTAC committee by the end of Asar (Mid-July).
- b) Draft agendas with the final minutes of the previous meeting will circulate one week prior to the forthcoming meeting.
- c) Reports/Decisions will send according to meeting schedule/quarterly (at least 3 weeks prior to PSC meeting and in line with PLGs planning and budgeting cycle)
- d) All decisions will circulate to the relevant agencies and committees after meeting date.
- e) JFA Development Partners related decisions and documents will send after meeting date.
- f) PPSU and PTAC related decisions will be sent to PCU/MoFAGA after meeting date

## **SECTION III: ROLES AND RESPONSIBILITIES OF IMPLEMENTING AGENCIES**

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As a national flagship program, the PLGSP will involve various ministries and organizations in both direct and indirect roles, including the Ministry of Finance (MoF), Ministry of Women, Children and Senior Citizens, NPC, NNRFC, councils, NGOs, and the Chief Ministers' Roundtable Discussion Forum. The designated 17 cost centre will act as the implementing agencies for this programme. The roles, responsibilities, and functional processes of these agencies are as follows:

### **3. 1. Office of the Prime Minister and Council of Ministers**

The Office of the Prime Minister and Council of Ministers (OPMCM) is the apex institution of the Government of Nepal and a federal-level implementing agency and cost centre for the PLGSP. A designated division/section within OPMCM will be responsible for implementing activities and supporting the achievement of the programme's objectives.

#### **3.1.1 Roles and Responsibilities**

The roles and responsibilities of the designated division/section under OPMCM are as follows:

- a) Implement activities in OPMCM related to PLGSP.
- b) Ensure alignment of PLGSP activities with ProDoc, national development priorities and policies and unbundling functions.
- c) Provide guidance on policy issues to ensure smooth execution at all levels of government.
- d) Support to develop and update policies and strategies for the successful implementation of PLGSP activities.
- e) Ensure compliance with national regulations, donor requirements, and programme guidelines.
- f) Ensure effective monitoring of PLGSP activities and maintain oversight of federalism implementation areas in accordance with the PLGSP framework.

#### **3.1.2 Functional Procedure**

The functional procedure of the designated division/section are as follows:

- a) Receives the budget ceiling including guidelines from PCU/MoFAGA as per the ASIPB of PLGSP.
- b) Prepares annual program & budget as per the budget ceiling and guidelines and enter the LMBIS and submit to PCU/MoFAGA.
- c) Discuss and finalizes the program and budget coordination with MoF and PCU/MoFAGA by Jestha 15.
- d) Prepares Annual Action Plan and Procurement Plan as per the approved Program and Budget.
- e) Receives the budget on the trimester basis as per the financial progress and reimbursement status.
- f) Prepare and send periodic reports to PCU/MoFAGA.

Roles and responsibilities of key positions will be as follows:

**Table 9: Composition of Key Positions**

<b>Position</b>	<b>Roles &amp; Responsibilities</b>
<b>Head of Programme <sup>2</sup></b>	<ul style="list-style-type: none"> <li>a) Recommend for approval of annual program and budget based on the budget ceiling and Implementation Guidelines (ASIPB).</li> <li>b) Submits the periodic reports to the PCU/MoFAGA and OPMCM.</li> <li>c) Ensure timely submission of SoE to PCU and reimbursements from JFA Development Partners.</li> <li>d) Efficiently manage resources for HR management.</li> <li>e) Identify, assess and mitigate potential fiduciary risks.</li> <li>f) Coordinate with the GoN agencies, JFA Development Partners and other stakeholders.</li> <li>g) Develop the smooth operation system for the effective and efficient implementation.</li> <li>h) Coordinate and facilitate to play the roles on behalf of OPMCM.</li> </ul>
<b>Head of Account Section</b>	<ul style="list-style-type: none"> <li>a) Support to prepare of annual program and budget as per the guidelines and budget ceiling (ASIPB)</li> <li>b) Execute approved budget and ensure budget release procedures in time.</li> <li>c) Prepare all accounting record including vouchers, ledgers, and cash books are up to date and maintained properly and handle the day to day book keeping and accounting activities also.</li> <li>d) All accounting record including vouchers, ledgers, and cash books are up to date and maintain properly.</li> <li>e) Ensure that accounting system of the program is adequately implemented and used to ensure compliance with approved accounting policies.</li> <li>f) Support in analysing, planning, designing, implementing, and monitoring a system to augment internal controls in line with best practices in the process of payment and expenditure management.</li> <li>g) Prepare Periodic financial target and progress reports (Monthly/Quarterly/Bi-annual/Annual and timely submission to PCU, and OMPCM as per the prescribed formats.</li> <li>h) Prepare and submission of periodic statement of expenditure to PCU for the reimbursement from JFA Development Partners as per the prescribed formats.</li> <li>i) Coordinate with FGCO and OAG and facilitate to carry out the internal and final audit and submit to the PCU and OPMCM timely.</li> <li>j) Prepare audit arrears plan, reconcile and resolve the audit issues.</li> <li>k) Execute other responsibilities as assigned by Programme Head.</li> </ul>
<b>Planning, Monitoring and Evaluation (or assigned section)</b>	<ul style="list-style-type: none"> <li>a) Preparation of annual program and budget as per the budget ceiling and guidelines provided by PCU/MoFAGA.</li> <li>b) Support to monitor and evaluate the regular program and activities.</li> <li>c) Preparation of Periodic reports (Monthly/Quarterly/Half-yearly/Annual and timely submission to PCU and OMPCM as per the prescribed formats.</li> </ul>

<sup>2</sup> Head of the Programme denotes the official of the cost center as assigned by the implementing agency.

Position	Roles & Responsibilities
	d) Support to carry out during mid-term review and third-party evaluation of PLGSP. e) Preparation of Planning monitoring and evaluation aligning with PLGSP. f) Support in analysing, planning, designing, implementing, and monitoring and evaluation system g) Perform additional task as assigned by Program Head.

### 3.1.3 Reporting

Reporting system (horizontal and vertical) will maintain and report as follows:

- a) **Periodic Progress Reporting, IPR:** Submit monthly, quarterly reports to PCU and OPMCM.
- b) **Statement of Expenditure Reporting:** Submit quarterly and annual expenditure reports for reimbursement to PCU.
- c) **Internal Audit Reporting:** Submit internal audit reports to PCU and OPMCM.
- d) **Final Audit Reporting:** Submit final audit reports to PCU and OPMCM
- e) **Annual Report:** Submit a consolidated annual report to PCU and OPMCM
- f) **Miscellaneous Reporting:** Submit procedural reports as required by PCU.

## 3. 2. Programme Coordination Unit

The programme Coordination Unit (PCU) is a central implementation unit of PLGSP and will be under the MoFAGA. The PCU will have a lean but highly qualified professionals with full-time National Programme Manager including other staffs. NPM will be responsive for overall execution of PLGSP. Similarly, for the entire project implementation TA team with different sectors experts will be placed at PCU. The TA includes various instruments (staff, rosters of consultants, institutional partnerships with knowledge institutions and UN agencies).

### 3.2.1 Role and Responsibilities

- a) **Programme Management:** Facilitate coordination and integration of all PLGSP activities among federal ministries, PLGs, JFA Development Partners, and TA Partners for effective implementation.
- b) **Implementation Oversight:** Ensure that activities align with objectives and outcomes of PLGSP.
- c) **Strategic Planning:** Develop ASIPB according to the Programme Document (ProDoc) and guidelines.
- d) **Guidance and Support:** Facilitate the implementing agencies at all levels for timely and quality execution of activities.
- e) **Reporting:** Compile and submit periodic progress and financial reports to MoFAGA, MoF/FCGO, and JFA Development Partners in standard formats.
- f) **Financial Processes:** Ensure timely submission of withdrawal applications and reimbursements from JFA Development Partners.
- g) **Resource Management:** Efficiently manage resources, adhere to budgets, and provide HR management/TA support.
- h) **Stakeholder Engagement:** Foster collaboration with government, civil society, Local Government Associations and development partners to achieve shared programme objectives.
- i) **Risk Management:** Identify and mitigate potential risks to programme implementation.
- j) **Compliance:** Ensure activities comply with the Programme Document (ProDoc) and legal/regulatory requirements of GoN.
- k) **Sustainability Strategy:** Develop and implement strategies for the sustainability of PLGSP activities post-programme completion.

- l) **Handover Preparation:** Plan for the transfer of knowledge, asset and responsibilities to relevant agencies or local authorities.
- m) **Secretariat Role:** PCU acts as the secretariat for NSC, FCC, and TAC.
- n) **Monitoring and Reporting:** Establish systems(digital) to track progress and performance of programme activities.
- o) **Point of Contact:** Address challenges or bottlenecks in the programme.

### 3.2.2 Functional Procedure

- a) The ASIPB and secure approval from the National Steering Committee (NSC).
- b) Provide budget ceilings and guidelines to federal-level cost centre.
- c) Prepare and submit periodic reports, including financial statements.
- d) Collect statements of expenditure from all cost centre (Federal and Province), prepare withdrawal applications and submits to JFA Development Partners.
- e) Carry out internal and external audits and submit reports to the Government of Nepal (GoN) and Development Partners (JFA Development Partners).
- f) Submit periodic progress reports to GoN and JFA Development Partners.
- g) Conduct monitoring and evaluation of PLGSP activities.

Roles and responsibilities of key positions will be as follows:

**Table 10: Composition of Key Positions**

Position	Roles & Responsibilities
<b>National Programme Director</b>	<ul style="list-style-type: none"> <li>a) Ensure that activities are aligned with objectives and outcomes of PLGSP.</li> <li>b) Ensure that PCU compiles and submits periodic progress and financial reports to MoFAGA and JFA Development Partners in the stipulated time.</li> <li>c) Coordinate with implementation agencies federal and provincial level for efficient management of resources.</li> <li>d) Collaborate with government, civil society, and development partners for smooth operation of programme.</li> <li>e) Coordinate for potential risk mitigation of programme.</li> <li>f) Coordinate and facilitate to <b>develop</b> and implement strategies for the sustainability of PLGSP activities post-programme completion.</li> </ul>

Position	Roles & Responsibilities
<b>National Programme Manager</b>	<p>The NPM will provide strategic leadership in managing PLGSP, ensuring efficient administration, policy execution, financial oversight, stakeholder engagement, and risk management. With full authority, the NPM will drive impact, sustainability, and compliance while adapting to evolving needs. Key functions will align with the PLGSP framework as follows, but are not limited to these key points:</p> <ul style="list-style-type: none"> <li>a) Develop ASIPB according to the Programme Document (ProDoc) and guidelines for PCU.</li> <li>b) Support and coordinate to all implementing agencies in developing ASIPBs according to the PLGSP (ProDoc) and Implementation Guidelines. Ensure that activities align with objectives and outcomes of PLGSP.</li> <li>c) Facilitate coordination and integration of all PLGSP activities among federal ministries, PLGs, JFA Development Partners, and TA Partners for effective implementation.</li> <li>d) Facilitate the implementing agencies at all levels for timely and quality execution of activities.</li> <li>e) Ensure the submission of periodic progress and financial reports to MoFAGA, MoF/FCGO, and JFA Development Partners within the stipulated time.</li> <li>f) Ensure timely submission of withdrawal applications and reimbursements from JFA Development Partners.</li> <li>g) Ensure timely completion and submission of the internal and final audit.</li> <li>h) Efficiently manage resources, adhere to budgets, and provide HR management/TA support across the cost centre.</li> <li>i) Establish functional collaboration with government, civil society, and development partners to achieve programme results.</li> <li>j) <b>Ensure that</b> PCU acts as the secretariat for NSC, FCC, and TAC in effective way.</li> <li>k) Establish systems (digital) to track progress and performance of programme activities. Ensure activities comply with the Programme Document (ProDoc) and legal/regulatory requirements of GoN.</li> <li>l) Establish Point of Contact to address grievance, challenges or bottlenecks that may come in the programme.</li> <li>m) Identify, assess and mitigate potential fiduciary risks.</li> <li>n) Develop and implement strategies for the sustainability of PLGSP activities post-programme completion.</li> <li>o) Establish proper (single door) reporting system (horizontal and vertical).</li> <li>p) Plan for the transfer of knowledge, asset and responsibilities to relevant agencies or local authorities as part of Exit Plan.</li> </ul>
<b>Head of Account Section</b>	<ul style="list-style-type: none"> <li>a) Support to prepare of annual program and budget as per the guidelines and budget ceiling (ASIPB)</li> <li>b) Support NPM to implement the approved budget and ensure the budget release procedures in time.</li> <li>c) Prepare all accounting record including vouchers, ledgers, and cash books are up to date and maintained properly and handle the day to day book keeping and accounting activities also.</li> </ul>

Position	Roles & Responsibilities
	<ul style="list-style-type: none"> <li>d) Ensure that accounting system of the program is adequately implemented and used to ensure compliance with approved accounting policies.</li> <li>e) Support in analysing, planning, designing, implementing, and monitoring a system to augment internal controls in line with best practices in the process of payment and expenditure management.</li> <li>f) Support to the Admin section in preparing and maintaining an updated record of inventory and assets.</li> <li>g) Prepare Periodic financial target and progress reports ( Monthly/Quarterly/Bi-Yearly/Annual and timely submission to MoFAGA and DPs as per the prescribed formats.</li> <li>h) Collect, consolidate and submit periodic statement of expenditure to DP for the reimbursement as per the prescribed formats.</li> <li>i) Coordinate and facilitate to carry out the internal and final audit and submit to the FCGO, OAG and JFA Development Partners timely.</li> <li>j) Prepare audit arrears plan, reconcile and resolve the audit issues.</li> <li>k) Support to prepare of annual progress report as per the annual program and budget.</li> <li>l) Execute other responsibilities as assigned by NPM</li> </ul>
<b>Administration Officer</b>	<ul style="list-style-type: none"> <li>a) Prepare of annual program and budget as per the ASIPB.</li> <li>b) Support to monitor and evaluate the regular program and activities by support of TA team.</li> <li>c) Preparation of Periodic reports (Monthly/Quarterly/Half-yearly/ Annual and timely submission to MoFAGA as per the prescribed formats.</li> <li>d) Execute day to day administrative functions.</li> <li>e) Support to carry out during mid-term review and third-party evaluation of PLGSP.</li> <li>f) Preparation of Planning monitoring and evaluation plan aligning with ProDoc.</li> <li>g) Support in analysing, planning, designing, implementing, and monitoring and evaluation system.</li> <li>h) Preparation of annual progress report by the support of TA team as per the annual program and budget .</li> <li>i) Perform additional task as assigned by NPM.</li> </ul>
<b>TA Experts</b>	As per TA Guidelines.

### 3.2.3 Reporting

PCU will maintain the proper reporting system (horizontal and vertical) and reports as follows:

- a) **Periodic Progress Reporting, IPR:** PCU submits monthly, quarterly, Biannually and annual reports to MoFAGA.
- b) **Statement of Expenditure Reporting:** PCU provides consolidated ( including PLGs) quarterly and annual expenditure reports, including withdrawal applications and reimbursements to DP.
- c) **Internal Audit Reporting:** PCU submits internal audit reports to MoFAGA and JFA Development Partners.

- d) **Final Audit Reporting:** PCU submits final audit reports to MoFAGA and JFA Development Partners.
- e) **Annual Report:** PCU prepares a consolidated annual report and submits to MoFAGA and JFA Development Partners.
- f) **Miscellaneous Reporting:** PCU submits procedural reports as required.

### 3.3. Financial Comptroller General Office

The Financial Comptroller General Office (FCGO) will serve primarily as an implementation agency for the PLGSP at the federal level.

#### 3.3.1 Role and Responsibilities

The roles and responsibilities of FCGO are as follows:

- a) **Budget Preparation:** Prepare program and budget for FCGO under PLGSP.
- b) **Budget Approval:** Prepare program and budget as per given ceiling and guidelines and forward to PCU for final approval from NSC.
- c) **Financial Expertise:** Provide expert advice and develop financial guidelines specific to the PLGSP to ensure consistent financial practices across all levels of government.
- d) **Budget Oversight:** Ensure effective financial management and oversight of the PLGSP budget at the federal level, monitoring the allocation, disbursement, and utilization of funds in accordance with financial guidelines and regulations.
- e) **Compliance Assurance:** Ensure all financial activities comply with the Programme Document (ProDoc) and legal/regulatory requirements.
- f) **Reporting:** Prepare and submit regular and periodic reports, including consolidated annual reports to the PCU, ensuring timely and accurate communication of financial status and program progress.

#### 3.3.2 Functional Procedure

The functional procedure of FCGO will be as follows:

- a) **Annual Program and Budget Preparation:** FCGO prepares the annual program and budget, obtaining consent from PCU/MoFAGA as per the Implementation Guidelines.
- b) **Program and Budget Guidelines:** PCU provides the program and budget ceiling and guidelines to prepare the Program and Budget.
- c) **Budget Preparation and Submission:** The FCGO discusses and prepares the budget as per guidelines, enters it into LMBIS, and reverts to PCU/MoFAGA and MoF.
- d) **Finalization of Program and Budget:** MoF finalizes the program and budget discussions in coordination with the FCGO and PCU/MoFAGA by Jestha 15.
- e) **Annual Action Plan and Procurement Plan:** The FCGO prepares the Annual Action Plan and Procurement Plan based on the approved program and budget.
- f) **Trimester Budget Release:** The Programme Unit/FCGO receives the budget on a trimester basis as per the financial progress and reimbursement status.

Roles and responsibilities of key positions will be as follows:

**Table 11: Composition of Key Positions**

Position	Roles & Responsibilities
<b>Head of Programme</b>	<ul style="list-style-type: none"> <li>a) Recommend for approval of annual program and budget based on the budget ceiling and Implementation Guidelines.</li> <li>b) Submits the periodic reports to the PCU/MoFAGA and FCGO.</li> <li>c) Ensure timely submission of SoE and reimbursements from JFA Development Partners.</li> <li>d) Efficiently manage resources for HR management.</li> <li>e) Identify, assess and mitigate potential fiduciary risks.</li> </ul>



Position	Roles & Responsibilities
	f) Develop the smooth operation system for the effective and efficient implementation.
<b>Head of Account Section</b>	a) Support to prepare of annual program and budget as per the guidelines and budget ceiling (ASIPB/PCU). b) Execute approved budget and ensure budget release procedures in time. c) Prepare all accounting record including vouchers, ledgers, and cash books are up to date and maintained properly and handle the day to day book keeping and accounting activities also. d) All accounting record including vouchers, ledgers, and cash books are up to date and maintain properly. e) Ensure that accounting system of the program is adequately implemented and used to ensure compliance with approved accounting policies. f) Support in analysing, planning, designing, implementing, and monitoring a system to augment internal controls in line with best practices in the process of payment and expenditure management. g) Prepare Periodic financial target and progress reports ( Monthly/Quarterly/Bi-annual/Annual and submission to PCU/MoFAGA, FCGO as per the prescribed formats in time. h) Prepare and submission of periodic statement of expenditure to PCU for the reimbursement from JFA Development Partners as per the prescribed formats. i) Coordinate and facilitate to carry out the internal and final audit and submit to the PCU/MoFAGA and FCGO timely. j) Prepare audit arrears plan, reconcile and resolve the audit issues. k) Execute other responsibilities as assigned by Head of Programme.
<b>Planning, Monitoring and Evaluation ( <u>Assigned section</u> )</b>	a) Preparation of annual program and budget as per the budget ceiling and guidelines provided by PCU/MoFAGA. b) Support to monitor and evaluate the regular program and activities. c) Preparation of Periodic reports (Monthly/Quarterly/Half-yearly/ Annual and timely submission to PCU/MoFAGA and FCGO as per the prescribed formats. d) Support to carry out during mid-term review and third-party evaluation of PLGSP. e) Preparation of planning monitoring and evaluation plan aligning with ProDoc. f) Support in analysing, planning, designing, implementing, and monitoring and evaluation system. g) Perform additional task as assigned by Unit Head.

### 3.3.3 Reporting

The reporting of PLGSP/FCGO will be as follows:

- a) **Periodic Progress Reporting, IPR:** Submit monthly, quarterly, and annual progress reports to PCU and FCGO.

- b) **Statement of Expenditure Reporting:** Provide quarterly and annual expenditure reports, including withdrawal applications and reimbursements to PCU/MoFAGA.
- c) **Internal Audit Reporting:** Submit internal audit reports to PCU and FCGO
- d) **Final Audit Reporting:** Submit final audit reports to PCU and FCGO
- e) **Annual Report:** Prepare and submit a consolidated annual report to PCU and FCGO.
- f) **Miscellaneous Reporting:** Submit procedural reports as required.

### 3.4. Provincial Programme Support Unit

The Provincial Programme Support Unit (PPSU) is a main implementation unit of PLGSP at provincial level and will be under the OCMCM. The OCMCM will oversee the PLGSP implementation at the provincial level led by the Secretary of OCMCM as the Provincial Programme Director (PPD), the PPSU serves as the frontline programme support unit at provincial and local level. The Provincial Programme Manager (PPM) will ensure the effective execution of the program at both levels.

#### 3.4.1 Role and Responsibilities

The key roles and responsibilities of PPSU are as follows:

- a) **Programme Management:** Facilitate coordination and integration of all PLGSP activities among provincial ministries, LGs, PRTA, JFA Development Partners, and TA Partners for effective implementation.
- b) **Strategic Planning:** Develop PASIPB according to the Programme Document (ProDoc) and Implementation Guidelines. Ensure activities comply with the Programme Document (ProDoc) and legal/regulatory requirements of GoN.
- c) **Coordination and Implementation:** Ensure effective coordination between provincial government authorities and local governments (LGs) to implement PLGSP activities such as Policy, Act, Regulations and Directives (**Annex 3.1, 3.2, 3.3,3.4,3.5**) and oversee their execution to align with programme objectives and priorities.
- d) **Resource Management:** Efficiently manage resources, adhere to budgets, and provide HR management/TA support.
- e) **Guidance and Support:** Facilitate the implementing agencies at PLGs levels for timely and quality execution of activities.
- f) **Reporting:** Compile and submit periodic progress and financial reports to OCMCM, MoEAP/PTCO and PCU/MoFAGA.
- g) **Financial Processes:** Ensure timely submission of SoE ( including LGs) to PCU and reimbursements from JFA Development Partners.
- h) **Stakeholder Engagement:** Serve as the main point of contact for provincial authorities, LGs, and external stakeholders, organizing consultations and coordination meetings to foster collaboration.
- i) **Risk Management:** Identify provincial-level fiduciary risks, develop mitigation strategies, and support PLGs in addressing implementation challenges.
- j) **Secretariat Role:** PPSU acts as the secretariat for PSC, and PTAC.
- k) **Monitoring, Evaluation, and Reporting:** Establish an M&E system to track progress, collect data, and prepare regular progress reports (monthly, quarterly, and annual) for submission to the Provincial Project Coordination Committee and the central PCU.
- l) **Point of Contact:** Address challenges, grievances, bottlenecks in the programme.
- m) **Sustainability and Local Ownership:** Design programme activities with an emphasis on long-term sustainability and local ownership, working with LGs to develop strategies for continued governance improvements post-programme.
- n) **Handover Preparation:** Support to prepare consolidated plan for the transfer of knowledge, asset and responsibilities to relevant agencies or local authorities.

### 3.4.2 Functional Procedure

The functional procedure of PPSU is as follows:

- a) **PSIPB Preparation:** Prepare the Provincial Strategic Implementation Programme and Budget (PSIPB) and obtain approval from the Provincial Steering Committee (PSC).
- b) **Budget Guidelines:** Provide budget ceilings and guidelines to provincial cost centres.
- c) **Program and Budget Collection:** Collect program and budget details from provincial implementation agencies and LGs.
- d) **Periodic Reporting:** Prepare periodic reports, including financial statements and submit to PSC, PTCO and PCU.
- e) **Expenditure Statements:** Collect expenditure statements from all cost centres and LGs, prepare Statements of Expenditure for withdrawal/reimbursement, and submit to PCU.
- f) **Audits:** Conduct internal and external audits and submit reports to PSC, PCU and OCMCM,
- g) **Monitoring and Evaluation:** Conduct monitoring and evaluation of program activities using the templates of the guidelines.

Roles and responsibilities of key positions will be as follows:

**Table 12: Composition of Key Positions**

Position	Roles & Responsibilities
<b>Provincial Programme Director</b>	<ol style="list-style-type: none"> <li>a) Coordinates over all implementation of PLGSP activities through PPSU.</li> <li>b) Ensure that activities are aligned with objectives and outcomes of PLGSP.</li> <li>c) Ensure that PPSU compiles and submits periodic progress and financial reports to PCU, OPMCM, MOEAP, PTCO in the stipulated time.</li> <li>d) Coordinate with implementation agencies provincial level and LGs for efficient management of resources.</li> <li>e) Collaborate with government, civil society, and development partners for smooth operation of programme.</li> <li>f) Coordinate for potential risk mitigation of programme.</li> <li>g) Coordinate and facilitate to <b>develop</b> and implement strategies for the sustainability of PLGSP activities post-programme completion.</li> </ol>
<b>Provincial Programme Manager</b>	<p>The Provincial Programme Manager (PPM) will provide strategic leadership in managing PLGSP, ensuring efficient administration, policy execution, financial oversight, stakeholder engagement, and risk management at provincial and local level. With full authority, the PPM will drive impact, sustainability, and compliance while adapting to evolving needs. Key functions will align with the PLGSP framework as follows, but are not limited to these key points:</p> <ol style="list-style-type: none"> <li>a) Develop PASIPB according to the Programme Document (ProDoc) and Implementation Guidelines.</li> <li>b) Support and coordinate to all implementing agencies in developing PASIPBs according to the PLGSP (ProDoc) and Implementation Guidelines. Ensure that activities align with objectives and outcomes of PLGSP.</li> </ol>

Position	Roles & Responsibilities
	<ul style="list-style-type: none"> <li>c) Facilitate coordination and integration of all PLGSP activities among federal ministries, PLGs, JFA Development Partners, and TA Partners for effective implementation.</li> <li>d) Facilitate the implementing agencies at all levels for timely and quality execution of activities.</li> <li>e) Submit periodic progress and financial reports to MoEAP, PTCO, and PCU within the stipulated time.</li> <li>f) Ensure timely submission of SoE to PCU for the preparation of withdrawal applications reimbursements from JFA Development Partners.</li> <li>g) Efficiently manage resources, adhere to budgets, and provide HR management/TA support across the cost centre at PLGs.</li> <li>h) Establish functional collaboration with government, civil society, and development partners to achieve programme results.</li> <li>i) <b>Ensure that</b> PPSU acts as the secretariat for PSC and PTAC in an effective way.</li> <li>j) Establish proper (single door) reporting system (horizontal and vertical).</li> <li>k) Establish systems (digital) to track progress and performance of programme activities. Ensure activities comply with the Programme Document (ProDoc) and legal/regulatory requirements of Provincial government.</li> <li>l) Establish Point of Contact to address grievance, challenges or bottlenecks that may come in the programme.</li> <li>m) Identify, assess and mitigate potential fiduciary risks.</li> <li>n) Support to develop and implement strategies for the sustainability of PLGSP activities post-programme completion.</li> <li>o) Support to prepare plan for the transfer of knowledge, asset and responsibilities to relevant agencies or local authorities as part of Exit Plan.</li> </ul>
<b>Head of Account Section</b>	<ul style="list-style-type: none"> <li>a) Support to prepare of annual program and budget as per the guidelines and budget ceiling (PASIPB).</li> <li>b) Execute the approved budget and ensure the release procedures in time .</li> <li>c) Prepare all accounting record including vouchers, ledgers, and cash books are up to date and maintained properly and handle the day to day book keeping and accounting activities also.</li> <li>d) All accounting record including vouchers, ledgers, and cash books are up to date and maintain properly.</li> <li>e) Ensure that accounting system of the program is adequately implemented and used to ensure compliance with approved accounting policies.</li> <li>f) Support in analysing, planning, designing, implementing, and monitoring a system to augment internal controls in line with best practices in the process of payment and expenditure management.</li> <li>g) Support the Admin section in preparing and maintaining an updated record of inventory and assets.</li> <li>h) Prepare periodic financial target and progress reports ( Monthly/Quarterly/Bi-annual/Annual and timely submission</li> </ul>

Position	Roles & Responsibilities
	<p>to PCU, MoEAP, PTCO and OCMCM as per the prescribed formats.</p> <ul style="list-style-type: none"> <li>i) Collect, prepare and submission statement of expenditure to PCU for the reimbursement from JFA Development Partners as per the prescribed formats.</li> <li>j) Coordinate with PTCO, OAG and facilitate to carry out the internal and final audit and submit to the PCU,OPMCM in time. .</li> <li>k) Prepare audit arrears plan, reconcile and resolve the audit issues.</li> <li>l) Execute other responsibilities as assigned by PPM.</li> </ul>
<b>Admin/Planning (TA /Assigned section)</b>	<ul style="list-style-type: none"> <li>a) Preparation of annual program and budget as per the PASIPB.</li> <li>b) Monitor and evaluate the regular program and activities.</li> <li>c) Preparation of Periodic reports (Monthly/Quarterly/Half-yearly/ Annual and timely submission to PCU and OMPCM as per the prescribed formats.</li> <li>d) Support to carry out during mid-term review and third-party evaluation of PLGSP.</li> <li>e) Preparation of Planning monitoring and evaluation plan aligning with ProDoc.</li> <li>f) Support in analysing, planning, designing, implementing, and monitoring and evaluation system</li> <li>g) Perform additional task as assigned by Unit PPM.</li> </ul>
<b>TA Experts</b>	<b>As per the TA Guidelines</b>

### c) Reporting

PPSU will maintain proper reporting system (horizontal and vertical) and report as follows:

- a) **Periodic Progress Reporting, IPR:** Submit monthly, quarterly, and annual progress reports to OCMCM and MoEAP/PTCO.
- b) **Statement of Expenditure Reporting:** Provide consolidated quarterly and annual expenditure reports, including withdrawal applications and reimbursements, to PCU
- c) **Internal Audit Reporting:** Submit internal audit reports to PCU, Provincial Government, and JFA Development Partners.
- d) **Final Audit Reporting:** Submit final audit reports to PCU, PG, and DP.
- e) **Annual Report:** Prepare and submit a consolidated annual report to PCU, PG, and DP.
- f) **Miscellaneous Reporting:** Submit procedural reports as required.

### 3. 5. Provincial Research and Training Academy

The Provincial Research and Training Academy (PRTA) is a provincial cost centre led by an Executive Director under the Training Council, chaired by the Chief Minister, providing research and training services to the province and local governments (LGs) in coordination with PPSU and TA team.

#### 3.5.1 Role and Responsibilities

Key role and responsibilities of PRTA will be as following:

- a) **Training and Development:** Design and implement training programs to enhance governance, administrative, and leadership skills of provincial and local government officials.
- b) **Workshops and Seminars:** Organize workshops and seminars to promote understanding and effective implementation of the decentralized governance model.
- c) **Research and Policy Recommendations:** Conduct research on governance practices and policies, and provide evidence-based recommendations for policy reforms and improvements.
- d) **Technical Assistance:** Offer technical assistance in formulating and implementing plans, budgets, GESI (Gender Equality and Social Inclusion) initiatives, and policies that align with decentralization principles.
- e) **Knowledge Transfer and Governance Improvement:** Support the creation of sustainable systems for knowledge transfer and governance improvements.
- f) **Stakeholder Collaboration:** Foster relationships and partnerships among local governments, civil society organizations, and other stakeholders for collective governance reforms.
- g) **Knowledge Sharing Platforms:** Organize forums, conferences, and platforms for knowledge sharing and networking on governance issues.
- h) **Training Academy:** Serve as a knowledge centre and training academy, coordinating public sector training to avoid duplication.
- i) **Collaboration with CSOs and Academia:** Collaborate with civil society organizations, academia, think tanks, and experts on GESI and transformative approaches.
- j) **Strategic Implementation Plan and Budget:** Develop an Annual Strategic Implementation Plan and Budget, approved by the Council within the budget ceiling and guidelines set by PSC (Programme Steering Committee).
- k) **Programme CD Interventions:** Implement the program's capacity development (CD) interventions, such as planning, budgeting, HR management, financial management, good governance, GESI, and intergovernmental relations, in coordination with PPSU (Provincial Programme Support Unit) and the TA (Technical Assistance) team.
- l) **Progress and Coordination Reports:** Exchange progress, planning, and coordination reports for coherence between ED (Executive Director) and PPD (Programme Planning Division).
- m) **Consultant Roster:** Prepare a roster of certified consultants for core areas and specific technical topics, available for local government support.
- n) **Expert Roster Management:** Develop and manage an expert roster with Standard Operating Procedures (SOPs), supported by the TA team.

### 3.5.2 Functional Procedure:

The functional procedure of PRTA is as follows:

- **Annual Program and Budget:** Prepare and obtain approval for the Annual Program and Budget from the Council/Programme Steering Committee (PSC).
- **Implementation and Procurement Plans:** Develop the annual implementation plan and procurement plan.
- **CD Interventions and Training:** Collect Capacity Development (CD) interventions from provincial agencies and local governments (LGs), and conduct necessary training and research.
- The PLGSP Implementation Guidelines ensure the systematic documentation and sharing of best practices through structured processes and tools, enabling all levels of government to adopt effective governance strategies for inclusive and sustainable development.
- **Periodic Reports:** Prepare periodic reports, including financial statements.
- **Internal and External Audits:** Conduct both internal and external audits, and submit findings to PSU, Government of Nepal (GoN), and Development Partners (JFA Development Partners).

- **Monitoring and Evaluation:** Perform regular monitoring and evaluation of activities.

Roles and responsibilities of key positions will be as follows:

**Table 13: Composition of Key Positions**

<b>Position</b>	<b>Roles &amp; Responsibilities</b>
<b>Executive Director</b>	<ul style="list-style-type: none"> <li>a) Develop an annual strategic implementation plan and budget, approved by the Council within the budget ceiling and guidelines set by PSC.</li> <li>b) Implement the program's capacity development (CD) interventions, such as planning, budgeting, HR management, financial management, good governance, GESI, and intergovernmental relations, in coordination with PPSU and the TA team.</li> <li>c) Exchange progress, planning, and coordination reports for coherence between ED and PPD (Programme Planning Division).</li> <li>d) Ensure that capacity development programs (training, mentoring) are properly designed and implemented to enhance governance, administrative, and leadership skills of provincial and local government officials as mentioned in PLGSP.</li> <li>e) Conduct TNA for PLGs, prepare trainings packages and a roster of trainers in core areas and specific technical topics, available for PLGs.</li> <li>f) Lead to organize workshops and seminars to promote understanding and effective implementation of the decentralized governance model for PLGs.</li> <li>g) Plan and <b>implement</b> research works on governance practices and policies, and provide evidence-based recommendations for policy reforms and improvements for PLGs.</li> <li>h) Design and offer technical assistance packages in formulating and implementing plans, budgets, GESI (Gender Equality and Social Inclusion) initiatives, and policies that align with decentralization principles at PLGs.</li> <li>i) Plan and organize forums, conferences, and platforms for knowledge sharing and networking on governance issues.</li> <li>j) Establish proper reporting system, horizontal to PPSU and vertical to OCMCM.</li> <li>k) Serve as a "centre of excellence" for capacity building and knowledge management of PLGS in collaboration with civil society organizations, academia, think tanks, and subject experts.</li> </ul>
<b>Head of Account Section</b>	<ul style="list-style-type: none"> <li>a) Support to prepare of annual program and budget as per the guidelines and budget ceiling of PASIPB/PPSU.</li> <li>b) Executive the budget approval and release procedures in time.</li> <li>c) Ensure that all accounting record including vouchers, ledgers, and cash books are up-to-date and maintained properly and handle the day-to-day book keeping and accounting activities.</li> </ul>

Position	Roles & Responsibilities
	<ul style="list-style-type: none"> <li>d) All accounting record including vouchers, ledgers, and cash books are up-to-date and maintain properly.</li> <li>e) Prepare Periodic financial target and progress reports Monthly/Quarterly/Bia-annual /Annual and timely submission to PPSU, PTCO and OCMCM as per the prescribed formats. Prepare statement of expenditure and submit to PPSU for the reimbursement within the stipulated time.</li> <li>f) Ensure that accounting system of the program is adequately implemented and used to ensure compliance with approved accounting policies.</li> <li>g) Coordinate and liaison to carry out the internal and final audit and submit to the PTCO and PPSU in time.</li> <li>h) Prepare audit arrears plan, reconcile and resolve the audit issues.</li> <li>i) Support in analysing, planning, designing, implementing, and monitoring a system to augment internal controls in line with best practices in the process of payment and expenditure management.</li> <li>j) Support the Admin section in preparing and maintaining an updated record of inventory and assets.</li> <li>k) Execute other responsibilities as assigned by Executive Director.</li> </ul>
<b>Admin/Planning, (TA/Assigned section)</b>	<ul style="list-style-type: none"> <li>a) Preparation of annual program and budget as ceiling and guideline provided by PPSU .</li> <li>b) Monitor and evaluate the regular program and activities.</li> <li>c) Preparation of Periodic reports (Monthly/Quarterly/Bi-annual / Annual and timely submission to PPSU/OCMCM and PTCO as per the prescribed formats.</li> <li>d) Support to carry out during mid-term review and third-party evaluation of PLGSP</li> <li>e) Preparation of Planning monitoring and evaluation plan aligning with ProDoc and Implementation Guidelines.</li> <li>f) Support in analysing, planning, designing, implementing, and monitoring and evaluation system.</li> <li>g) Perform additional task as assigned by Executive Director.</li> </ul>
<b>TA Experts</b>	As defined in TOR

### 3.5.3 Reporting

PRTA will maintain the proper reporting system (horizontal and vertical) and report as follows:

- a) **Periodic Progress Reporting/IPR:** Submit progress reports on a monthly to OCMCM, quarterly and annual basis to PPSU, OCMCM, and MoEAP/PTCO.
- b) **Statement of Expenditure Reporting:** Submit statements of expenditure on a quarterly and annual basis to PPSU for the preparation of consolidated SoE.
- c) **Internal Audit Reporting:** Conduct internal audits and submit reports to PPSU as per the audit schedule.
- d) **Final Audit Reporting:** Submit final audit reports to PPSU at the end of the fiscal year.
- e) **Annual Report:** Prepare and submit a consolidated annual report to PPSU, PCU annually.
- f) **Miscellaneous Reporting:** Submit procedural reports as required. This addresses procedural needs promptly and efficiently.



### 3. 6. Human Resource Management

Human resource will be managed by government staff and Technical Assistance (TA) team, all cost centre will be led by Government of Nepal staff, with the TA team playing a key role in two areas: i) Implementation Support TA Team for a short-period at initial stage ii) Transformative TA Team for the entire project period, on a renewal basis.

In each cost centre, human resource will be deputed by GoN. A TA team will be in the PCU, PPSUs and PRTAs for the entire project implementation period. GoN staff will be deputed as per the GoN rules and regulations, and TA will be hired and deputed as per the TA mobilization guidelines.

The programme is committed to upholding accountability throughout its ASIPB formulation, implementation, and RBMEL activities. This involves ensuring transparency in the programme activities, budget, and stakeholder participation in decision-making at various levels such as PCU, PPSU, PRTA, and TA programmes throughout the programme implementation and performance for achieving results.

The TA staff at PCU will be accountable to the Federal Programme Coordination Analyst which will be accountable to the NPM; and the NPM will be accountable to the NPD; The NPD will be accountable to the NSC.

At the provincial level, The PPD will be accountable to the PSC. PPM will be accountable to the PPD; The TA staff at PPSU will be accountable to PPM. There will be a TA team in PRTA to support in implementing the program.

#### 3.6.1 Functions of Technical Assistance

Key functions of TA team to Manage HR are as follows:

- a) Support and oversee the recruitment process, including advertising vacancies, screening applications, conducting interviews, and selecting qualified candidates.
- b) **Capacity Building and Training:** Design and implement training programs to enhance the skills and knowledge of HR personnel and other staff members.
- c) **Performance Management:** Establish a performance management system to monitor and evaluate the performance of HR staff and other employees.
- d) **Policy Development and Implementation:** Develop and implement HR policies and procedures in alignment with the principles of decentralization and good governance.
- a) **Employee Relations and Support:** Provide support and guidance on employee relations matters, including addressing grievances and resolving conflicts.
- b) **Monitoring and Evaluation:** Conduct regular monitoring and evaluation of HR activities to ensure compliance with established policies and procedures.
- c) **Coordination and Collaboration:** Coordinate and collaborate with provincial and local government agencies, civil society organizations, and other stakeholders to ensure effective HR management.

#### 3.6.2 Functional Procedure to Utilize Technical Assistance

The functional procedure to utilize TA in HR management is as follows:

- a) **Annual HR Planning:** Develop an annual HR plan outlining recruitment, training, and capacity-building activities.
- b) **Recruitment Process:** Advertise vacancies, screen applications, conduct interviews, and select candidates in a transparent and merit-based manner.
- c) **Training and Development:** Identify training needs, design training programs, and conduct training sessions for HR personnel and other staff members.
- d) **Performance Management:** Set performance goals, conduct regular performance reviews, and provide feedback and support for continuous improvement.
- e) **Policy Implementation:** Implement HR policies and procedures, ensuring adherence to the principles of decentralization and good governance.

- f) **Employee Support:** Address employee grievances, resolve conflicts, and promote a positive work environment.
- g) **Monitoring and Evaluation:** Regularly monitor HR activities, evaluate their effectiveness, and make necessary adjustments to improve performance.

**Note:** In case the TA team member resigns from the job, the related implementing agency can approach through PCU to UNDP for fulfilment of the vacant position. UNDP will hire the new TA member to fulfil the vacant positions for the remaining period in consultation with PCU.

### 3.6.3 Reporting System for TA Performance

The TA team reports to PCU, PPSU, PTRS and UNDP as described in TA Guidelines and individuals ToR.

### 3.6.4 Composition of TA Team

The composition of TA team is given in the following table:

**Table 14: Composition PCU Implementation Support and Transformative TA Team**

PCU-ISTA	PCUTA
Federal Programme Coordination Analyst - 1 IT and e-Governance Analyst-1 Administrative and Logistic Analyst -1	Federal Governance Specialist- (TA team leader, International)-1 IGR Analyst-1 GESI Analyst-1
Programme Associate-1 Drivers-3	Monitoring, Evaluation and Reporting Analyst-1 Knowledge Management Analyst-1

**Table 15: Composition of ISTA and TA Team**

Provincial Programme - ISTA team	Provincial Programme TA team
Provincial Programme Coordination Analyst-1 Training Coordination Analyst-1 IT Analyst-1 Monitoring, Learning and Reporting Analyst-1 Flexible positions-2 (Analyst)	Provincial Governance Analyst-1 Driver-1

Source: PLGSP ProDoc

**Note:** NPD, NPM, PPD, PPM and other responsible officers of implementing agencies both federal and province level) should have proper handover plan to ensure that new officials will take over the task swiftly and effectively.

## SECTION IV: PLANNING AND BUDGETING

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The Financial Management system ensures effective resource management for PLGSP by employing “on Budget on Treasury” for programme planning and budgeting and “on Budget off Treasury” for Technical Assistance, linking all aspects of financial planning and performance to achieve the program’s objectives.

### 4. 1. Annual Planning & Budgeting

The PLGSP will be implemented through planning process of PLGs by incorporating following actions<sup>3</sup>:

- a) **Baseline Data and Scenario Analysis:** Begin with a comprehensive assessment of baseline data, integrated with scenario analysis, to identify key priorities and risks, such as climate disruptions, economic volatility, and governance challenges.
- b) **Institutionalizing Climate Risk Assessments:** Incorporate climate risk assessments into annual planning to prioritize infrastructure upgrades, disaster preparedness, and adaptive social policies aimed at safeguarding vulnerable populations.
- c) **Collaborative Planning:** Engage local think tanks, universities, research organizations, and other stakeholders, including women and marginalized groups, to ensure strategies are informed by localized data and innovative approaches such as participatory system dynamics modeling.
- d) **Dynamic Decision-Making:** Synthesize insights from baseline data, scenario analysis, and stakeholder collaboration to transform planning and budgeting into adaptable tools that respond effectively to emerging challenges.
- e) **Resource Allocation Optimization:** Utilize data-driven monitoring and iterative adjustments to align resource allocation with identified priorities, proactively addressing risks and ensuring accountability.
- f) **Strengthening Guidelines for the Innovative Partnership Fund (IPF):** Collaborate with national and international experts to refine IPF guidelines, integrating climate resilience into local economic development initiatives.
- g) **Resilience Metrics and Budget Alignment:** Apply the "regime shift" model to evaluate historical governance changes and align budget allocations with resilience metrics, including GESI mainstreaming and compliance with the Medium-Term Expenditure Framework (MTEF).
- h) **International Frameworks and Equitable Development:** Ensure alignment with international frameworks to build governance structures capable of advancing equitable development and withstanding future uncertainties.

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<sup>3</sup> Note:

#### **GESI Mainstreaming (Annex 4.4 )**

- a) Ensure women and marginalized groups (Dalits, indigenous communities) hold ≥40% seats in local planning committees and budget consultations.
- b) Conduct annual audits to track resource allocation for gender-responsive programs (e.g., women-led cooperatives, disability-inclusive services).
- c) Enforce via *Constitution Article 38* and *Local Government Operation Act (2017)* to enforce the provisions of GESI policy.

#### **Climate Resilience Budgeting (Annex 4.5)**

- a) Allocate 25% of budget for Climate Adaptation and mitigation actions
- b) Infrastructures should be designed considering climate change impact and disasters e.g. flood-resilient roads, and drought-smart irrigation.
- c) Social policies should address the climate impact challenges such as climate-aware health clinics, and disaster-safe schools.
- d) Prepare periodic plan and MTEF with climate risk assessments embedded.
- e) Adhere to National Climate Change Policy (2019) and 16th Five-Year Plan.

### 4.1.1 Annual Planning & Budgeting at Federal Level

Federal budgeting will adhere to the "Financial Procedures and Fiscal Responsibility Act 2019" and related guidelines. The PCU in MoFAGA, endorsed by the NSC, will submit the annual program and budget to NPC and MoF.

Key steps for integrating PLGSP into federal-level implementing agencies as per the provided guidelines:

1. **Budget Preparation & Collection:** The PCU gathers annual programs and budgets from all cost centre (Federal level) based on ASIPB for consent by the NSC, to be completed by **Magh**.
2. **Budget and Guidelines:** PCU sends budget ceilings and preparation guidelines to federal-level cost centre within one week of receiving the timeline from NPC/MoF.
3. **Program and Budget Preparation:** PCU, FCGO and OPMCM, prepares the annual program and budget, ensuring its entry into the LMBIS system.
4. **Review and Discussion:** PCU discuss and review the submits programs and budget with FCGO and OPMCM by **Mid-Chitra**.
5. **Finalization through Coordination:** PCU coordinates and finalizes submitted programs and budget in coordination with the MoF via LMBIS by the end of **Baishak**.
6. **Consolidated Approval:** A consolidated program and budget are prepared and submitted to the NSC for final approval.

**Table 16: Budget Preparation Steps**

SN	Actions/Steps	Responsibility	Timeline	Required Documents	Actions/
1	Discussion and collects program and budget from all cost centres (Federal level) as per the ProDoc	i) Admin Officer, ii) NPM	By Mid-Magh		
2	Discussion with the department of MoFAGA and line ministries to refine and finalize the FASIPB and consultation with DPs.	i) Admin Officer, ii) NPM	By Mid-Magh	Budget ceiling, budget guidelines and draft programs.	
3	Submit ASIPB/PASIPB to FSC for the consent/Approval	NPD/NPM/AO	By end Magh	Consolidated ASIPB/PASIPB	
4	Send annual budget ceiling to Cost Centres/ Federal including guidelines	AO/NPM	within a one week after received the ceiling from NPC/MoF	access to LMBIS to enter program and budget with ceiling entry	
5	Preparation of Annual Program and Budget	AO/NPM (Program Head: FCGO)/ (Program Head: OPMCM)	within 10 days after received the ceiling	1) Entry into the LMBIS and forward to PCU/MoFAGA <b>(Annex 4.1)</b> 2) Half-yearly progress report of current fiscal year 3) MTEF	

SN	Actions/Steps	Responsibility	Timeline	Required Documents	Actions/
6	Discuss and review on submitted program & budget	NPD/NPM/AO/F O	within a one week after received program and budget from all cost centres	Annual Program and Budget of all cost centres	
7	Attend the meeting of the program & budget discussion and defend with the officials of MoF/NPC for approval	NPM/AO : PCU/MoFAGA), (Program Head:FCGO), (Program Head: OPMCM)	As per the schedule of MoF/NPC or By 15 Jestha	Annual Program and Budget of each Cost Centres	
8	If any changes in the Red Book, the revised consolidated program and budget to the NSC for approval again.	NPD/NPM/AO	By end Ashad	Revised consolidated program and budget as per Red Book	

**Note:** The above process and timeline are based on current practice and will be amended and adopted as per new changes by MoF and NPC.

#### 4.1.2 Annual Planning & Budgeting at Province Level

The provincial level annual planning and budgeting will be the set guidelines for planning, approving, carrying out, and reporting followed by the provincial budgeting procedure. Following PSC approval, PPSU will send MoEAP and PPC the annual program and budget via OPMCM. The following are the key steps involved in provincial planning and budgeting:

- Budget Preparation & Collection:** PPSU gathers program and budget proposals of the upcoming fiscal year from PTRAs and Local Governments (LGs) by the 1st week of Magh.
- Budget Ceiling and Guidelines:** OCMCM/PPSU and PTRAs will receive budgeting guidelines and ceilings from MoEAP. MoEAP enters the budget ceilings **into** the P-LMBIS by the 2nd week of Falgun.
- Submission Requests Distribution:** PPSU circulates program and budget submission requests with guidelines to all cost centre and LGs by the **3rd** week of Falgun.
- Program & Budget Submission:** PPSU (including LGs) and PTRAs enter their programs and budgets within the ceiling, allocated GoN matching funds, and enter the PLMBIS by the 1<sup>st</sup> week of Baishakh.
- Review and Discussion:** PPSU discuss and review the submitted program and budget with PTRAs and LGs by end of Baishakh.
- Finalization Coordination:** PPSU coordinates **with** OCMCM Accounts Section to finalize the submitted programs and budgets with MoEAP through P-LMBIS by the 3<sup>rd</sup> week of Jestha.
- Revisions & Re-Approval:** If there are any changes in the approved program and budget, PPSU prepares and submits **the** revised consolidated program and budget to the PSC for approval again.

**Table 17: Budget Preparation Steps (Province Level)**

SN	Actions/Steps	Responsibility	Time line	Required Actions/ Documents
1	Discussion and collects program and budget from all cost centre including LGs following by planning and budgeting process ( <b>Annex 4.2</b> )	PPD, PPM and Finance Officer (FO) /PPSU in consultation with PRTA	By first week of Magh	Program & budget submission
2	Submit PASIPB to PSC for the consent/Approval	PPD/PPM/FO	By Mid-Magh	Consolidated PASIPB ( all cost centres) Annex .
3	Send PASIPB to PCU for the consent from NSC	PPD/PPM	By the third week of Magh	Approved Consolidated PASIPB by PSC
4	Send annual budget ceiling to Cost Centres/ Provinces including budget guidelines	PPM/FO	By third week of Falgun	Ensure access to PMBIS to enter program and budget
5	Preparation of Annual Program and Budget	(PPM/FO : PPSU/OCMCM)/ ED:PRTA	By 1st week of Baishakh	i)Entry into the PLMBIS and forward to PPSU/OCMCM ( <b>Annex 4.1</b> ) ii)Bi-yearly progress report of current fiscal year, iii) MTEF
6	Discuss and review of submitted program & budget of PRTA, PPSU/OPMCM/LGs	PPD/PPM/FO: PCU	By end of Baishakh	Program and Budget of all cost centres including LGs
7	Attend the meeting of the program & budget discussion and defend with the officials of MOEAP/PPC for approval	(PPD/PPM/FO : PPSU/OCMCM), Executive Director and Finance Officer of PRTA	By 3 <sup>rd</sup> week of Jestha	Program and Budget of Cost Centres including LGs
8	If any changes in the Red Book , submit revised consolidated program and budget to PSC	PPD/PPM	By end of Asar	Approved Program and Budget as per Red Book

*Note: The above process and timeline are adopted based on the current practices and the broad time frame of planning and budgeting steps of provincial government.*

#### **4.1.2 Annual Planning & Budgeting of Local Government**

Local Government (LG)s is not cost centre. Focal person will be Chief Administration Officer and IT Officer will be in supporting role of PLGSP. PPSU will prepare their annual program and budget and approve from provincial parliament. PPSU provides the budget ceiling and guidelines to prepare the annual program and budget to each LG. LGs will prepare program and budget as per the planning process (**Annex 4.3**) and submit to PPSU within the stipulated

timeline. LG will also incorporate program and budget it in own annual program and budget, approves from assembly.

#### 4. 2. Review, Amendment and Approval

Annual program & budget may be amended and revised the annual financial targets during the implementation following the standard practice of the government of Nepal (**Annex 4.6**):

- a) **Review and Amendments:** PLGs can review and amend annual program and budget during implementation.
- b) **Half-Yearly Review:** Each cost centre reviews its budget every half-year (Annex...).
- c) **Preparation of Amendment Proposals:** If needed, each cost centre prepares an amendment proposal
- d) **Federal Level Submission:** Cost centres submit amendment proposals through respective ministers to MoF by Magh.
- e) **Provincial Level Submission:** At the provincial level, cost centres submit amendment proposals through respective ministers to MoEAP by Magh.
- f) **Approval of Amendment Budgets:** MoF approves amendment budgets at the federal level; MoEAP approves at the provincial level.
- g) **Execution:** Each cost centre executes the approved amended program and budget.

#### 4. 3. Budget Transfer and Source Transfer

During the implementation of the approved program and budget, if there is a need for a new account head or a transfer of funding source, the procedure will be as follows (**Annex 4.7**):

- a) **Budget Transfers:**
  - Transfers between recurrent expenditure heads are permitted only after Q1 completion, excluding salaries, allowances, utilities, food, and capital expenses, and must be justified via LMBIS/PLIMBIS updates without disrupting annual targets.
  - Cost centre submit transfer requests to MoF at federal and MoEAP at Province level consultation with PCU and PPSU.
- b) **Source Transfers:**
  - Funding source changes require MoF approval, initiated by cost centre through PCU/MoFAGA, with post-approval updates reflected in LMBIS/PLIMBIS.
- c) **Compliance:**
  - All transfers must adhere to Annex templates, avoid retroactive adjustments, and be disclosed in quarterly reports.

#### 4. 4. Budget Withholding & Surrender

The budget withholding and surrender procedure will be as follows:

- a) The MoF and MoEAP may withhold the allocated budget if any cost centre is unable to disburse the budget within the first trimester (Kartik).
- b) If a cost centre cannot expend its budget by the second trimester (Falgun), the PCU should surrender the remaining budget to the MoF and MoEAP by 15 Chaitra, after gathering information from the cost centre through MoFAGA and OCMCM.

## 4. 5. Budget Release

### 4.5.1 Budget Release Procedure from FCGO

The budget for the PLGSP will be released with approval from the Financial Comptroller General Office (FCGO). The approved annual budget will be released as follows:

- a) **Trimester Basis Budget Release:** The Federal Government of Nepal (FCGO) releases the budget on a trimester basis.
- b) **First & Second Trimesters:** No authorization from the FCGO is required for the release of budget for the first and second trimesters.
- c) **Third Trimester:** Budget for the third trimester is released only after the total reimbursement amount as of first trimester of the current fiscal year is received.
- d) **Fourth Trimester:** Budget for the fourth trimester is released only after the reimbursement for the second trimester of the current fiscal year is received.
- e) **Documentation Requirements:** If reimbursement is in process and not yet received, the following documentation must be provided:
  - Evidence of the withdrawal application submission.
  - A commitment letter confirming that reimbursement will be received within the current trimester.
  - The relevant authority's decision, including any necessary annexes.
- f) **Financial Statements & Audits:** For the release of the third trimester budget, unaudited financial statements must be signed by FCGO.
- g) For the release of the fourth trimester budget, the final audit must be completed, subject to any deadlines specified in the financing agreement, which may vary.

### 4.5.2 Budget Release Procedure to Implementation Agency (Federal Level)

The FCGO releases the budget as a conditional grant to federal-level cost centre under the GoN's reimbursable payment mode. The procedure is as follows:

- a) **Trimester Basis Release:** FCGO release the budget on a trimester basis.
- b) **Authorization for First & Second Trimesters:** MoFAGA and PCU issue authorization letters to cost centre for the first and second trimesters.
- c) **Statement of Expenditure Submission:** Cost centre must submit a statement of expenditure within 7 days after the end of each trimester.
- d) **Authorization for Third & Fourth Trimesters:** PCU sends the budget release letter to all cost centre for the third and fourth trimesters upon receiving authorization from the FCGO.
- e) **Year-End Expenditure Submission:** Cost centre is required to submit a statement of expenditure within 10 days after the end of each fiscal year.

**Note:** Budget release procedures will be applied as per the circulars issued by FCGO/PTCO, subject to any changes that may occur during the implementation of PLGSP.

**Table 18: Budget Release Steps (Federal Level)**

SN	Actions/Steps	Responsibility	Timeline	Required Documents	Remarks
1	First Quarter budget release	FCGO prepares the budget release guidelines	By Shrawan	Approved ASIPBs	No need to budget authorization letter for First and Second Trimester
2	Second Quarter budget release			Approved ASIPBs	



SN	Actions/Steps	Responsibility	Timeline	Required Documents	Remarks
					as per FCGO guidelines)
3	Third Quarter budget release	Finance officer/NPM	Third Quarter by Chaitra	i) All expenditure as of first trimester of current FY must be reimbursed. ii) approved unaudited financial statement of Previous FY.	If not/official commitment needed with prescribed format ( <b>Annex 4.8</b> )
4	Forth Quarter budget release	Finance Officer/NPM	Forth Quarter By Asar	i) All expenditure of second trimester of current FY must be reimbursed current FY. ii) audited financial statement approved by FCGO	

**Note:** The audited report submission timeline will align with the agreements made with Development Partners (JFA Development Partners).

#### 4.5.3 Budget Release Procedure from PTCO

The approved annual budget will be released by the Provincial Treasury and Comptroller Office (PTCO) following these procedures:

- a) **Trimester Release:** The PTCO releases the budget on a trimester basis.
- b) **Authorization Requirements:** Authorization from the PTCO is not required for the release of funds for the first and second trimesters.
- c) **Third Trimester Release:** The budget for the third trimester is released only after the total reimbursement amount as of the first trimester of the current fiscal year is received.
- d) **Fourth Trimester Release:** The budget for the fourth trimester is released by the PTCO only after the reimbursement for the second trimester of the current fiscal year is received.
- e) **Documentation for Pending Reimbursements:** If reimbursement has not yet been received and is in the process of being submitted, the following documentation must be provided:
  - a. Evidence of the withdrawal application submission.
  - b. A commitment letter confirming that reimbursement will be received within the current trimester.
  - c. The relevant authority's decision, including any necessary annexes.
- f) **Financial Statements:** For the release of the third trimester budget, unaudited financial statements must be signed by PTCO. The final audit must be completed for the release of the fourth trimester budget, subject to any deadlines specified in the financing agreement, which may vary.

#### 4.5.4 Budget Release Procedure to Implementation Agencies (Province Level)

The Provincial Treasury and Comptroller Office (PTCO) will release the budget as a conditional grant to provincial-level cost centres. The following are the budget release procedures:

- a) **Trimester Budget Release:** PTCO will release the budget to cost centre on a trimester basis.

- b) **Expenditure Authorization:** The PPCU will issue expenditure authorization letters to the respective Local Governments (LGs) for approved activities by 15 Shrawan. LGs will receive the budget based on the progress of activities supported by relevant documentation
- c) **Authorization Letters for Trimesters:** PTCO will send authorization letters to cost centres for the first and second trimesters of each trimester, as per PTCO guidelines.
- d) **Submission of Expenditure Statements:** All cost centre is required to submit a statement of expenditure to the PPSU and PTCO within 7 days after the end of each trimester
- e) **Budget Release for Third and Fourth Trimesters:** The PCU will issue budget release letters to all cost centres for the third and fourth trimesters upon receipt of authorization from PTCO.
- f) **Annual Expenditure Reporting:** All cost centre must submit a statement of expenditure within 10 days after the conclusion of each fiscal year.

This structured approach ensures timely budget releases and accountability in the utilization of funds at the provincial level.

**Table 19: Budget Release Steps (Provincial Level)**

SN	Actions/Steps	Responsibility	Timeline	Required Documents	Remarks
1	First-Quarter budget release	PTCO prepares the budget release guidelines	By Shrawan	Approved program & budget	No need to budget authorization letter for First and Second Trimester (as per PTCO guidelines)
2	Second-Quarter budget release			Approved program & budget	
3	Third-Quarter budget release	PPM/FO	By Third Quarter	i) All expenditure as of first quarter of current FY must be reimbursed. ii) approved unaudited financial statement of Previous FY.	Reimbursement status, Unaudited Financial Report and Audited Financial Statement will be provided by PCU to PPSU.
4	Forth-Quarter budget release	PPM/FO	By Forth Quarter	i) All expenditure of second quarter of current FY must be reimbursed current FY. ii) audited financial statement approved by FCGO	

#### 4.5.5 Budget Release Procedure to LGs

The PPSU will issue an authorization letter to each LG as per the approved program and budget. LGs will have authority to implement activities of PLGSP. LG will get budget against the work-in-progress of approved programs, rather than on a trimester basis. LGs are required to submit progress reports on a trimester basis and to do internal and final audit also.

#### 4. 6. Periodic Financial Reporting

The Periodic Financial Report (**Annex 8.1**) will be prepared based on targets versus progress and submitted to the MoGAFA/GoN as outlined below:

#### 4.6.1 Monthly Financial Reporting

- a) PCU will prepare the monthly financial progress report and submit to MoFAGA within three days after the end of each month.

#### 4.6.2 Quarterly Financial Reporting

- a) PLGSP/OPMCM will prepare the quarterly financial progress report and submit to PCU/MoFAGA within 7 days after the end of each quarter.
- b) PLGSP/FCGO will prepare the quarterly financial progress report and submit to PCU/MoFAGA within 7 days after the end of each quarter.
- c) PCU will prepare the quarterly financial progress report and submit to MoFAGA within 7 days after the end of each quarter.
- d) The PCU will prepare a consolidated quarterly financial progress report (link with reimbursement) and submit it to the JFA/DP within 15 days after the end of each quarter.

#### 4.6.3 Bi-annual Financial Reporting

- a) PLGSP/OPMCM will prepare the bi-annual financial progress report and submit to PCU/MoFAGA within 15 days after the end of bi-annual.
- b) PLGSP/FCGO will prepare the bi-annual financial progress report and submit to PCU/MoFAGA within 15 days after the end of bi- annual.
- c) PCU will prepare the bi-annual financial progress report and submit to MoFAGA within 15 days after the end of bi-annual.

#### 4.6.4 Annual Financial Reporting

- a) PLGSP/OPMCM will prepare the annual financial progress report and submit to PCU/MoFAGA within 15 days after the end of each fiscal year.
- b) PLGSP/FCGO will prepare the annual financial progress report and submit to PCU/MoFAGA within 15 days after the end of each fiscal year.
- c) PCU will prepare the annual financial progress report and submit to MoFAGA within 15 days after the end of each fiscal year.
- d) The PCU will prepare a consolidated annual financial progress report (link with reimbursement) and submit it to the JFA/DP within 30 days after the end of each fiscal year.

**Table 20: Periodic Reporting Stages (Federal)**

SN	Actions/Steps	Responsibility	Timeline	Required Documents	Remarks
1	Monthly Reporting	FO/NPM supported by TA Team	Within the 3 days after end of month	Target and Progress report	To be submitted hard copy and through online system Integrated Online Monitoring System) - <b>(Annex 8.1)</b>
2	Quarterly Reporting	FO/NPM supported by TA Team	Within the 7 days after the end of each quarter	Target and Progress report	
3	Bi-annual Reporting	FO/NPM supported by TA Team	Within the 15 days after end of half-year	i) Target and Progress report	
3	Annual Reporting	FO/NPM supported by TA Team	Within the 15 days after end of each FY	Target and Progress report	

#### **4.7. Financial Reporting of Province**

- a) The Provincial level cost centre will prepare Periodic Financial Report ((**Annex 8.1**) based on targets versus progress and submit following periodic reports.

##### **4.7.1 Monthly Financial Reporting**

- a) PPSU will prepare ( including LGs) a monthly financial progress report within three days after the end of each month and submit it to OCMCM.

##### **4.7.2 Quarterly Financial Reporting**

- a) PRTA will prepare a quarterly financial progress report within seven days after the end of each quarter and submit it to the PPSU/OCMCM.
- b) PPSU will prepare ( including LGs) a quarterly financial progress report within seven days after the end of each quarter and submit it to the OCMCM.
- c) The PPSU will prepare ( including LGs) a consolidated quarterly progress report and submit it to the PCU/MoFAGA within 15 days after the end of each quarter.

##### **4.7.3 Bi-annual Financial Reporting**

- a) Each PRTA will prepare a Bi-annual financial progress report within 15 days after the end of six months and submit it to the PPSU/OCMCM.
- b) PPSU will prepare ( including LGs) a Bi-annual financial progress report within 15 days after the end of six months and submit it to the OCMCM.
- c) The PPSU will prepare ( including LGs) a consolidated Bi-annual progress report and submit it to the PCU/MoFAGA within 15 days after the end of six months.

##### **4.7.4 Annual Financial Reporting**

- a) Each PRTA will prepare an annual financial progress report within 15 days after the end of each fiscal year and submit it to the PPSU/OCMCM.
- b) PPSU will prepare ( including LGs) an annual financial progress report within 15 days after the end of each fiscal year and submit it to the OCMCM.
- c) The PPSU will prepare (including LGs) a consolidated annual progress report and submit it to the PCU/MoFAGA within 30 days after the end of each fiscal year.

**Table 21: Periodic Reporting Stages (Province)**

<b>SN</b>	<b>Actions/Steps</b>	<b>Responsibility</b>	<b>Timeline</b>	<b>Required Documents</b>	<b>Remarks</b>
1	Monthly Reporting	FO/PPM supported by TA Team	Within the 3 days after end of monthly	Target and Progress report	To be submitted hard copy and through online system (Integrated Online Monitoring System): ( <b>Annex 8.1</b> )
2	Trimester Reporting	FO/PPM supported by TA Team	Within the 7 days after end of each quarter	Target and Progress report	
3	Bi-annual Reporting	FO/PPM supported by TA Team	Within the 15 days after end of half-year	i) Target and Progress report	

SN	Actions/Steps	Responsibility	Timeline	Required Documents	Remarks
3	Annual Reporting	FO/PPM supported by TA Team	Within the 15 days after end of each FY	Target and Progress report	

#### 4. 8. Internal and Final Audit

- FCGO will conduct the internal audit report at the federal level, and PTCO will conduct it at the provincial level on a quarterly basis. Reports will be prepared based on **Annex 4.9, 4.10 and 4.11.**

##### 4.8.1 Internal Audit Procedure (Federal level)

- All cost centres prepare financial statements according to the Computerized Government Accounting System
- FCGO conducts the internal audit of all cost centres on a bi-annual basis every fiscal year using the checklist (**Annex 4.10**)

All cost centres submit the internal audit reports (**Annex 4.11**) to PCU

##### 4.8.2 Internal Audit (Provinces)

- All cost centres will prepare financial statement as per the Computerized Government Accounting System (CGAS).
- PTCO will conduct the internal audit of all cost centres on bi- annual basis in every fiscal year using the checklist
- All cost centre should submit the internal audit reports to PPSU

##### 4.8.3 Consolidated Internal Audit Reporting

The key steps of preparing consolidated internal audit report will be as follows:

- PCU will collect internal audit reports from all cost centres of federal level cost centre and from PPSU within the 15 days end of 6<sup>th</sup> months
- PPSU will collect internal audit reports from provincial-level cost centres and submit to PCU within 15 days after the end of 6<sup>th</sup> months.
- PCU will prepare a consolidated internal audit report and submit it to the JFA Development Partners within months after the end of each fiscal year.

##### 4.8.4 Final Audit:

The final audit will be conducted by OAG annually and submitted to the GoN and JFA Development Partners within the stipulated time. The procedure is as follows:

- PCU will handle compliance, resolve audit issues, reconcile mismatched data, and conduct the final audit.
- PCU will prepare a consolidated financial statement (all cost centres) for the final audit, ensuring the report is completed within the stipulated deadline.
- The final audit will be conducted by OAG.
- The final audit report, incorporating independent audit findings, recommendations, and audit arrears action plans, will be submitted within six months after the end of each fiscal year or as per the JFA

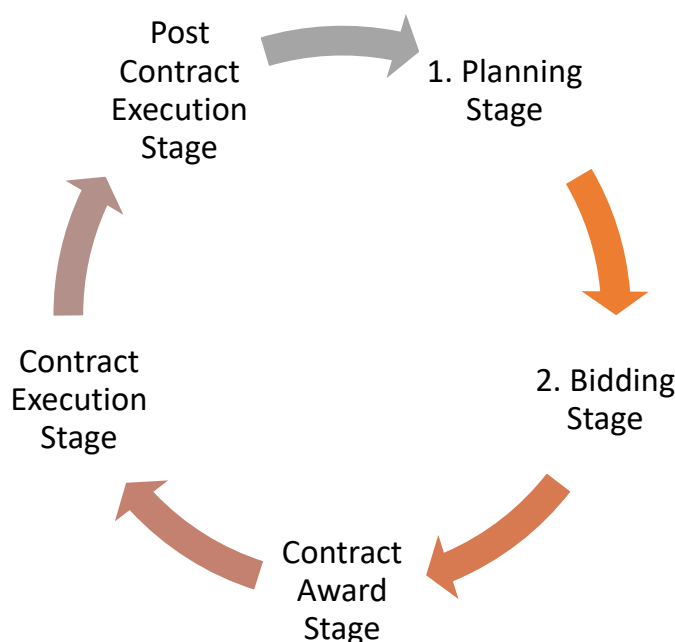
#### 4. 9. Innovative Partnership Fund

The mobilization of IPF fund, audit and reporting procedures will be as per IPF guidelines [नवप्रवर्तन साझेदारी परियोजना सञ्चालन कार्यविधि, २०८२](#).

## SECTION V: PROCUREMENT GUIDELINES & PROCEDURES

Procurement under PLGSP shall adhere to the Public Procurement Act (PPA) 2063 and Public Procurement Rules (PPR) 2064, with provincial governments using their own rules if aligned with the PPA, and all procurements requiring prior program approval, budget assurance, and designated authority by each Cost Centre.

**Figure 2: Procurement Cycle  
(Details in Annex 5.1)**



### 5.1 Procurement Plan

**Procurement Unit** shall prepare procurement plan and approve based on the specified amount limit and the period of receiving the services/goods/works of each fiscal year as per the approved program and budget.

Any cos estimate of procurement is more than one year or value above 100 million rupees should prepare a Master Procurement Plan and value is up to one million to 100 million rupees should prepare an annual procurement Plan (**Annex 5.2 and 5.3**)

#### 5.1 Preparation of Standing List:

**Procurement Unit** will prepare separate standing lists of suppliers, construction entrepreneurs, consultants or service providers according to the nature of procurement. In so preparing lists, a list of non-governmental organizations will also be prepared for the purposes each fiscal year and to be updated Sami- annual basis.

#### 5.2 Formulation of Evaluation Committee

A separate Evaluation Committee will be formulated to evaluate bids/proposals received from venders. The composition of evaluation committee will be as follows:

- Chief of Cost Centre or senior designated officer (preferably technical) - **Chairperson**
- Chief of financial administration section - **Member**
- Technical expert in the related field (preferably officer level) - **Member**
- Law officer of the public entity (if applicable) - **Member**

- e) Chief of procurement unit - **Secretary**

The evaluation committee can invite a subject expert in the governmental or non-governmental sector at its meeting with the approval of the head of cost centre.

### **5.3 Procurement of Goods**

#### **5.3.1 Direct Purchase**

The cost estimate is up to one million can directly purchase goods from vendors listed on the approved standing list. However, direct procurement from the same vendor is restricted to once per financial year. Purchases can be made either in a single transaction or through multiple transactions up to the specified limit.

##### **5.3.1.1 Procedure for Direct Purchase**

The key procedure for direct purchase is as follows:

- a) The Procurement Unit or Designated Authority will prepare the cost estimate and specifications for the goods, subject to approval by the Chief of the Cost Centre.
- b) The Procurement Unit will send a request letter to at least three vendors from the standing list, asking them to submit their proposals within a minimum of seven days.
- c) The Procurement Unit will evaluate the bidders' eligibility and prepare a comparison chart of the financial proposals.
- d) The Procurement Unit will draft a memorandum recommending the lowest bidder for approval.
- e) The Chief of the Cost Centre will review and approve the recommendation.

#### **5.3.2 Sealed Quotation:** (1) The cost estimate is up to two million can purchase goods through the sealed quotation.

##### **5.3.2.1 Procedure for Sealed Quotation**

The key procedure for sealed quotation is as follows:

- a) **The Procurement Unit** will prepare the cost estimate and specifications for the goods, which will be approved by the Chief of the Cost Centre.
- b) Public notice for sealed quotations will be issued, requesting proposals to be submitted within 15 days (Quotation form PPA 40).
- c) If fewer than three vendors submit sealed quotations, the notice will be re-published.
- d) **The Evaluation Committee** will examine and evaluate the sealed quotations, even if fewer than three vendors respond to the second notice.
- e) The validity of the sealed quotations should be 45 days, and the bank guarantee should be valid for 75 days.
- f) The bank guarantee amount will be between 2% and 3% of the approved cost estimate. The exact amount and acceptable forms of the bank guarantee, such as cash or a bank guarantee, should be specified in the notice.
- g) Sealed quotations will be opened as soon as possible after the submission deadline, in the presence of the proposer or their representative.
- h) The Evaluation Committee will select the lowest bidder from the three responsive bidders, not from all sealed quotation bidders.
- i) The Cost Centre should approve and inform all bidders within 15 days of the bid opening.
- j) The Cost Centre should inform the selected bidder of the contract agreement within seven days.
- k) The selected bidder should sign the contract agreement and provide the performance guarantee within seven days of receiving the notice.

### 5.3.3 Tender:

The cost estimate is above two million can procure goods through a tendering process.

#### 5.3.3.1 Procedure:

- a) **Procurement Unit** will prepare cost estimate and specification of goods and approved by **Chief of Cost Centre**.
- b) Public the notice for bid, requesting proposals to be submitted.
- c) Prebid-meeting: If a minimum of three vendors do not submit the sealed quotations, the same notice will be re-published.
- d) Evaluation Committee will proceed to examine and evaluation of bids, even if fewer than three vendors respond to the second notice.
- e) The validity of the tender should be 90 days and 120 days of rupees 100 million cost estimate and above 100 million costs estimates respectively, and the bank guarantee should be valid for 30 days more.
- f) The bank guarantee amount will be between 2% and 3% of the approved cost estimate, and the exact amount should be specified in the notice. The bank guarantee can be provided in any form, such as cash or a bank guarantee, and this should also be mentioned in the notice.
- g) The tender document will be opened in the presence of the proposer or their representative by the Procurement Unit or a new tender opening committee, consisting of at least two members, established by the Cost Centre.
- h) The Evaluation Committee will examine and evaluate (Technical / Financial/ Commercial) tender and select the lowest bidder from the responsive bidders.
- i) The respective authority as per the PPR will approve the selection.
- j) Procurement Unit will inspect the goods and provides the acceptance of goods (PPR 115/117)

## 5.4 Procurement of Consulting Services

Consultancy service can purchase through different selection methods: i) Least cost selection, ii) fixed budget selection iii) quality-based selection iv) quality and cost-based selection

**5.4.1 Direct Purchase:** (1) Cost Centre can purchase direct consultancy service the value of which is up to five lakhs among the vendors of standing list. 2) Provided that, no direct procurement will be made from the same vendors more than once in one financial year and it can be purchased once or time to time up to limit.

#### 5.4.1.1 Procedure:

- a) **Procurement Unit / Designated Authority** will prepare the ToR and cost estimate for the service, which will be approved by the Chief of the Cost Centre.
- b) **Procurement Unit** will send a request letter to at least three vendors from the standing list, requesting them to submit their proposals within a minimum of seven days.
- c) **Procurement Unit** will evaluate the eligibility of the bidders and prepare a comparison chart of the financial proposals.
- d) **Procurement Unit** will prepare a memorandum recommending the lowest bidder for approval.
- e) **Chief of Cost Centre** will review and approve the recommendation.

#### 5.4.2 Request for Proposal

(1) Cost Centre can be obtained by Inviting Proposal from Consultants under Standing List:  
(1) The cost centre may procure a consultancy service valuing less than **two million** rupees by inviting written technical and financial proposal from the consultants under standing list prepared in its office.



(2) The proposal shall be selected by application of quality and cost-based selection method.

#### 5.2.2.1 Procedure:

- a) **Procurement Unit / Designated Authority** will prepare the ToR and cost estimate for the service, which will be approved by the Chief of the Cost Centre.
- b) **Procurement Unit** will invite for technical and financial proposal in separate envelop by sending documents relating to proposal to six, as far as possible, and at least to three consultants with given 15 days submission time.
- c) **Evaluation Committee** will evaluate technical proposals.
- d) **Cost Centre** will notice for financial bid opening who are passed in technical evaluation and published the technical score among the bidder.
- e) **Evaluation Committee** will evaluate the financial proposal and prepare the combined evaluation report
- f) **Evaluation Committee** will prepare the memorandum and recommend to the highest scorer/bidder for the approval.
- g) **Chief of Cost Centre** will review and approve the recommendation.

#### 5.2.3 Open Expression of Interest:

(1) To procure a consultancy service valuing more than **two million to one hundred fifty million** rupees, a cost centre shall have to invite an expression of interest by publishing a notice (2) If a consultancy service of an amount valuing more than **one hundred fifty million** rupees requires to be procured, generally an international level expression of interest shall be invited.

##### 5.2.3.1 Procedure:

There will be two stage selection procedure through the express of interest:

##### **Stage One: Preparation of Short- List**

- a) **Procurement Unit** prepares the ToR, Expression of Interest (Eoi), evaluation criteria, Eoi Notice and approved by **Chief of Cost Centre**
- b) **Procurement Unit** publishes a notice for expression of interest with a 15 days deadline in a national daily news paper.
- c) **Evaluation Committee** will examine (**Annex 5.4**) and evaluate and prepare the short-list at least three consultants, if at least three consultants fail to be selected in selecting consultants, the Cost Centre shall have to invite expression of interest by re-publishing notice.
- d) If at least three consultants fail to be selected even after re-publishing a notice for the second time, the short list may be prepared of only the consultants to the extent selected.

##### **Stage Two: Request for Proposal (RFP)**

- e) **Procurement Unit** invites for technical and financial proposal in separate envelop by sending **Request for Proposal** to the short-listed consultants to submit within a minimum thirty days deadline.
- f) Evaluate (**Annex 5.5**) technical proposal through the **Evaluation Committee**
- g) Notice for financial bid opening who are passed in technical evaluation and published the technical score among the bidders.
- h) Evaluate the financial proposal and prepare the combined evaluation report.
- i) **Evaluation Committee** prepares memorandum and recommend to the highest scorer/bidder for the approval.
- j) **Evaluation Committee** may conduct negotiation with the highest scorer.
- k) After successful negotiation, The **Chief of the Cost Centre** will approve and publish the Letter of Intent to claim, if any, with a 7-day deadline.
- l) If no appeal is made, the **Cost Centre** will approve and invite for contract agreement within 15 days.

### 5.3 **Procurement System for Works**

Regarding the works will follow the provision of procedure of PPA and PPR which is not incorporated in this guideline as the programme is governance programme, if needed will be outlined.

### 5.4 **Other Procurement System:**

**Procurement through direct negotiation:** Where it is required to procure services on such matters such as trainings, symposia and seminars which are useful and necessary for the cost centre, the chief of the cost centre may procure a consultancy service the value of which does not exceed five hundred thousand rupees and, with the approval of one level higher authority, a consultancy service up to two million with the minimum three proposal by the evaluation of price and quality.

**Procurement through NGOs:** Cost centre shall invite proposals from the non-governmental organizations included in the standing list by publishing a notice giving a period of at least fifteen days up to one million rupees for the procurement.

**Catalogue Shopping Method:** Implementation agency can invite proposals from authorized supplier from their products catalogue according to PPR rules no, sub-rules no

**Buy Back Method:** Implementation agency can exchange old product with new product of same manufacturers or from authorized supplier from their products catalogue according to PPR rules.

**Limited Tending Method :** To procure goods, construction works, consultancy services, or other services that are available or likely to be available only in limited quantity, and the number of such suppliers, contractors, consultants, or service providers of that nature is confirmed to be three or less, then procurement may be carried out by inviting bids or proposals through a notice of 15 days, ensuring competition among them.

### 5.5 **Support by TA Team :**

TA team will support the procurement process ( such as draft ToR , prepare cost estimate and evaluation criteria etc) to ensure the quality and smooth implementation procurement contract towards reducing the financial fiduciary risks.

## SECTION VI: REIMBURSEMENT AND REPORTING TO JFA DPs

The entire roles and responsibilities of reimbursement will be of PCU. Reimbursement process will be on quarterly or thresh-hold basis as follows:

### 1.1 Reimbursement Procedure:

- a) PCU will collect all statement of expenditure from the all-cost centres (federal).
- b) PPSU will collect the SoE from cost centres including LGs and consolidated SoE send to PCU within the 15 days after end of each quarter.
- c) PCU will prepare the withdrawal application including SoE and submit to DP.
- d) PCU will follow up and ensure the reimbursement from the DPs in time.
- e) PCU will submit the reimbursement report and reconcile with the FCGO for budget release.

**Table 22: Reimbursement Steps**

SN	Actions/Steps	Responsibility	Timeline	Required Documents
1	1 <sup>st</sup> Quarter	Account officer in the leadership of NPM	within the 15 days after end of each quarter.	IPR/FMR/SoE (Annex 6.1 to 6.10)
2	2nd Quarter	Account officer in the leadership of NPM	within the 15 days after end of each quarter.	IPR/FMR/SoE Annex 6.1 to 6.10 )
3	3rd Quarter	Account officer in the leadership of NPM	within the 15 days after end of each quarter	IPR/FMR/SoE Annex 6.1 to 6.10)
4	Annual Reporting	Account officer in the leadership of NPM	within the 30 days after end of each FY	IPR/FMR/SoE Annex 6.1 to 6.10 )

### 1.2 Ineligible Expenditure

Payments that do not follow the proper procedures, violate rules and regulations, or are unrelated to programme objectives will be considered ineligible expenditures.

The following expenditures will be treated as ineligible expenditures:

- a) Items not approved and covered by the programme.
- b) Items not procured in accordance with the agreed procurement plan and procedure.
- c) Payments made before the legal agreement date.
- d) Payments made for expenditures incurred after the programme closing date;
- e) Expenditures for which the cost centres have been unable to provide sufficient and appropriate evidence requested by DPs

## SECTION VII: FIDUCIARY RISK MANAGEMENT

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### 7.1. Identifying and Managing Fiduciary Risks

Identifying and Managing Fiduciary Risk: Assessment and Mitigation Plan will be the two key components of fiduciary risk management.

**Table 23: Risk Assessment and Action Plan**

<b>Component</b>	<b>Objective</b>	<b>Action</b>	<b>Evidence-Based Practice</b>
<b>Risk Identification</b>	Identify potential fiduciary risks	Conduct a comprehensive risk assessment to identify threats and vulnerabilities	Broad risk assessments help recognize vulnerabilities
<b>Risk Evaluation</b>	Prioritize risks based on impact and likelihood	Evaluate potential impact and probability of occurrence, assigning High/Medium/Low values	Prioritization guides the allocation of resources
<b>Risk Mitigation Strategies</b>	Develop and implement mitigation strategies	Create strategies to reduce the likelihood and impact of identified risks	Combination strategies are recommended for cost-effectiveness
<b>Monitoring and Audit</b>	Regularly review and audit risk management	Establish regular monitoring and independent audits to evaluate the effectiveness of mitigation measures	Regular audits enhance transparency and accountability
<b>Training and Capacity Building</b>	Equip stakeholders with skills to manage risks	Provide training and capacity-building programs in risk management and fiduciary responsibilities	Capacity-building initiatives are crucial for long-term sustainability
<b>Stakeholder Engagement</b>	Ensure active participation of stakeholders	Communicate risk management plans and involve stakeholders in the risk management process	Transparent communication fosters trust and cooperation
<b>Documentation and Reporting</b>	Maintain detailed records of risk management activities	Document all risk assessments, mitigation strategies, and audit findings	Detailed documentation supports transparency and accountability

Component	Objective	Action	Evidence-Based Practice
<b>Contingency Planning</b>	Prepare for unexpected risks	Develop contingency plans to address unforeseen risks	Contingency planning is essential for dealing with unexpected challenges

## 7.2. Process Related Risk Measures

- a) **Comprehensive Risk Assessment:** Conduct thorough risk assessments to identify potential process-related risks within the PLGSP framework. Analyse all aspects of programme implementation, including resource allocation, stakeholder involvement, and administrative procedures.
- b) **Clear Guidelines and Standard Operating Procedures (SOPs):** Develop and implement clear guidelines and SOPs for all processes. These documents should outline step-by-step procedures to ensure consistency, efficiency, and compliance with legal and technical requirements. Regularly review and update the SOPs to reflect any changes or improvements.
- c) **Capacity Building and Training:** Invest in capacity-building initiatives to equip staff and stakeholders with the necessary skills and knowledge to manage processes effectively. Provide regular training sessions on risk management, process optimization, and compliance to ensure that everyone is well-prepared to handle potential risks.
- d) **Robust Monitoring and Evaluation:** Establish a robust monitoring and evaluation (M&E) system to track progress and identify any deviations from the plan. Use real-time data collection and analysis tools to monitor key performance indicators (KPIs) and promptly address any issues that arise.
- e) **Communication and Stakeholder Engagement:** Maintain open lines of communication with all stakeholders, including local governments, provincial authorities, development partners, and community members. Regularly update stakeholders on progress, challenges, and risk mitigation efforts. Encourage feedback and active participation to foster a collaborative risk management approach.
- f) **Resource Mobilization and Allocation:** Ensure adequate resources are allocated to mitigate process-related risks, including financial resources, human resources, and technological tools. Develop a contingency plan to address any resource gaps that may arise during programme implementation.
- g) **Proactive Risk Management:** Implement a proactive risk management approach by identifying potential risks early and developing mitigation strategies. This involves continuous risk monitoring, regular risk assessment updates, and timely implementation of risk mitigation measures.
- h) **Periodic Review and Improvement:** Conduct periodic reviews of the risk reduction strategies to evaluate their effectiveness. Use the findings to make necessary adjustments and improvements to ensure the strategies remain relevant and effective.
- i) **Collaborations and Partnerships:** Strengthen collaborations and partnerships with relevant stakeholders at all levels. Foster a culture of shared responsibility and collective risk management to ensure a coordinated and comprehensive approach to minimizing process-related risks.
- j) **Documentation and Reporting:** Maintain detailed documentation of all risk management activities, including risk assessments, mitigation plans, and progress reports. Regularly report on risk management efforts to relevant authorities and stakeholders, ensuring transparency and accountability.

- k) By implementing these professional and comprehensive risk-reduction strategies, PLGSP can effectively minimize process-related risks and ensure the successful and sustainable delivery of the programme.

### 7.3. Result Related Risk Measures

- a) **Impact Assessment:** Evaluate the programme's outcomes to identify potential risks. This helps pinpoint areas that may need extra attention during the transition.
- b) **Capacity Building:** Continue to strengthen local and provincial governments' skills in leadership, resource management, and governance. This ensures they can maintain programme outcomes independently.
- c) **Gradual Transition:** Implement a phased exit strategy. Gradually reduce external support while increasing local responsibility, minimizing disruptions.
- d) **Monitoring and Evaluation:** Establish a robust M&E framework to track progress and identify risks. Regularly review key performance indicators and take timely action when needed.
- e) **Stakeholder Engagement:** Keep stakeholders, including local governments, provincial authorities, community groups, and development partners, actively involved. Regular updates and consultations ensure smooth cooperation and transition.
- f) **Policy Frameworks:** Strengthen policy frameworks to provide a solid legal foundation for continuing PLGSP initiatives. This ensures local and provincial governments operate within clear guidelines.
- g) **Resource Mobilization:** Develop strategies for local resource mobilization. Encourage local governments to explore diverse funding sources, ensuring financial sustainability.
- h) **Risk Management Plan:** Create a risk management plan with proactive measures to address identified risks. Include contingency strategies and clearly outline roles and responsibilities.
- i) **Knowledge Sharing:** Promote a culture of learning and knowledge sharing. Workshops, training sessions, and collaborative platforms ensure best practices and lessons learned are documented and shared.
- j) **Exit Communication Plan:** Develop a clear exit communication plan outlining the transition process, timelines, and expectations. Regular updates maintain transparency and build trust.
- k) By implementing these strategies, PLGSP can ensure a smooth and sustainable exit, empowering local and provincial governments to continue delivering high-quality services and achieving desired outcomes independently.

**Table 24: Managing Financial Risks**

<b>Fiduciary</b>	<b>Action Areas</b>	<b>References/Remarks</b>
Financial	Budgeting, Accounting and Reporting	7 steps of LGs Budget and 8 steps of PGs Budget ( Regulatory compliance) – <b>Annex 7.1</b>
Procurement & Legal Compliances	Key aspects of Procurement Process and compliance :  Transparency ( decision steps and public notice), accountability dedicated cost centre), fair competition ( promoting level playing field for all potential suppliers ) value for money ( considering	

Fiduciary	Action Areas	References/Remarks
	quality, cost and efficiency), compliances( adhering to relevant laws , regulations and policies) , ethical standard ( avoiding the conflict of interest.	

**Table 25: Governance and Institutional Capacity Fiduciary Risks**

<b>Fiduciary</b>	<b>Action Areas</b>	<b>References/Remarks</b>
Institutional Framework ( the existing regulatory framework at federal ,provincial and local levels either insufficient developed or poorly enforced, leading to challenges in governance and accountability	Strengthen PLGs in developing regulatory frameworks that clarifies overlapping judications and unclear mandate	Base line report to show the status of regulatory framework , b) budget and program based on base line and result framework
Capacity gap at PLGs ( lack of necessary skills and trainings in financial management, procurement, project development and service delivery hindering effective implementation of PLGSP)	Trainings, mentoring, coaching, OGT	TNA, Curriculum development and trainings packages, implementation of capacity building and monitoring



**Table 26: Managing Environment and Social Fiduciary Risk**

<b>Fiduciary</b>	<b>Action Areas</b>	<b>References/Remarks</b>
Inadequate environmental assessment	Review/update the environmental policies and standards.	Refer to IEE and EIA guidelines and ensured in the governance of projects
Mainstreaming climate change impact	Promoting green growth-related projects and actions	Incorporate in budgeting framework
<b>GESI Risk:</b>		
Marginalized groups may be overlooked in decision making process, leading inequitable benefits	Implement social impact assessments ( SIAs). Enhance stakeholders' engagements in decision making through out the project cycle Establish grievance redress mechanism	SIAs formats  Grievance handling formats

#### **7.4. Fraud & Anti-Corruption Mechanism**

Fraud and anti-corruption mechanism is focused on safeguarding the PLGSP resources from malpractice (embezzlement, bribery, conflicts of interest).

##### **a) Core Principles**

The core principle of Fraud and anti-corruption mechanism are as follows:

- Zero Tolerance:** Immediate escalation of fraud cases.
- Whistleblower Protection:** Guaranteed anonymity.
- Transparency:** Public reporting of resolved cases.

##### **b) Procedure**

The procedure of Fraud and anti-corruption mechanism are elaborated in the following table

**Table 27: Managing Environment and Social Fiduciary Risk**

<b>Step</b>	<b>Action</b>	<b>Responsibility</b>
<b>Reporting</b>	Submit via encrypted portal (integrity@plgsp.gov.np) or anonymous hotline (1660-FRAUD).	Staff/Citizens
<b>Triage</b>	Flag high-risk cases (e.g., fund diversion) within 48 hours.	Internal Audit Unit (IAU)
<b>Investigation</b>	Engage third-party auditors (e.g., KPMG Nepal) for impartiality.	IAU + NSC
<b>Action</b>	Freeze funds, recover losses, pursue legal action.	MoFAGA+ Provincial Gov
<b>Closure</b>	Publish anonymized case summaries in annual PLGSP reports.	NSC

## A. Template: Fraud Reporting Form (Annex 7.1)

Field	Details
Incident Description	Date, location, involved parties
Evidence Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No (e.g., invoices, photos)
Anonymity Requested	<input type="checkbox"/> Yes <input type="checkbox"/> No

## B. Compliance & Accountability

### a) Training/Mentoring:

- Annual workshops for PLGSP staff on grievance protocols and fraud detection.
- Role-playing scenarios for GRC/IAU members.

### b) Public Awareness:

- Posters in local languages at municipal offices.
- Social media campaigns (e.g., #PLGSPIntegrity).

### c) Reporting:

- Quarterly updates to the **National Steering Committee (NSC)**.
- Annual public reports on grievance/fraud resolution rates.

## C. Alignment with PLGSP Prodoc 2024

- **GES:** Mandates participatory grievance systems for marginalized groups.
- **Accountability:** Requires anti-corruption protocols for climate-resilient budgeting.
- **(MEL):** Integrates grievance data into Monitoring, Evaluation, and Learning systems.

## D. Key Compliance Checklist:

- a) GRC established in all provinces by **Q1 2025**.
- b) Fraud hotline operational in province by **Q2 2025**.
- c) 100% staff trained on protocols by **Q3 2025**.

## SECTION VIII: MONITORING, EVALUATION & LEARNING

### 8.1. Conceptual Framework and Approach of MEL

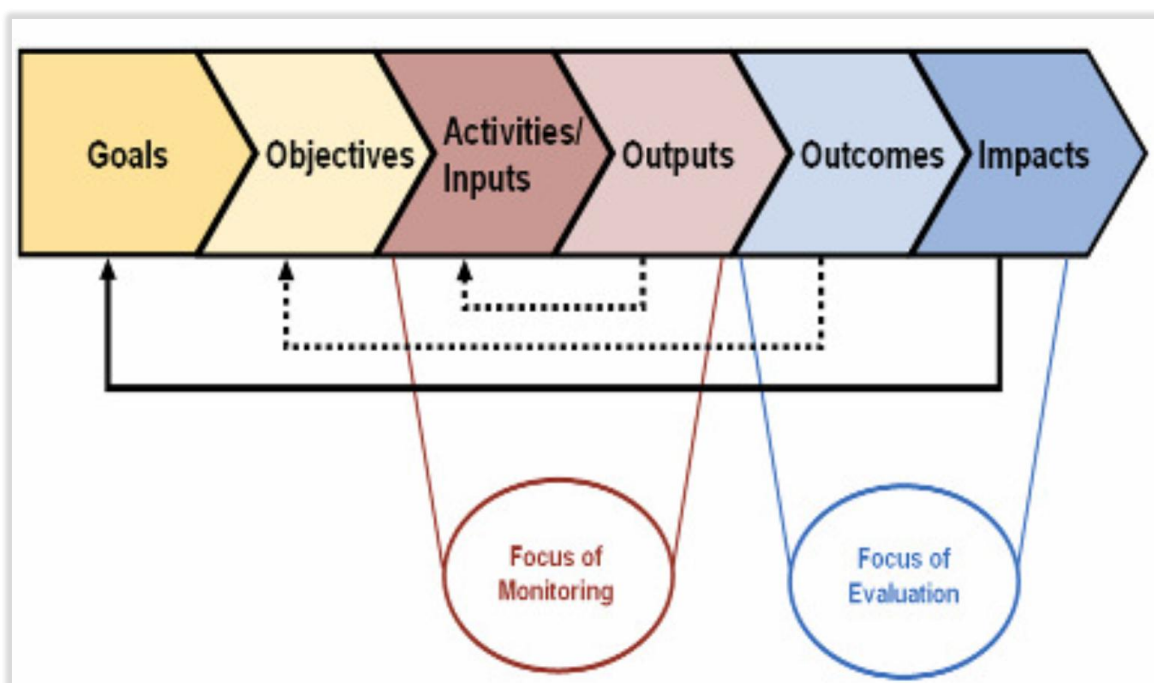
#### 8.1.1. Concept of MEL

The MEL framework enhances the capacity of provincial and local governments to deliver quality services, foster local development, and drive economic prosperity. Aligned with the PLGSP (24-29) result framework, it ensures effective, efficient, and sustainable program outcomes through:

- a) **Monitoring:** Tracks progress against target results, ensuring alignment with planned objectives. Periodic data collection identifies baseline, shows trends, measures outputs, and ensures accountability.
- b) **Evaluation:** Assesses the positive impacts of the program. Provides in-depth analysis of effectiveness, efficiency, and sustainability, highlighting overall impact.
- c) **Learning:** Reflects on achievements, identifies issues, and charts a way forward. Captures lessons learned and best practices, fostering continuous improvement, adaptive management, and inclusive governance.

The Monitoring, Evaluation, and Learning (MEL) approach in PLGSP is grounded in a logic model, focusing on tracking progress, implementation, and outputs to ensure alignment with the programme's result framework, while evaluations assess longer-term progress, outcomes, and impact in relation to programme goals.

**Figure 3: Logic Model for MEL**



Source: Adopted from the Monitoring and Evaluation Handbook, IFC, GIZ/DFID, 2008/2021

#### 8.1.2. Evidence -based MEL

PCU adopts a centralized digital platform ensures periodic data collection and analysis, with field teams gathering information from local governments and communities. The PCU/PPSU will establish result-based monitoring system based on baseline data.

The PLGSP uses an evidence-based performance monitoring approach, guided by the Programme Results Framework from the Prodoc 2024. The MEL process emphasizes time-bound, evidence-based, and participatory monitoring, with periodic progress reports in line with Government of Nepal (GoN) practices.

Strategic updates are provided to the NSC every six months, while quarterly financial reports are submitted to NSC, PSCs, FCGO, TA Partner, and JFA Development Partners. A comprehensive annual report, including financial details, is also prepared to meet reporting requirements. This system ensures accountability and effective implementation of the PLGSP.

The programme M&E system will also cover: (i) implementation progress, including financial status; (ii) achievement of intermediate and outcome indicators as specified in the results framework; and (iii) impact evaluation outcomes. The M&E system will be supported by a computerized digital system to be managed by PCU at federal level.

### **8.1.3. MEL Functions**

The key actions related to MEL of PLGSP will be as follows :

- a) Facilitate to incorporate the Results Framework into periodic plans and annual plan through 'start-up workshop' in the starting of the fiscal year.
- b) The Programme Coordination Unit (PCU) and Provincial Programme Support Unit (PPSU) conduct regular results-based monitoring, evaluation, and learning (RB MEL) to meet program reporting requirements. RB MEL encompasses systematic tracking of progress, evaluation of outcomes, and identification of lessons learned to inform decision-making and improve program effectiveness. With technical assistance (TA), these processes are implemented to ensure accountability, continual learning, and alignment with program objectives as outlined in this manual.
- c) PCU and PPSU Conduct training for PLGs on MEL.
- d) PCU will organize orientation workshops for the NPD/NPM, PPDs/PPMs, TA team (e.g., ISTA), PCU, PPSU, PRTA, LG Outreach team, PGs, LGs, ADCCN/MuAN/NARMIN, and relevant stakeholders covering programme objectives, results, implementation strategy, and roles and responsibilities.
- e) The programme will undertake regular compliance and performance audit by the OAG of Nepal, the independent national audit agency. The OAG's opinion will be used as a reference document for programme monitoring and evaluation. Reports will be submitted to the NSC, with PLGSP funds audited separately from wider MoFAGA funds.
- f) Third-party monitoring, Inception Review, MTR, End of Programme Evaluation, and Impact Study will review OAG audit reports of respective sampled PGs and LGs when conducting studies.

### **8.1.4. MEL Procedure**

The PCU and PPSU will be responsible for monitoring the implementation of the ASIPB and overseeing capacity development for local and provincial elected representatives regarding MEL activities. The TA team will provide technical support in effectively operationalize MEL process in implementing agencies.

Provincial M&E team will be established within each PPSU to undertake key RB MEL functions, integrating existing PLGSP programme management functions.

The key MEL process will be as follows:

- i. **Establish Framework and Data Collection**
  - a) Utilize the Programme Results Framework from the PLGSP Prodoc, 2024, to track indicators at both output and outcome levels.
  - b) Establish a centralized digital platform for real-time data collection, storage, and analysis.
  - c) Implement regular data collection intervals with field teams using mobile tools to gather information from local governments and communities.
- ii. **Develop MEL System**
  - a) Develop a learning system to integrate findings from MEL activities into strategic planning and implementation.
  - b) Establish a dedicated MEL team for data analysis, trend identification, and knowledge-sharing workshops to promote a culture of learning and adaptive management.
- iii. **Engage Stakeholders and Community**
  - a) Conduct quarterly review meetings with stakeholders to discuss progress and address data collection challenges.
  - b) The host communities and stakeholders can provide feedback, report concerns, and request support through a toll-free number, suggestion boxes, and the dedicated email addresses of LGs, PPSU, and PCU
  - c) Incorporate community insights into the MEL process to ensure program relevance and responsiveness, fostering ownership and empowering communities.
- iv. **Enhance Transparency and Accountability**
  - a) Create interactive dashboards and visual reports for decision-makers and the public to leverage data-driven insights for timely interventions, promoting transparency and accountability.
- v. **Involve Local Communities in Evaluation**
  - a) Establish community monitoring committees to involve local communities and stakeholders in the evaluation process.
  - b) Committees will collaborate with field officers to collect qualitative data through focus group discussions, interviews, and surveys, providing insights into the PLGSP's impact on local governance and service delivery.

#### 8.1.5. MEL for Diversity and Inclusion

**MEL for Diversity and Inclusion** : Implementing agencies adopt the RBMEL plan to ensure inclusive, participatory, and adaptive MEL activities. This approach guarantees programme accountability and responsiveness, fostering GESI sensitivity. By enhancing processes, tools, and data, the RBMEL plan supports better governance and community engagement.

#### 8.2. Monitoring

The implementing agencies prepare monitoring plan based on result framework of the programme and incorporate it in annual program and budget.

The implementing agencies will prepare a baseline date that will be created at early stage of programme implementation, a midline survey will be conducted at the mid-term review stage, and an endline survey will be conducted at project completion.

**8.1.6. Periodic Monitoring & Reporting:**

All implementing agencies prepare periodic reports (**Annex 8.1 & 8.2**) based on the regular monitoring and submit to the concern ministries as follows:

**Table 28: Schedule of Periodic Reports**

SN	Actions/ Steps	Responsibility	Timeline	Required Documents	To whom
Federal Level					
1	Monthly Reporting	Financial Progress by Account officer and overall progress by Admin officer in the leadership of NPM /Head of IA supported by TA Team	Within the 3 days after end of month	Target and Progress report	i)PCU to MoFAGA, ii) Program to OPMCM , iii) Program to FCGO
2	Quarterly Reporting	Financial Progress by Account officer and overall progress by Admin officer in the leadership of NPM Head of IA supported by TA Team	Within the 7 days after end of each quarter	Target and Progress report	
3	Bi-annual Reporting	Financial Progress by Account officer and overall progress by Admin officer in the leadership of NPM/Head of IA supported by TA Team	Within the 15 days after end of half-year	i) Target and Progress report	
4	Annual Reporting	Financial Progress by Account officer and overall progress by Admin officer in the leadership of NPM/ Head of IA supported by TA Team	Within the 15 days after end of each FY	Target and Progress report	
Province Level					
1	Monthly Reporting	Financial Progress by Account officer and overall progress by Planning officer/Admin officer in the leadership of PPM /ED supported by TA Team	Within the 3 days after end of month	Target and Progress report	i) PPSU to OCMCM, ii) PRTA to PPSU/OPMCM
2	Quarterly Reporting	Financial Progress by Account officer and overall progress by Planning officer/Admin officer in the leadership of PPM/ED supported by TA Team	Within the 7 days after end of each quarter	Target and Progress report	

SN	Actions/ Steps	Responsibility	Timeline	Required Documents	To whom
<b>Federal Level</b>					
3	Bi-annual Reporting	Financial Progress by Account officer and overall progress by Planning officer/Admin officer in the leadership of PPM/ED supported by TA Team	Within the 15 days after end of half-year	i) Target and Progress report	
4	Annual Reporting	Financial Progress by Account officer and overall progress by Planning officer/Admin officer in the leadership of PPM/ED supported by TA Team	Within the 15 days after the end of each FY	Target and Progress report	

#### 8.1.7. Joint Monitoring

MoFAGA and JFA Development Partners will jointly review progress periodically, including joint monitoring field visits to provinces, as part of the MEL process. At the provincial level, PPSU will collect, analyse, monitor, and report of programme progress periodically, submitting required reports to the NSC, PSC, FCC, TA Partner, and the federal PCU. This monitoring can be done as a spot check-monitoring activity. The joint -monitoring and spot check monitoring will be conducted using the the basic checklist (refer to **Annex 8.3**).

#### 8.1.8. Third Party Monitoring

The third-party monitoring (TPM) process will validate data and information generated by regular monitoring, evaluation, and programme reporting systems, recommending necessary adjustments and changes. The TPM will be conducted using the the basic checklist (refer to **Annex 8.3**).

### 8.3. Result Based Monitoring

The implementation of the MEL framework within PLGSP requires coordinated efforts from various stakeholders. The Ministry of Federal Affairs and General Administration (MoFAGA) provides leadership and ensures alignment with national policies. Provincial and local governments are responsible for implementing MEL activities and reporting data. UNDP and JFA Development Partners offer technical and financial support, while the Program Coordination Unit (PCU) oversees the framework's (**Annex 8.9**) execution and facilitates capacity-building and knowledge-sharing events.

### 8.4. Evaluation

The programme evaluation for PLGSP involves assessing the relevance, coherence, **effectiveness, efficiency, impact and sustainability ( OECD evaluation criteria)** of the programme's interventions at the provincial and local levels. It aims to ensure that the objectives of federalization, capacity building, and inclusive governance are being met, providing insights for continuous improvement and informed decision-making. The key purposes of evaluation are as following:

- a) The evaluation in PLGSP aims to strengthen governance by ensuring alignment with federal, provincial, and local priorities.
- b) Evaluation process generates knowledge, promotes learning, and improves program effectiveness.
- c) By converting input into action, the Theory of Change-guided adaptive strategy under PLGSP transforms governance. The midterm assessments find gaps and guide changes to policies, guaranteeing that interventions continue to be effective and relevant. Local and provincial governments can quickly address new demands as a result, promoting long-lasting reforms that improve inclusivity and accountability.
- d) They also ensure accountability to stakeholders, including the Government of Nepal, development partners, and citizens, while integrating gender equality, human rights, and disability considerations.

### 8.1.1. Evaluation Framework

This guideline covers the following key areas:

**Conceptual limit:** PLGSP evaluation focuses a systematic and impartial assessment of the results chain, processes, contextual factors, and causality to assess relevance, coherence, effectiveness, efficiency, impact, and sustainability.

- i. **A mid-term evaluation** will assess, systematically and rigorously, PLGSP's contributions and roles in achieving the results on the ground and capture lessons learned on what worked and what did not work during the first half of its strategy period. The thematic evaluation will also make sure cross-cutting priorities are mainstreamed in the evaluations, including gender equality, citizen engagement, conflict-disaster nexus, and resilience to climate change. Reflection of MTR is used to better utilize resources in the rest of the programme period (**Annex 8.4, 8.5 & 8.6**).
- ii. Thematic Evaluations: The implementing agencies may conduct thematic evaluation based on the MTR to dig out specific issues and prepare way forward as best practice to be adopted in the programme.
- iii. **A final evaluation** of PLGSP will be conducted at the end of programme (2029), **The summative evaluation** will be a comprehensive performance assessment will be carried out at the end of the strategy period 2028-29. It will provide information about the effectiveness of the PLGSP in general and inform individual components and implementing agencies in particular about the impact of programme's strategic direction, and its planning efficacy (**Annex 8.7 & 8.8**).

### 8.1.2. Evaluation Criteria

The following summary of evaluation criteria can be incorporated in the TOR for hiring the consultant.

**Table 29: Evaluation Criteria**

Evaluation Criteria	Key Checklist
Relevance	Is the PLGSP Intervention doing the right things at federal/provincial/local governance? The extent to which the intervention objectives and design respond to federal/provincial/local level needs, policies and priorities and those of beneficiaries and partner institutions, and continue to do so as circumstances change?
Coherence	How well does the intervention fit? The compatibility of the intervention with other interventions in federal/provincial and local levels' agencies?



Evaluation Criteria	Key Checklist
Effectiveness /Impact	Is the intervention achieving its objectives? The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, impacts including any differential results across groups.
Efficiency	How well are resources being used? The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.
Sustainability	Will the benefits last? The extent to which the net benefits of the intervention continue or are likely to continue.

Source: UNDP Evolution Guidelines, adopted from OECD criteria of programme evaluation.

### 8.1.3. Evaluation Plan

The PCU will conduct programme evaluation based on following evaluation plan.

**Table 30: Evaluation Plan**

Type	Year 1	Year 2	Year 3	Year 4	Year 5	Remarks
Mid-term Evaluation						MTR
Thematic Evaluation						TER
Final Evaluation						FER

## 8.5. Learning (Reflective Approach)

### 8.5.1 Key Concept

Reflective action in PLGSP refers to the practice of examining and analysing past experiences, actions, and outcomes to inform future decisions and practices. It involves continuous learning and improvement by reflecting on what worked well, what didn't, and why. For government officers, this means regularly assessing policies, programs, and initiatives to ensure they are effective and align with set goals and objectives.

### 8.5.2 Procedural Steps and Tools

The following key actions and tools:

- Templates as guidance for government officers** are standardized documents or formats that provide a consistent framework for reporting, planning, and monitoring activities. These templates help ensure that all relevant information is captured systematically and uniformly across various departments and levels of government. They can include:
  - Report Templates:** Structured formats for documenting progress, outcomes, and lessons learned from specific projects or initiatives.
  - Action Plans:** Standardized plans outlining steps, timelines, and responsibilities for achieving specific goals or objectives.
  - Monitoring and Evaluation (M&E) Templates:** Formats for tracking and assessing the performance and impact of programs and policies.
  - Meeting Minutes Templates:** Consistent layouts for recording discussions, decisions, and action items during meetings.
  - Budget Templates:** Standardized formats for planning and tracking budget allocations and expenditures.

By using reflective action and standardized templates, government officers can enhance transparency, accountability, and efficiency in their work, leading to better governance and improved public service delivery by incorporating good practices in the programme through reflective approaches.

*Note : The detailed procedure of MEL will be as per separate MEL Guidelines*

**Table 31: Evaluation Summary Template**

Evaluation Aspect	Description
<b>Objective</b>	Clearly state the objective of the evaluation.
<b>Methodology</b>	Describe the evaluation methodology (e.g., surveys, focus groups).
<b>Key Findings</b>	Summarize the key findings of the evaluation.
<b>Recommendations</b>	Provide recommendations based on the evaluation findings.
<b>Action Plan</b>	Outline the action plan to address the recommendations.

**Table 32: Learning and Feedback Template**

Learning Aspect	Description
<b>Lessons Learned</b>	Describe the lessons learned during implementation.
<b>Best Practices</b>	Highlight best practices that can be replicated.
<b>Challenges</b>	Identify the challenges faced and how they were addressed.
<b>Recommendations</b>	Provide recommendations for future improvement.

These templates can help streamline the monitoring process, ensure consistency in data collection and reporting, and facilitate informed decision-making and continuous learning.

## 8.6. Grievance Handling Mechanism

Ensure equitable, transparent, and timely resolution of complaints related to PLGSP implementation (**Annex 8.10**).

### A. Core Principles

- Accessibility:** Multiple channels (hotline, email, in-person).
- Confidentiality:** Protect complainant identities.
- Speed:** Resolve grievances within **30 days**.
- Accountability:** Log all cases in a centralized database.

### B. Procedures

Step	Action	Responsibility
<b>Submission</b>	Submit via PLGSP portal, toll-free hotline (1660-PLGSP), or municipal office.	Citizens/Stakeholders
<b>Acknowledgment</b>	Auto-email/SMS confirmation within 24 hours.	Grievance Redress Committee (GRC)
<b>Assessment</b>	Categorize (e.g., service gaps, equity issues).	GRC + Provincial PLGSP Unit
<b>Investigation</b>	Resolve within 15 days; involve local NGOs for community-sensitive cases.	GRC + Independent Auditor
<b>Resolution</b>	Remediate (e.g., policy revision, compensation).	PLGSP Implementing Agency
<b>Feedback</b>	Share outcome with complainant via preferred channel.	GRC

**Table 33: Grievance Form**

### A. Brief Summary

Field	Details
Name (optional)	
Contact	Phone/Email
Issue Category	<input type="checkbox"/> Service Delivery <input type="checkbox"/> Equity <input type="checkbox"/> Environment
Description	Summary + suggested resolution

## SECTION IX: GENDER EQUALITY AND SOCIAL INCLUSION

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### 9.1. Introduction to GESI

The Provincial and Local Governance Support Programme (PLGSP) adopts a comprehensive approach to Gender Equality and Social Inclusion (GESI).

- a) This guidance note outlines essential principles and approaches for developing and operationalizing a GESI strategy, tailored to the unique social and gender norms of each country and sector.
- b) The objective is to empower sector agencies to integrate GESI into their core operations—revamping policies, systems, and structures to address sector-specific barriers faced by women and vulnerable groups.
- c) With this strategic framework, the GESI strategy adopts inclusive and equitable institutions, ensuring no one is left behind.

#### 9.1.1. Core Concept of GESI

Gender equality is a condition where women and men, girls and boys, and persons with diverse SOGIESC enjoy equal rights and opportunities, recognition, responsibilities, and decision-making in different spheres of society.

Social inclusion focuses on the elimination of barriers that exclude or constrain some members of society from accessing and benefiting from social and economic services and resources and participating in their community, relationships, and decision-making.<sup>4</sup>

#### 9.1.2. Rationale of GESI in PLGSP

- a) In alignment with the PLGSP of Nepal, a robust Gender Equality and Social Inclusion (GESI) strategy is pivotal for sector agencies to a) ensure women and excluded and vulnerable groups have equitable access to sector resources and opportunities, b) elevates the visibility of these groups within sector agency structures, including leadership and decision-making bodies and c) ensures that sector policies, programs, and projects incorporate GESI principles, actively reducing gender and social inequalities while dismantling the mechanisms that perpetuate them.
- b) Furthermore, a strong GESI strategy instils a sense of accountability at all organizational levels, providing a framework for midcourse corrections to address any deviations to support sector agencies in developing strategies that reflect the principles of the "leave-no-one-behind" framework. This approach includes three key pillars: i) understanding for action, ii) empowering for change, and iii) including for opportunity. This guiding note outlines the practical steps necessary for sector agencies to develop and operationalize their GESI strategies, ensuring a comprehensive and inclusive implementation under PLGSP result framework.

### 9.2. GESI Strategy

#### 9.2.1. Defining GESI Strategy and Its Key Elements

A GESI strategy of a sector agency requires integrating GESI considerations in the implementing agency's operations and management. This includes integrating GESI into the agency's policy directives, institutional arrangements, programming, budgeting, project life cycle, and monitoring and evaluation (M&E) systems, which should begin with assessing their provisions that promote or constrain the elimination of barriers to GESI experienced by women and excluded and vulnerable groups.

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<sup>4</sup> ADB, 2023, Framework for Integrating Gender Equality and Social Inclusion in The Asian Development Bank's South Asia Operations

Overall, the formulation and implementation of the GESI strategy (**Annex 9.1, 9.2 & 9.3**) will depend on the national and state or local GESI laws that the agency is legally required to observe. This includes laws governing the following:

- a) External operations. These include ensuring equality of access to the services of the sector agency, especially of women and disadvantaged groups; collecting disaggregated data by sex or gender and social indicators on beneficiaries and including these data in sector agency reports; forming (e.g., electricity, water, transport) user committees with significant representation of women and disadvantaged groups in the management; and other such policy provisions.
- b) Internal operations. These include maternity leave and paternity leave or parental leave; provision of childcare and a breastfeeding room; gender-segregated toilets for women and men and gender-inclusive toilets for transgender people and others who identify outside the gender binary categories; occupational health and safety standards; promotion of equality in recruitment, promotion, and career development opportunities; and anti-sexual harassment mechanisms, which are covered under institutional analysis.
- c) Other factors that facilitate gender equality and social inclusion integration. These include allocating a GESI-responsive budget, preparing a gender or GESI action plan, assigning or forming GESI focal points or teams or GESI budget cells, and conducting a social and gender audit of programs and projects of the sector agency.

#### **9.2.2. Assessment of Existing GESI Situation**

It is important to conduct two assessments that should inform the GESI strategy:

- (i) An in-depth assessment of the situation of women and other disadvantaged groups to understand the barriers and root causes limiting women and other excluded and vulnerable people from enjoying the full benefits of sector projects. Women's disproportionate burden of unpaid care household work may be one such barrier in all countries in the region. This assessment should include the role that men and masculinity play in imposing barriers on women and other disadvantaged groups, including men of disadvantaged groups. The results can improve the sector agency's understanding of and services for women and disadvantaged groups.
- (ii) An in-depth analysis of PLG -specific sector commitments for the project's target beneficiary groups and identification of key government agencies mandated to work for each category. The analysis covers (a) sector policy analysis, (b) sector institutional analysis, (c) sector programming and budgeting analysis, (d) sector reporting, and (e) M&E analysis.

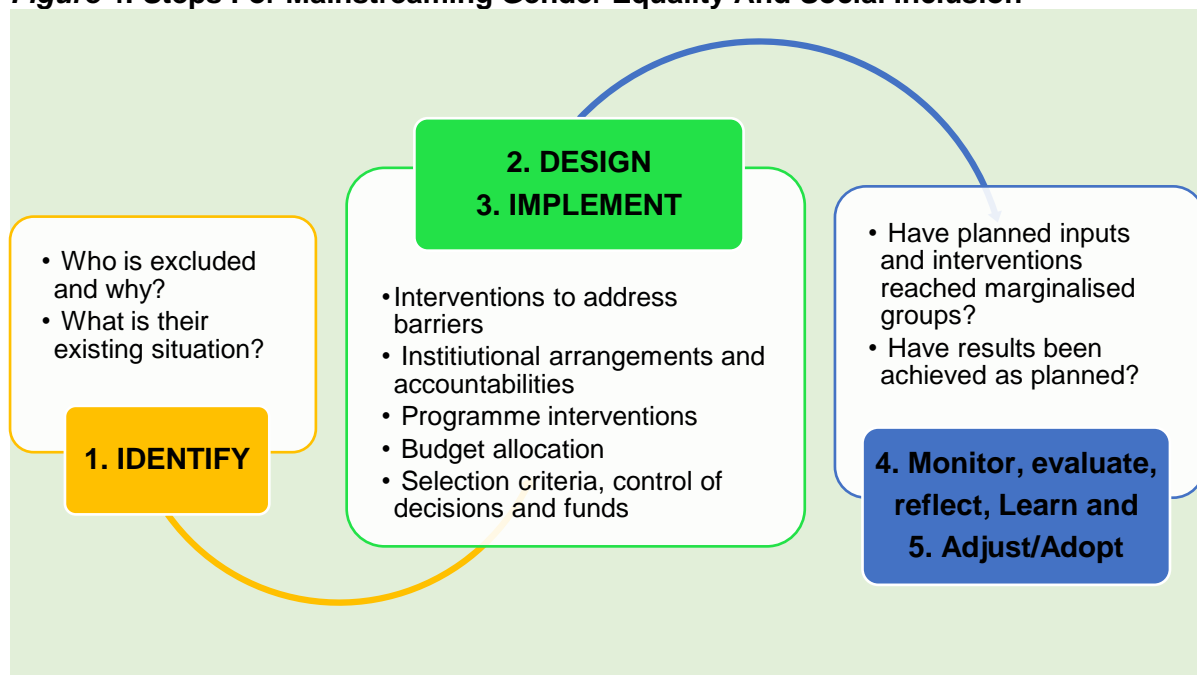
#### **9.3. Participatory Process for Strategy Development**

The formulation of the GESI strategy of a sector agency will greatly benefit from an inclusive and participatory approach with the engagement of different stakeholders, including women, men, disadvantaged groups, and those representing them, like civil society organizations. This process may take different forms, either in-depth with continuous involvement of representatives of civil society organizations—especially organizations of disadvantaged groups and their support nongovernment organizations—or a few consultations with specific interest groups.

#### 9.4. Steps for mainstreaming gender equality and social inclusion

Understanding who is excluded and why from the development process is a critical first step to designing gender responsive and socially inclusive interventions. The basic concept of GESI mainstreaming in PLGSP is elaborated in the following figure.

**Figure 4: Steps For Mainstreaming Gender Equality And Social Inclusion**



Source: Adopted from ADB GESI

##### 9.4.1. Operating Principles

The key principles that guide the operationalization of the GESI framework in PLGSP are as follows:

- I. Focusing on Transformation:*
  - a) Efforts to address gender inequality, social exclusion, and vulnerability should aim at transforming power relations and addressing structural discrimination.
  - b) The GESI framework seeks to empower excluded and vulnerable groups, transform unequal power relations in formal and informal institutions.
- II. Identifying a Strategic Starting Point:*
  - a) When considering the type of contribution to GESI, SARD may adopt strategic entry points that build on existing strengths and experience and are commensurate with available resources. For example, the focus on intersectional aspects of gender inequality (e.g., work on the specific constraints and needs of women and girls who live with disabilities) can serve as a strategic entry point.
- III. Going Beyond Terminology*
  - a) The change of terminology from the gender action plan to the GESI action plan should lead to more evidence-based and responsive actions to explicitly address specific conditions of women and excluded and vulnerable groups in ADB's priority sectors of operations and program and project areas.
  - b) The GESI framework seeks to empower excluded and vulnerable groups, transform unequal power relations in formal and informal institutions, and enhance their agency. Hence, they should be involved in the transformation process as co-change agents

rather than passive beneficiaries. Their collective voice is important to transforming institutions for a more equitable distribution of resources.

**Table 34: GESI Analysis and Actions**

Objectives	Key Activities	GESI Strategy Indicators	Timeline
Ensure PLGSP implementation is informed by comprehensive GESI analysis	Conduct annual GESI analysis of PLGSP implementation, including to identify target groups, causes and intersectionality of exclusion, key barriers and opportunities. This includes to identify which formal/informal institutional structures and systems support/hampers implementation of GESI related policies, provisions, programmes.	Annual GESI analysis of PLGSP implementation conducted	At the stage of preparation of Annual Planning and Budgeting
	Conduct mapping of key stakeholders affecting GESI and unequal power relations, including their motivations and behaviours related to social, political and economic factors.	Stakeholder mapping conducted	Before planning of next year.
	Organize dedicated bi-annual sharing sessions on GESI in PLGSP for TA staff and key stakeholders to track progress and recommend for improvements	Bi-annual sharing on GESI in PLGSP organized	Before planning of next year.
	Conduct annual budget review exercise of federal, provincial and local governments' budget allocations related to GESI	Annual budget review conducted	
Support Federal, PLGs to strengthen their capacity for comprehensive GESI analysis to inform their work	Conduct GESI analysis of relevant laws, policies, programmes and budgets at federal, provincial and local level to inform reform/adaptation. This includes to assess and identify whether the existing policies, and programmes and budgets are addressing the underlying causes and barriers of women and other excluded and vulnerable groups – and identify potential areas for improvement to what extent and what could be done if not addressed by existing policies and programmes.	GESI analysis of relevant laws, policies, programmes and budgets conducted	
	Develop and promote use of different participatory tools such as social mapping, well-being ranking, vulnerability assessment etc. to identify underlying causes of poverty and exclusion, and different issues for different groups at different spheres. Ensure to include the following information in GESI Analysis: a) What is the specific local context with regards to GESI? b) Who are the excluded and vulnerable groups in the areas? (including formal/informal workers, access to resources/opportunities,	GESI Analysis component included in relevant capacity development initiatives for PLG	

Objectives	Key Activities	GESI Strategy Indicators	Timeline
	participation/authority in formal/informal decision-making, etc.) c) What are the underlying causes for inequality/exclusion, and barriers to achieve equality/inclusion? d) Which specific interventions are required to address the issues?		
	How the planned interventions will contribute to promote equality/inclusion?		
	Include components on GESI analysis in capacity development initiatives for PLGs to enhance their internal understanding and capacity	GESI Analysis component included in relevant capacity development initiatives for PLGs	

#### 9.4.2. Planning for the Development of a GESI Strategy

- A well-informed GESI strategy for a sector agency is based on a thorough understanding of existing capacities, situations, opportunities, and challenges disadvantaged groups face in accessing the benefits of the agency's projects and programs, and the strengths and weaknesses of the sector agency itself. This responds to the "understand for action" pillar of the GESI analytical framework.
- PLGSP will prioritize GESI by building the capacities of PLG representatives and transforming institutions to address barriers for women, excluded, and vulnerable groups. The implementing agencies will collect and analyse GESI disaggregated data to ensure gender-sensitive planning, monitoring, and evaluation. The Programme will provide institutional support to PLGs to enhance their capacity to manage and use this data for informed decision-making.

**Table 35: Planning, Programming, Budgeting, and Data**

Objectives	Key Activities	GESI Strategy Indicators	PLGSP Outputs
PLGSP planning and budgeting is GESI sensitive and responsive	Develop annual PLGSP result matrix/log frame based on disaggregated data and GESI related evidences	PLGSP results matrix/log frames developed using GESI disaggregated data	
	Maintain and regularly update disaggregated data on different relevant variables i.e. sex, disabilities, caste, ethnicity, geography, age and religion	PLGSP related disaggregated data updated	
	Ensure GESI perspectives and aspects are incorporated while designing, planning and implementing Programme activities at all levels through GESI analysis for identifying existing gaps	<b>Programme activities are informed by GESI analysis</b>	
	Ensure to allocate adequate fund for GESI sensitive and responsive activities such as	At least 25% of PLGSP annual	

Objectives	Key Activities	GESI Strategy Indicators	PLGSP Outputs
	“reasonable accommodation, appropriate support to women and excluded groups” provision of care takers including logistic costs, GESI sensitive/ friendly infrastructure and spaces, such as provision of separate clean toilets, disable friendly unfurnished.	funds are allocated for GESI sensitive and responsive activities	
Support PLGSP in enhanced capacity to integrate GESI in planning, programmes and budgets	Support the development/establishment of guidelines, structures, tools, and processes to ensure that the voices of the target groups i.e. women, the poor, the vulnerable and excluded and vulnerable groups and have opportunities to be part of planning processes and to provide their perspectives in planning through formal organized consultation and interaction workshops at different level as well as through informal conversations	Guidelines, structures, tools, and processes are developed and utilized by PLGs	
	Select and promote use of different participatory methodologies to encourage women, and vulnerable and excluded and vulnerable groups to contribute in ward/local level planning processes, results matrix and log frames of the programme, and to identify barriers to their participation	Participatory methodologies are developed and utilized by PLGs	
	Promote the use of GRB as a tool (through trainings and support to develop and utilize relevant systems) to integrate GESI in planning and budgeting at provincial and local levels, including: <ul style="list-style-type: none"> <li>• Conduct gender/inclusion disaggregated analysis of incidence of revenue-raising and public expenditures</li> <li>• Support to formulate/implement relevant GRB strategies, policies, tools and systems for PLGs</li> <li>• Provide relevant support to PLGs to develop and use gender-responsive budget statements and medium-term frameworks of economic policy</li> <li>• Support to conduct regular analysis of impact of budget on time-use</li> </ul>	PLGs have the necessary knowledge and systems to implement GRB	
	Support PLGs to institutionalization collection, analysis and use of disaggregated data on different dimensions, i.e. sex, disabilities, caste, ethnicity, geography and religion, and use it in planning, programming, budgeting, monitoring and reporting. This includes support to development of GESI Status Reports for PGs and GESI Indexes for LGs	PLGs have enhanced systems and capacity to collect, analyse and use disaggregated data to inform planning,	



Objectives	Key Activities	GESI Strategy Indicators	PLGSP Outputs
	and support to strengthen data management, monitoring and reporting systems at all levels.	programming and budgeting	

PLGSP will offer technical and facilitation support to PLGs to ensure laws and policies are developed with an understanding of the diverse needs of women and men from different social groups, prioritizing GESI sensitivity and responsiveness throughout the process.

**Table 36: Legal and Policy Development and Reform**

Objectives	Key Activities	GESI Strategy Indicators	PLGSP Outputs
Ensure all PLGSP policies, strategies and guidelines tools are GESI sensitive and are informed by comprehensive GESI analysis	Facilitate GESI review/analysis of draft strategies, policies and laws to ensure alignment with national and international normative framework and commitments	GESI review/ analysis of draft strategies, policies and laws conducted	
	Ensure any legal or policy development related concept notes and ToRs adequately address and reflect GESI issues in its objectives, scope of work and tasks. Provide details in methodology section, i.e. composition of expert's team, reporting etc.	All relevant ToRs address and reflect GESI issue	
	Ensure legal or policy formulation teams include GESI experts as key members of the teams	Legal /policy formulation teams include GESI experts	
	As part of legal/policy review, organize dedicated consultations/discussions with: <ul style="list-style-type: none"> <li>Groups of women, poor, vulnerable and excluded people to identify their perspectives and priorities which needs to be addressed by the laws/policies;</li> <li>Relevant GESI specialists/experts at different level to make sure that all GESI related issues are well covered by the policy</li> <li>Wider stakeholders, i.e. relevant government and non-government stakeholders, civil society organizations, in the specific sectors</li> </ul>	Dedicated consultations are organized with women and excluded groups, as well as GESI experts to inform legal/policy review	
Provide required support to PLGs for GESI sensitive/ response formulation/ reform of	Develop a model GESI Strategy/Policy for consideration by PLGs	Model GESI Strategy/Policy for PLGs developed	
	Facilitate and provide required technical support to PLGs to develop/draft/adapt GESI Policy/ GESI strategy /GESI guidelines/ other GESI tools	Technical support provided to PLGs to develop/ draft/	

Objectives	Key Activities	GESI Strategy Indicators	PLGSP Outputs
policies, laws, strategies, guidelines and tools		adapt GESI strategy/ policy	
	Provide technical support and guidance to PLGs to integrate GESI perspectives and aspect in revising and formulating new policies, laws, guidelines, directives, based on their needs	Technical support provided to PLGs to integrate GESI perspectives when formulating/ revising policies,	
	Support the PLGs to establish systems and structures to ensure GESI considerations are well reflected in formulation of policies/laws.	Support provided to PLGs to establish systems	

PLGSP will enhance GESI understanding and capacity among officials, representatives, and staff through customized training and mentoring. The program will also promote the participation of women and excluded groups in decision-making, ensuring inclusive policies and services. Regular monitoring and collaboration with other initiatives will foster sustainable GESI efforts.

**Table 37: Capacity Development**

Objectives	Key Activities	GESI Strategy Indicators	PLGSP Outputs
Ensure all PLGSP capacity development initiatives are GESI sensitive and responsive	<b>Manuals and Materials</b> <ul style="list-style-type: none"> <li>Develop/adapt GESI and inclusive governance training manual and pedagogic materials, including gender transformative approach for building capacity of all provincial and local government staff and elected representatives</li> <li>Develop dedicated training materials on transformative leadership for PLG officials and elected representatives</li> <li>Include dedicated, contextualized sessions/discussions on GESI in all relevant thematic trainings/workshops and interactions organized by PLGSP</li> </ul>	Relevant capacity materials on GESI developed and utilized	All
	<b>Participant selection</b> The composition of capacity development participants must be gender sensitive and socially inclusive. Hence, PLGSP will: <ul style="list-style-type: none"> <li>Collect and update disaggregated information of target groups, i.e. sex, disabilities, caste, ethnicity, geography, age and religion</li> <li>Special provisions to encourage the participation of women and people from excluded groups</li> <li>Invitations should encourage sending capacity development participants that</li> </ul>	Participants of capacity development initiatives reflect equality and diversity	

Objectives	Key Activities	GESI Strategy Indicators	PLGSP Outputs
	<p>are women or people from excluded groups</p> <ul style="list-style-type: none"> <li>In case of not adequately inclusive participation from government agencies, increase the number of participants from women and excluded groups</li> </ul>		
	<p><b>Resource Persons</b> PLGSP will develop a brief guideline for selection of resource persons throughout all capacity development initiatives, including:</p> <ul style="list-style-type: none"> <li>Priority should be given to Resource person from local communities with good understanding of the local culture and context</li> <li>Gender balanced and inclusive selection of resource persons (with emphasis on parity and diversity)</li> <li>If only one Resource person is required, then Resource person should be GESI aware and sensitive, which should be clearly mentioned in ToR.</li> </ul>	Resource persons of capacity development initiatives reflect equality and diversity	
	<p><b>Venues and Timing</b></p> <ul style="list-style-type: none"> <li>Selection of gender and disability sensitive venues (safe, provisions of accessible</li> <li>venue for persons with disabilities, provisions of separate, clean and disability friendly toilets for men and women, etc.)</li> <li>Ensure to set times that suit all participants, including women with young children, those engaged in other work, including domestic/care work</li> <li>Provision of care takers for participants with young children</li> </ul>	Venues and timings for capacity development initiatives are well suited to all participants	
	<p><b>Language</b></p> <ul style="list-style-type: none"> <li>Ensure that Resource Persons and participants use GESI sensitive language, with no use of socio-culturally biased/discriminatory proverbs, jokes or offensive terminology</li> <li>Ensure accessible information including provision with sign language interpreter, brail if required</li> <li>Provision of translation to local languages, if required.</li> </ul>	GESI sensitive language is used in all capacity development initiatives	
	4.1.6. Organize basic and comprehensive GESI orientations/inductions/trainings to all	Basic and comprehensive GESI	

Objectives	Key Activities	GESI Strategy Indicators	PLGSP Outputs
	PLGSP staff and provide relevant GESI updates on a regular basis	orientations/ inductions/ trainings provided to all PLGSP staff	
Support to enhance capacities of PLGs to promote GESI	Support to enhance capacities of PLGs to promote GESI	Basic GESI capacity development initiatives organized for government officials and elected representatives	
	Organized targeted capacity development initiatives for select groups of officials and elected representatives - i.e. male elected representatives/ male leaders; women elected representatives, including from Dalit and other excluded groups on key areas. This will include dedicated support to 'GESI Champions' at the provincial and local levels.	Targeted GESI capacity development initiatives organized for select groups of officials and elected representatives	
	Enhance institutional capacities of PRTA as long-term capacity development centres with strong ownership among Provincial Governments and capacity to provide technical support and guidance, promote the use of relevant tools and systems, and engage with CSO for GESI-related monitoring and accountability.	PCGGs have enhanced capacity and are owned by the PGs to continue to perform their roles beyond the scope of PLGSP	

### 9.5. Monitoring, Reporting and Evaluation

- PLGSP's Monitoring, Reporting, and Evaluation framework aligns with the Programme Theory of Change, emphasizing changes in assets, income, and service access for relevant groups. Progress will be measured against GESI-related indicators using both quantitative and qualitative data.
- A GESI monitoring checklist as part of Monitoring Checklist will be used to ensure the effective integration of GESI at all levels. Inclusive M&E teams, representing women and excluded groups, will be prioritized.
- Additionally, capacity development support will be provided to enhance PLGs' monitoring and evaluation capabilities, with an emphasis on GESI-sensitive practices throughout planning, reporting, and program adjustments.

**Table 38: GESI Monitoring (Template)**

Objectives	Key Activities	GESI Strategy Indicators	PLGSP (2025-29) Outputs
GESI sensitive monitoring, reporting is established	<b>Monitoring</b> <ul style="list-style-type: none"> <li>GESI sensitive and inclusive monitoring teams, i.e., provisions of including GESI experts/GESI focal points (in case of</li> </ul>	PLGSP monitoring teams and processes	

Objectives	Key Activities	GESI Strategy Indicators	PLGSP (2025-29) Outputs
throughout PLGSP	<p>unavailability of GESI expert other staff with GESI knowledge should be included in monitoring team)</p> <ul style="list-style-type: none"> <li>• Consultation with different stakeholders including target groups</li> <li>• Ensure to maintain and include disaggregated data based on sex, caste, caste, geography, religion</li> <li>• Evidences about the changes in issues affecting women and excluded and vulnerable groups</li> </ul>	are GESI sensitive	
	<p><b>Reporting</b></p> <p>Develop and use of GESI sensitive reporting formats, including:</p> <ul style="list-style-type: none"> <li>• Disaggregated data of participants in Programme initiatives</li> <li>• Impact result on lives of women and inclusion groups</li> <li>• Case studies and voices of women and people from excluded groups</li> <li>• Documentation of good practices from GESI perspectives</li> <li>• Documentation of the impact on the lives of the target beneficiary groups</li> </ul> <p>Based on the above, PLGSP will prepare an annual GESI assessment taking stock of progress, challenges and opportunities for improvements.</p>	PLGSP reporting is GESI sensitive PLGSP prepares an annual GESI assessment	
	<p><b>Evaluation</b></p> <ul style="list-style-type: none"> <li>• GESI sensitive and inclusive evaluation teams (provision of GESI specialist/expert)</li> <li>• Provision of GESI orientation to evaluation teams</li> <li>• Ensure to include questions on GESI linked with the programme</li> <li>• Ensure to collect feedback from direct beneficiaries and other relevant stakeholders,</li> <li>• especially women and people from excluded groups</li> <li>• Evaluation data disaggregated by sex, caste, ethnicity, sexual orientation, disability and other relevant variables</li> </ul>	PLGSP evaluation teams and processes are GESI sensitive	All
Support PLGs to enhance institutional and individual capacities and systems for GESI sensitive	Organize dedicated capacity development initiatives on GESI sensitive monitoring, reporting and evaluation for focal points at PLGs	PLG focal points have enhanced capacity for GESI sensitive monitoring, reporting and evaluation	

Objectives	Key Activities	GESI Strategy Indicators	PLGSP (2025-29) Outputs
monitoring, reporting and evaluation	Develop systems and tools on GESI sensitive monitoring, reporting and evaluation for adaptation and adoption by PLGs, including a model guideline for GESI-sensitive monitoring, reporting and evaluation for PLGs	Systems, tools and guidelines on GESI sensitive monitoring, reporting and evaluation are developed and utilized by PLGs	

#### 9.6. Institutional and Management Level: GESI Policy

PLGSP will regularly review policies and practices, develop and implement GESI-sensitive policies, organize capacity development on GESI, and provide support to PLGs to promote equality, diversity, and an enabling environment.

**Table 39: Institutional and Management Level: GESI Policy**

Objectives	Key Activities	GESI Strategy Indicators	PLGSP (2025-29) Outputs
GESI is integrated throughout all PLGSP institutions and management to create an enabling environment for all PLGSP staff	Effective implementation of the GESI strategy. Develop and implement GESI sensitive and responsive HR policies for ensuring gender parity and diversity in PLGSP	GESI sensitive HR policies are in place	
	Enabling environment Abuse, zero-tolerance on any form of discrimination	All PLGSP staff participate in trainings on GESI, GBV, PSEA	
	Establishment of internal complaint handling mechanism ( user-friendly and easily accessible grievance mechanism) and provision of related orientation to PLGSP staff	Internal complaints handling mechanism established	
	Provision of flexible working hours for pregnant women, lactating mothers and dedicated resting and lactating space for PLGSP staff	Flexible working hours provided to staff as per needs	
	Accountability: Ensure to include specific GESI related targets in all job descriptions/ToRs and performance reviews of all PLGSP staff	GESI related targets included in all PLGSP staff ToRs and performance reviews	

Objectives	Key Activities	GESI Strategy Indicators	PLGSP (2025-29) Outputs
	<p>GESI Focal Points</p> <p>a) Ensure mandatory participation of GESI focal points/person in any policy and management related discussion and meetings</p> <p>b) Ensure participation of GESI focal points/person in meetings/consultation related with program planning, budgeting, M &amp; E etc.</p> <p>c) Regular capacity building of GESI focal points on GESI, GRB, GBV and GESI mainstreaming in plans, programmes, policies etc.</p>	GESI focal points are appointed, have enhanced capacity and are actively engaged in relevant processes	
Support integration of GESI at institutional and management levels of federal, PLGs	Develop model GESI sensitive HR policies and policies to prevent sexual exploitation, abuse and harassment, to promote gender parity, diversity and an enabling working environment for all in PLGs, and organize orientations on these policies for elected representatives and officials at PLGs		
	Promote mandatory provision and provide dedicated support to GESI focal points (officer level) in concerned federal, provincial and local government line Ministries, departments, sections		
	Support and facilitate to institutionalize and conduct GESI Audits and Social Audits in PLGs		
	Update 'Guidelines on GESI Mainstreaming in Governance' (Annex 16 and PLGSP ProgDoc) for consideration and use among PLGs	Updated 'Guidelines on GESI Mainstreaming in Governance' developed and utilized by PLGs	
	Provide dedicated support to LGs to utilize special grants, with focus on women and excluded groups	Dedicated supported is provided	

#### 9.7. Information Sharing and Awareness Raising:

PLGSP will help the implementing agencies develop and disseminate GESI-sensitive information-sharing and awareness-raising materials to enhance communication and visibility with key stakeholders and the public. The Programme will also provide support to PLGs to improve their capacity for GESI-sensitive communication and information-sharing efforts

**Table 40: Information Sharing and Awareness Raising**

Objectives	Key Activities	GESI Strategy Indicators	PLGSP (2025-29) Outputs
Ensure that all PLGSP information sharing and awareness raising materials are GESI sensitive	Ensure that all PLGSP information sharing and awareness-raising materials are: <ul style="list-style-type: none"> <li>i. Simple, culturally sensitive, and locally contextualized</li> <li>ii. Captures the need/issues/problems and concerns of women and excluded groups</li> <li>iii. Use of GESI sensitive and local languages as much possible</li> <li>iv. Relevant and practical so that everyone can understand the essence of the messaging</li> </ul>	PLGSP awareness raising materials are GESI sensitive	
	Develop and disseminate dedicated information sharing and awareness raising materials on GESI, including best practices on GESI by PLGs	GESI-specific information sharing and awareness raising materials developed and disseminated	
Support PLGs to ensure GESI sensitive information sharing and awareness-raising	Provide dedicated capacity development support to PLGs to promote information sharing and awareness-raising materials that are: <ul style="list-style-type: none"> <li>• Simple, culturally sensitive, and locally contextualized</li> <li>• Captures the need/issues/problems and concerns of women and excluded groups</li> <li>• Use of GESI sensitive and local languages as much possible</li> <li>• Relevant and practical so that everyone can understand the essence of the messaging</li> </ul>	PLGs have enhanced capacity to develop and distribute GESI sensitive awareness raising materials	
	7.2.2. Develop systems, tools and guidelines, and provide dedicated capacity development support for PLGs to ensure citizens rights to access to information at provincial and local level	Systems, tools, guidelines and capacity development initiatives on right to information are developed and utilized by PLGs	

## 9.8. Human Right -based Approach

Engage with civil society organizations promoting the rights of women and excluded groups to ensure GESI advancement, align with national laws, and enhance citizen engagement and participation in decision-making processes.

**Table 41: Collaboration with Right-based Organization**



Objectives	Key Activities	GESI Strategy Indicators	PLGSP (2025-29) Outputs
Women and excluded groups are actively engaged in and influence all aspects of PLGSP programming	Ensure engagement and influence of women and excluded groups in annual PLGSP planning (ASIPB/P-ASIPBs)	Women and excluded groups are consulted in PLGSP planning processes and their voices and opinions are incorporated	
	Ensure participation of women and excluded groups in PLGSP monitoring and evaluation, including regular monitoring, mid-term review, third-party monitoring and final evaluation	Women and excluded groups are consulted in PLGSP monitoring and evaluation and their voices and opinions are incorporated	
Women and excluded groups are increasingly engaged and participate in planning, decision-making and implementation of initiatives with PLGs	Develop a model policy for enhanced engagement and participation of women and excluded groups in different committees/groups in LGs, for LGs consideration	Model policy for engagement and participation of women and excluded groups in LG committees developed	
	Develop a model policy for enhanced engagement and participation of women and excluded groups in local level planning, including the seven-step planning process, for LGs consideration	Model policy for engagement and participation of women and excluded groups in PLG planning is developed	
	Include provision in IPF operational guideline to promote active engagement and participation of women and excluded groups in planning and implementation of IPF-funded initiatives	IPF operational guideline includes provision on participation of women and excluded groups	

PLGSP will support PLGs to develop and adapt administrative systems, procedures, and enhance capacities essential for promoting GESI-sensitive governance, ensuring functionality, sustainability, inclusivity, and accountability including harassment policy (**Annex 9.4**) across all levels and sectors.

## 9.9. GESI Reporting

The implementing agencies will prepare an annual GESI report and submit to related agencies (**refer Annex 9.5**)

## SECTION X: PROGRAMME EXIT PLAN

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The implementation guidelines will work out the roles and responsibilities and process of programme exit and handover.

### 10.1. Sustainability Strategy

#### 10.1.1. Capacity Building

- a) Beginning in 2027, PLGSP's exit strategy focuses on ensuring sustainability and minimizing disruptions. The goal is to empower provincial and local governments to continue providing high-quality services and fulfil their constitutional mandates. The strategy outlines clear guidelines and a comprehensive communication plan to maintain cooperation and momentum throughout the transition.
  - b) A central aspect of sustaining the programme's achievements lies in building local capacity through resource mobilization, leadership development, and participatory action research. By establishing collaborations from local to federal levels, the progress achieved during PLGSP will continue beyond the exit of external support. The exit strategy incorporates comprehensive capacity-building, local resource mobilization, strengthened policy frameworks, proactive risk management, and a well-structured handover plan.
  - c) Key principles of the strategy involve engaging all stakeholders to ensure a smooth transition and the long-term sustainability of the programme's benefits. Prioritizing local capacity-building efforts empowers local governments to independently mobilize resources and manage programme effectively. Emphasizing leadership development and participatory action research ensures a strong foundation for continued progress.
  - d) Through these guidelines, the PLGSP aims to create an environment where provincial and local governments can thrive independently, maintaining the momentum of positive change initiated by the programme. A well-coordinated exit strategy with clear communication, thorough capacity-building, and active stakeholder engagement is vital for the sustainability and success of PLGSP.
- a) **Capacity Development in GRID:** PATRA will support strengthen the capabilities of local governments to effectively manage resources and implement policies aligned with GRID objectives through training programme.
  - b) **Stakeholder Collaboration:** NSC, PSC, PTA and PATRA will support foster collaboration among government entities, development partners, private sector and civil society to enhance intervention effectiveness and resource allocation for GRID actions.
  - c) **Training and Knowledge Sharing:** PARTA will organize targeted training packages for relevant officials to equip them with the skills needed for high-quality service delivery and innovative practices in GRID.
  - d) **Policy Support:** NSC, PSC and PTA will assist provincial and local governments in developing policies and guidelines that create an environment for sustainable governance and development.
  - e) **GESI Integration:** NSC, PSC and PTA will support PLGs to promote GESI principles to ensure equitable benefits from development efforts in GRID actions.
  - f) **Planning and Budgeting:** PSC will support provincial and local governments in integrating GRID related actions in planning and budgeting processes to effectively allocate resources.

- g) **Monitoring and Evaluation:** NSC and PSC will support PLGs to integrate GRID indicators in MEL system.

### 10.1.2. Promoting GRID Approach

The implementing agencies, especially PLGs, should integrate the GRID approach by prioritizing green infrastructure, climate resilience, and social inclusion in all PLGSP activities. Adjust annual budgets and realign development partnerships across government tiers to ensure effective implementation, fostering sustainable development and long-term positive impacts. The PLGSP enhances the capacity of provincial and local governments to implement sustainable solutions that create green jobs and support vulnerable populations and women. PSC, PTA and PATRA will support the implementing agencies in the following areas:

**Table 42: Supporting in Adopting GRID: Action Plan**

Key Areas	Year I	Year II	Year III	Year IV	Year V
<b>GESI</b> Build inclusion into all programs to unlock the potential of women, Dalits, and other vulnerable groups to contribute to and benefit from economic growth					
<b>Environmental Governance</b>					
Strategic Environmental and Social Assessment,					
Environmental Impact Assessment					
Monitoring					
<b>Private Capital Mobilization:</b> Enable private capital mobilization: Unlock private investment with good policy and projects Accelerate Digital Development					
<b>Accelerate digital development:</b> Expand digital solutions and disruptive technologies					

### 10.2. Procedure of Exit Plan

The exit plan focuses on programme's impact assessment, capacity building, knowledge management/transfer and stakeholder engagement. The exit plan action plan (**Annex 10.1**) will be detailed out based on following strategical actions

**Table 43: Exit Plan**

SN	Activities	Time Line	Responsibility	Remarks
1	Conduct MTR	By Second Year	PCU	Report
2	Adopt changes (Procedures, innovation, human resources)	Regular as required	NSC and PSC	Based on periodic monitoring & MTR (ASIPB/PSIPB)

<b>SN</b>	<b>Activities</b>	<b>Time Line</b>	<b>Responsibility</b>	<b>Remarks</b>
3	Knowledge Management and Technology transfer	3 <sup>rd</sup> year onwards	PSU/PPSU/PRTA	Documentation, orientation, institutionalization
4	Final Evaluation.	5 <sup>th</sup> year	PCU/MoFAGA	Reports
5	Handover (Assets and Documents) – <b>Annex 10.2</b>	5 <sup>th</sup> year	PCU/MoFAGA/PPSU/OCMCM	Check list ( Annex )
6	Design new Programme	5 <sup>th</sup> year	NSC/MoFAGA	Based on Final Evaluation

## ANNEXES

### Annex 1. Programme in Nutshell

#### Annex 1.1 Summary of Result Indicators

Governments	Outcomes/ Outputs	Indicators
<b>Federal</b>	<b>Outcome 1.</b> Federal level Government institutions and intergovernmental mechanisms are fully functioning in support of federal governance as per the Constitution	1. a. XX numbers of Acts/regulations will be formulated 1. b. XX numbers of Acts/regulations will be amended 2. a. XX numbers of policies, strategies and guidelines be formulated 2. b. XX numbers policies, strategies and guidelines be updated 3. xxx number of of these mechanisms will be held
	<b>Output 1:</b> Federal-level institutions have GESI-sensitive legislation, policies and strategies in support to devolved Good Governance of provinces and local governments	1. XX numbers of Acts/Laws passed 2. XX number of policies will be formulated. 3. XX numbers of strategies will be drafted and adopted
	<b>Output 2:</b> Federal horizontal and vertical intergovernmental mechanisms and relations are strengthened to 'Leave No One Behind'.	1. X numbers of meetings of IPCC will be held 2. X numbers of meetings of NCC will be held 3. X numbers of meetings of IGFC will be held
	<b>Output 3:</b> Inclusive service delivery by provinces and local governments strengthened through Tools and Systems for Capacity Development (Local Development Training Academy, LOTA/ Provincial Research and Training Academy, PRTA), GESI, Public Financial Management (PFM/ Fiscal Federalism, Information and Communications Technology (ICT) and others.	1. LDTA, PRTA and X numbers of PRDAs will be established to make them fully functional and effective. 2. X numbers of GESI-Related tools and systems will be installed 3. X numbers of Fiscal Federalism/PFM-related tools and systems will be installed 4. X numbers of ICT tools and systems for good governance will be installed
<b>Province</b>	<b>Outcome 2.</b> Provincial Governments have efficient, effective, inclusive, and accountable institutions and organizations.	1. X numbers of PG will have XX numbers of GESI-responsive Acts/Regulations/Policies/ Strategies for provincial governance 2. X numbers of PG will formulate/amend XXX numbers of Acts/Regulation related to Schedule 6 and Schedule 7 and 9 of the constitution for provincial and local governance 3. X numbers of PGs will formulate/update XXX numbers of provincial policies,

Governments	Outcomes/ Outputs	Indicators
		strategies and guidelines for the strengthening federal governance system 4. Provincial IG mechanisms will hold X number of meetings.
	<b>Output 4:</b> Provincial institutions, organizations and capacity of elected representatives and staff, are strengthened for Provincial Good Governance, inclusive service delivery and GESI responsiveness	1. Provincial Acts/regulations/policies will be designed and are GESI responsive and operationalised inclusively 2. CD training for elected representatives will be given 3. CD training for staff will be given
	<b>Output 5:</b> Horizontal collaboration among Local Governments and vertical collaboration across Local Governments, Provinces and Federal Government is institutionalized and strengthened through intergovernmental mechanisms, Civic Engagement, Local Governance Associations and Innovative Partnership Fund.	1. X numbers of PCC meetings will be held regularly 2. LG Associations X numbers provincial chapters will be institutionalized and capacitated for involving the LG's voices and concerns in the provincial planning, policy-making, and programming 3. XX numbers of IPF projects will be selected, implemented and deliver results
	<b>Output 6:</b> Provincial Research and Training Academies have capacity to sustainably deliver demand-driven capacity development services for PLG institutions, organizations, their staff and elected representatives, to perform their institutional functions and to deliver inclusive services	1. X numbers of PRTAs will be established 2. X numbers of PRTAs will provide capacity development training to XXX numbers of elected representatives 3. X numbers of PRTA will provide capacity development training to XXX numbers of PLGs staff
Local Level	<b>Outcome 3:</b> Local Governments have capacity for Good Governance and for delivering inclusive basic services to all people.	1. XXX numbers of local governments will have diversity and inclusion-responsive Acts/Regulations related to federal law 2. XXX numbers of local governments will have diversity and inclusion responsive Acts/Regulations related to Schedules 8 and 9 of the constitution for local governance 3. XXX LGs will have the capacity for participatory planning and budgeting and target the most marginalized section of society 4. XXX LGs will have XX PFM systems and tools, XX numbers of GESI Tools and systems, XX ICT tools and systems for effective service delivery

Governments	Outcomes/ Outputs	Indicators
	<b>Output 7:</b> Local Government institutions and organizations, including elected representatives and staff, are strengthened and accountable for Good Governance, intergovernmental Collaboration, Civic Engagement and GESI responsiveness	<ol style="list-style-type: none"> <li>1. XXX numbers of LGs will organize X numbers of CD training for XXX numbers of elected representatives and staff</li> <li>2. XXX numbers of LGs will have X numbers of PFM systems and Tools</li> <li>3. XXX numbers of LG demand XX number of CD for the long-term transformative process to enhance LGs capacity.</li> </ol>
	<b>Output 8:</b> Local Government Basic Service Delivery Systems deliver effective, sustainable and inclusive services to all people, especially the most marginalized and remote.	<ol style="list-style-type: none"> <li>1. XXX numbers of LGs will have first municipal profiles, XXX numbers of LGs will have a strategic plan and periodic plans documents, and XXX numbers of LGs will have a second periodic plan.</li> <li>2. XXX numbers of LGs will prepare the MTEF themselves and make a doable Annual Policy, and Programme and Budget</li> <li>3. XXX numbers of LGs will have XX numbers of ICT systems and tools for delivering good quality services</li> </ol>
	<b>Output 9:</b> Civic Engagement, social inclusion and external accountability mechanisms are internalized by Local Governments to ensure meaningful inclusive service benefits and performance accountability to people	<ol style="list-style-type: none"> <li>1. XXX numbers of LGs will organize XXX numbers of public hearings for planning and budgeting sessions at the settlement/ ward level and XXX social audits after programme implementation. Good practice sharing of GESI inclusion sessions and XXX numbers of LGs will organize XXX numbers of good practice sharing of civic engagement sessions</li> <li>2. XXX numbers of LGs will organize XXX numbers of good practice sharing of GESI inclusion sessions, and XXX numbers of LGs will organize XXX numbers of good practice sharing of civic engagement sessions</li> <li>3. PRDAs will embed X numbers of effective tools and approaches in its GESI CD capacity approaches and packages, and they will also embed X numbers of civic engagement in its CD capacity</li> <li>4. The PRTA will embed effective X numbers of tools and approaches in its GESI CD capacity approaches and packages for PLG elected representatives, and they will embed X numbers of effective tools and approaches in its GESI CD capacity approaches and packages for PLG staff</li> </ol>

Note : For detail refer to PLGSP ProDoc.

## Annex 1.2 : Summary of Implementation Plan

Key Areas	FY 1	FY 2	FY 3	FY 4	FY 5	Responsibility
<b>Strengthen Policy, Legal and Institutional Reforms:</b> a) Identify key policy and legal gaps of related to federalism implementation. b) Draft and propose policy and legal reforms c) Implement the approved reforms actions. d) Adopt and institutionalize successful reforms. e) Monitor and evaluate reform outcomes.						NSC/PSC/LGs
<b>GESI:</b> a) Inclusive Governance: Ensuring that governance structures at all levels are inclusive and representative of diverse groups, including women, marginalized communities, and other vulnerable populations. b) Capacity Building: Enhancing the capacity of provincial and local governments to deliver inclusive services and development outcomes effectively. c) Policy and Planning: Integrating GESI perspectives into policy formulation, planning, and budgeting processes to address specific needs and challenges faced by women and marginalized groups. d) Monitoring and Evaluation: Establishing mechanisms to monitor and evaluate the implementation of GESI strategies to ensure accountability and continuous improvement. e) Awareness and Advocacy: Conducting awareness-raising and advocacy activities to promote gender equality and social inclusion at all levels of society.						NSC/PSC/LGs
<b>IGR:</b> a) Strengthening existing and new Intergovernmental mechanisms b) Streamline the dual functions of Provincial Coordination Councils c) Enhancement of District Coordination Committees						NSC, PSC, LGs MuAN, NARMIN, DCC



Key Areas	FY 1	FY 2	FY 3	FY 4	FY 5	Responsibility
d) Create synergy by integrating ASAPB and PASIPB to achieve the results mentioned in ProDoc. e) Promotion intergovernmental collaboration and coordination.						
<b>Capacity Building</b> a) TNA: Conduct training need assessment (TNA) b) Develop curriculum and training packages along with updated roster of resource persons. c) Prepare/Update training calendar and implement training packages for officials of PLGs, d) Evaluate training impact and adjust in next training e) Expand training to additional stakeholders (CBOs, NGOs etc.) f) Final assessment and documentation of capacity development.						a) PRTAs b) NPM/PCU c) PPM/PPSU d) MuHN e) NARMIN f) LDTA
<b>Service Delivery Improvement</b> a) Assess current service delivery (quality and coverage) mechanisms b) Prepare /Update service standard for key services. c) Implement service delivery actions. d) Scale up successful and transformative initiatives (e.g. digital governance initiatives), e) Evaluate service delivery improvements (in term of service standard and coverage) f) Finalize and document best practices. g) Integrate adopting and mitigation measures in annual program and budget to address climate change impact.						PGs, LGs
<b>Community Participation/ Civic Engagement</b> a) Ensure civic community engagement in policy formulation, planning, implementation and monitoring using community participation tools (e.g. community consultation, public hearing, public audit, citizen report card etc) . b) Facilitate community forums and feedback sessions, c) Implement community-empowerment actions, d) Document lessons learned and best practices.						PPSU/LGs/ PRTA NARMIN MuAN

Key Areas	FY 1	FY 2	FY 3	FY 4	FY 5	Responsibility
<b>Monitoring and Evaluation Framework :</b>						
a) Conduct/update baseline assessments						PCU
b) Develop MEL framework and indicators of individual implementing agencies,						PCU,PPSU
c) Conduct periodic monitoring						PCU,PPSU,DP,DDC, Third party
d) Perform mid-term evaluations,						PCU
e) Adjust program based on evaluation findings,						PCU
f) Complete final evaluations and share results.						PCU
<b>Sustainability and Exit Strategy</b>						
(a) Policy framework and Institutional mechanism at PLGs are in place and effective enough to ensure service delivery satisfactory to approved service standard.						PCU/PLGs
(b) Secure financing resources to fund continuation and scale of the programme (review financial allocations and expenditures, ensure sustainability of funding sources)						NSC/PCU/MoFGA, OCMCM/PSC, LGs
(c) Conduct MTR						PCU
(d) Final evaluation						PCU
(e) Handover: - Knowledge management, - Assets						PCU, PPSU, PRTAs

## Annex 2: Programme Governance Structure

### Annex 2.1. Template of Agendas

<b>A. Agenda:</b>	1. 2. 3. 4. 5.
<b>B. Date:</b>	[Insert Date]
<b>C. Time:</b>	[Insert Time]
<b>D. Location:</b>	[Insert Location] / Virtual Meeting Link: [Insert Link]

**E. Welcome and Opening Remarks:** Chairperson

**F. Review of Previous Meeting Minutes:** |

- Approval of minutes
- Follow-up on action items

**G. Programme Updates**

- Approval of Annual budget and programme
- Annual Progress Report
- Financial Monitoring Report
- Key initiatives and milestones
- Etc..

**H. Discussion on Key Agenda Items**

- Review Implementation Guidelines
- Mid-Term Review (MTR)
- Terms of Reference and timeline
- Monitoring, Evaluation, and Learning (MEL) Baseline
- Third Party Monitoring updates
- Gender Equality and Social Inclusion (GESI) Strategy

**I. New Proposals and Approvals**

- Presentation of new proposals
- Discussion and approval of proposals

**J. Open Floor for Additional Comments and Questions**

## Annex 2.2 Minutes Meeting (Template)

Date:	Insert Date
Time:	Insert Time
Location:	[Insert Location] / Virtual Meeting Link: [Insert Link]
Attendees:	Chairperson: [Name] [List of Attendees]
Welcome and Opening Remarks	The Chairperson, [Name], welcomed everyone and thanked them for their attendance. (Key highlight)
Review of Previous Meeting Minutes	The minutes from the previous meeting were reviewed and approved.
Programme Updates	<ul style="list-style-type: none"> <li>i. Implementation Guidelines</li> <li>ii. Mid-Term Review (MTR)</li> <li>iii. Terms of Reference and timeline</li> <li>iv. Monitoring, Evaluation, and Learning (MEL) Baseline</li> <li>v. Third Party Monitoring updates</li> <li>vi. Gender Equality and Social Inclusion (GESI) Strategy</li> </ul>
Discussion on Key Agenda Items	<ul style="list-style-type: none"> <li>i. Implementation Guidelines, 2025 approved.</li> <li>ii. Mid-Term Review (MTR) approved.</li> <li>iii. Monitoring, Evaluation, and Learning (MEL) Baseline shared and decided to use for result monitoring.</li> <li>iv. Third Party Monitoring updates shared and approved.</li> <li>v. Gender Equality and Social Inclusion (GESI) Strategy</li> </ul>
New Proposals and Approvals	
Open Floor for Additional Comments and Questions	Additional points raised by participants:
Closing Remarks	Summary of closing remarks and action agenda.
Prepared by:	
Approved by:	
Minutes of the Steering Committee Meeting	
Date:	Insert Date

### Annex 3: Roles And Responsibilities Of Implementing Agencies

#### Annex 3.1: PG Process for Enactment of Laws/Act

Steps	Activities	Responsible
1.	Problem/need identification	Division of MoPID
2.	Obtain consent on principles	MoIAL, subject ministry and Council of Ministers
3.	Pre-consultation with stakeholders	Division
4.	Preliminary draft of the Bill	Division
5.	Draft bill by respective section/Review by legal section, solicit input within the Ministry	Related Ministry's Legal section
6.	Approval by Minister	Secretary/division head
7.	Circulate to other Ministry and stakeholders and get feedbacks	MoPID Secretary
8.	Finalization of Draft Bill	Division of related ministry
9.	Review and consent from Ministry of Internal Affairs and Law (MoIAL) and Ministry of Economic Affairs and Planning (MoEAP)	Ministry of Internal Affairs and Law (MoIAL) and Ministry of Economic Affairs and Planning (MoEAP)
10.	Table to Council of Ministers- Province Cabinet	Minister
11.	Approval/Pass by the Province Council of Ministers	Council of Ministers
12.	Register in the Secretariat of Province Assembly	Council of Minister/Cabinet Secretariat
13.	Distribute to all Assembly Members	Council of Minister/Cabinet Secretariat
14.	Table to Full House of Province Assembly	Council of Minister/Cabinet Secretariat
15.	Principle discussions at Full House and forward to the respective sectoral committee for further deliberation	Full House
16.	Deliberation by Sectoral/ Thematic Committee review/revise and forward to the Full House	Respective Committee
17.	Passed by the Province Assembly	Full House
18.	Signed by Speaker/Chief of House and submitted to the Head of the Province for Authentication	

Source: The Constitution of Nepal 2015

*Note: There is not fixed timeline but if urgent it takes at least one year*

### Annex 3.2: PG Process to Enact Policy, Regulation, and Directives

SN	Activities	Responsible
1.	Problem/need identification	Division of Ministry
2.	Pre-consultation with stakeholders	Division of Ministry
3.	Preliminary draft	Division of Ministry
4.	Review by legal section, intra-ministry discussions/sharing	Division of Ministry
5.	Table to Minister	Secretary/division head
6.	Circulate to other Ministry and stakeholders and solicit feedback	Respective sections/focal sections of sectoral ministries, institutions
7.	Final Draft	Division of Ministry
8.	Table to Province Council of Ministers (Cabinet)	MoPID Minister
9.	Approval and issuance	Cabinet-Council of Minister

Source: The Constitution of Nepal 2015

**Note:** There is not fixed time line but in practice it takes at least six months

### Annex 3.3: Process formulating Acts by the LG Assembly

SN	Procedural Steps	PLGSP Support
1.	Problem/need identification	Yes
2.	Obtain consent on principles	Yes
3.	Pre-consultation with stakeholders	Yes
4.	Preliminary draft of the Bill	Yes
5.	Draft bill by respective section/Review by legal section	Yes
6.	Approval by Executive Committee	
7.	Approval/Pass by the Executive committee	
8.	Finalization of Draft Bill	
9.	Table to Secretariat of LG Assembly	
10.	Distribute to all Assembly Members	
11.	Distribute to ward committees and stakeholders for suggestions (optional)	
12.	Passed by the Assembly	
13.	Signed by the Chair of Assembly and forward to Chair/Mayor for Authentication.	

#### Annex 3.4: LG Process on Developing Policy, Regulation, and Directives

Steps	Activities	Responsible
1.	Problem/need identification	PLGSP TA
2.	Pre-consultation with stakeholders	PLGSP TA
3.	Preliminary draft	PLGSP TA
4.	Review by legal section	Legal section
5.	Table to Executive Committee	Administrative Officer
6.	Circulate to other members and stakeholders and solicit feedback	Administrative Officer
7.	Final Draft	Administrative Officer
8.	Table to Executive committee	Chair/Mayor
9.	Approval and issuance	Executive Committee

Source: LGOA 2074

#### Annex 3.5: LG Process for Enactment of Laws/Act

Steps	Activities	Responsible
1.	Problem/need identification	PLGSP TA
2.	Obtain consent on principles	PLGSP TA
3.	Pre-consultation with stakeholders	PLGSP TA
4.	Preliminary draft of the Bill	PLGSP TA
5.	Draft bill by respective section/Review by legal section	PLGSP TA /Legal section
6.	Approval by Executive	Executive Officer
7.	Circulate to executive members and stakeholders and get feedbacks	Related section of LG office
8.	Finalization of Draft Bill	Related section of LG office
9.	Table to Secretariat of LG Assembly	Chief Administrative Officer
10.	Distribute to all assembly member	Chief Administrative Officer
11.	Distribute to ward committees and stakeholders for suggestions (optional)	Chief Administrative Officer
12.	Passed by the Assembly	Assembly
13.	Signed by the Chair of assembly and forward to Chair/Mayor for Authentication	Mayor/ Chair

Source: LGOA 2074

## Annex 4: Planning And Budgeting

### Annex 4.1: Annual Program & Budget format (Federal/Province)

SN	Program/Activities	Unit	Account Head	Total activities of Program/Project			Total program as of previous FY			Annual Target			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Remarks
				Qty	Cost	Weighted	Completed Qty	Expenditure	Weighted Progress	Qty	Weighted	Budget	Qty	Weighted	Budget	Qty	Weighted	Budget	Qty	Weighted	Budget	Qty	Weighted	Budget	
1	2	3		4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
<b>Programs under Capital Expenditure</b>																									
1																									
2																									
(ka)	<b>Total program under capital expenditure</b>																								
<b>Program under Recurrent Expenditure</b>																									
1																									
2																									
	<b>Total program under recurrent expenditure</b>																								



SN	Program/Activities	Unit	Account Head	Total activities of Program/Project			Total program as of previous FY			Annual Target			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Remarks
				Qty	Cost	Weighted	Completed Qty	Expenditure	Weighted Progress	Qty	Weighted	Budget	Qty	Weighted	Budget	Qty	Weighted	Budget	Qty	Weighted	Budget	Qty	Weighted	Budget	
	<b>Total consumption expenditure under recurrent expenditure</b>																								
	<b>Total operation expenditure under recurrent expenditure</b>																								
kh a)	<b>Total expenditure recurrent expenditure</b>																								
	Grand Total (ka + kha)																								

#### Annex 4.2: Planning and Budgeting ( 8 Steps Process : Province)

Steps/Actions	Timeline	Responsibility
<b>Step 1:</b> Submit revenue and expenditure and receive the budget thresholds from FG	January	Ministry of Economic Affairs and Planning
<b>Step 2:</b> Set the budget thresholds	March	Ministry of Economic Affairs and Planning
<b>Step 3:</b> Share the budget thresholds to the Ministries	April	Ministry of Economic Affairs and Planning
<b>Step 4:</b> Ministries prepare and submit the Programme and budget	April	Provincial Ministries
<b>Step 5:</b> Preparation of Provincial annual plan and budget	May	Ministry of Economic Affairs and Planning
<b>Step 6:</b> Approval of budget and plan from the Council	June	Ministry of Economic Affairs and Planning
<b>Step 7:</b> Submit the budget and plan in the Provincial Assembly	June	Ministry of Economic Affairs and Planning
<b>Step 8:</b> Approval budget and plan from the Provincial Assembly	Asar 30 (15 July)	Provincial Assembly

#### Annex 4.3: Planning and Budgeting (7 Steps Process-LG)

Steps/ Actions Related to Budget Formulation	Timeline	Responsibility
<b>Step 1: Budget pre-planning</b>		
1. Prepare position paper based on evidences (preparing subject specific data/information and analysis).	End of Mansir	Thematic Divisions/Sections
2. Projection of public expenditure for upcoming 3 years as to be mentioned in MTEF.	15 <sup>th</sup> of Paush	Thematic Divisions/Sections, CAO, Thematic Committees
3. Projection of revenues (internal, revenue sharing, royalty, grants and loan) for upcoming 3 years.	15 <sup>th</sup> of Paush	Revenue Consultation and budget ceiling Determination committee.
4. Submit revenue and expenditure detail to MoF (federal ministry) and Economic Ministry of Province.	End of Paush	Revenue Consultation and budget ceiling Determination committee.
5. Division of subject area and assign to members	End of Magh	Municipal Executive
<b>Step 2: Set the budget thresholds</b> Estimate total annual income and set the budget thresholds	By 4th week of April (by 10 of Baisakh)	

Steps/ Actions Related to Budget Formulation	Timeline	Responsibility
6. Receive ceiling and guidelines of grants, royalty and revenue sharing from federal and provincial governments	By Fagun from Federal ministry and by Chaitra from Province	CAO
7. Conduct pre-budget discussion with NGOs, user committees, cooperatives and private sector.	By end of Chaitra	Mayor/Chairperson
8. Prepare policy and programme and present in council.	7 <sup>th</sup> of Baishak	Mayor/Chairperson
9. Prepare basis and guidance for prioritization of budget and programmes.	7 <sup>th</sup> of Baishak	Revenue projection and budget ceiling committee.
10. Prepare guidelines on total budget estimation, determining budget ceiling, and budget formulation.	10 <sup>th</sup> of Baishak	Revenue Consultation and budget ceiling Determination committee.
11. Provide budget ceiling and guidelines to thematic divisions/sections and ward offices.	15 <sup>th</sup> of Baishak	CAO
<b>Step 3: Settlement level planning and project selection</b>	By mid of May (by end of <i>Baisakh</i> )	
12. Prepare workplan and responsibility allocation for settlement/tole level meetings.	End of Baishak	Ward Committees
13. Select projects at settlement/tole level and submit to ward committees.	End of Baishak	Ward Committees and responsible members
<b>Step 4: Project Selection from Settlements</b> Ward priorities plan from the listed/submitted plans prepare a final list of ward level plan	By 28 <sup>th</sup> May (by 15 <sup>th</sup> of <i>Jestha</i> )	
14. Classification of projects received from settlement/tole levels based on thematic areas.	10 <sup>th</sup> of Jestha	Ward Committee/offices
15. Prioritize projects/programmes based on ceiling of ward budget and other strategic projects and submit to budget and programme formulation committee of municipality.	10 <sup>th</sup> of Jestha	Ward Committee/offices
<b>Step 5: Plan and budget preparation</b> Prioritize wards level plan and prepare sectoral plan	By 2nd week of June (by end of <i>Jestha</i> )	
16. Prioritize projects and programmes of thematic areas	15 <sup>th</sup> Jestha	Thematic divisions/sections
17. Discus, prioritize, finalize coding in thematic committees.	25 <sup>th</sup> Jestha	Thematic divisions/sections
18. Prepare proposal for annual budget (revenue, expenditure and financing) and annual development programmes.	End of Jestha	Budget and Programme Formulation Committee.
19. Incorporate and submit the programmes of NGOs and JFA Development Partners.	5 <sup>th</sup> of Asar	Budget and Programme

Steps/ Actions Related to Budget Formulation	Timeline	Responsibility
		Formulation Committee
20. Draft and submit the finance legislation.	5 <sup>th</sup> of Asar	Budget and Programme Formulation Committee
21. Draft and submit the budget allocation legislation.	5 <sup>th</sup> of Asar	Budget and Programme Formulation Committee
<b>Step 6: Executive Committee approve budget and plan</b>	By 3rd week of June (by 5th of Asar)	
22. Approve budget (estimation of revenue, expenditure and financing), annual development programme, MTEF, financing and allocation legislation from municipal executive and submit in municipal assembly.	10 <sup>th</sup> of Asar	Executive Committee
<b>Step: 7: Approval of budget and plan from the LG Assembly</b>  a) Submission of budget and programme  b) Approval of budget and programme	Asar 30 (15 July)	
	By 4th week of June (by 10th of Asar)	
	By mid of July (by end of Asar)	
23. Approve budget (estimation of revenue, expenditure and financing), annual development programmes, MTEF, financing and allocation legislation, and publish finance Act and Allocation Act in “Gadget”.	End of Asar	Local Assembly
24. Prepare budget book and make publication.	15 <sup>th</sup> of Shrawan	CAO

Source: NPC, 2074. Local level planning guidelines

#### Annex 4.4: Classification and Coding GESI Responsive Budget

Basis for GESI Classification	GESI Classification	GESI Code
"If the GESI budget allocation, combined from primary, secondary, and neutral classifications, equals or exceeds 60% of the total program or project budget."	Direct	1
"If the budget allocation combined from primary, secondary, and neutral classifications falls within 10-59% of the total program or project budget."	Contributing	2
"If the combined budget allocation from primary, secondary, and neutral classifications falls below 10% of the total program or project budget."	Neutral	3

Source: NPC, 2078. *Guidelines of Local Planning*

#### Annex 4.5: Classification and Coding Climate Change Budget

Basis for GESI Classification	GESI Classification	GESI Code
"When the allocated budget for climate change initiatives constitutes more than 50% of the total budget for a specific sector's program or project."	Highly Relevant	1
"When the allocated budget for climate change initiatives remains within 20-50% of the total budget for a specific sector's program or project."	Relevant	2
"When the allocated budget for climate change initiatives fall below 20% of the total budget for a specific sector's program or project or the proposed activities under sector's program or project is not relevant to climate change."	Neutral	3

Source: NPC, 2078. *Guidelines of Local Planning*

**Annex 4.6: Budget Amendment format (Federal/Province)**

SN	LMBIS Code	Description of Programme	Budget Sub-head No	Source	Approved Budget (Rs in Lakh)	Total budget release/Expenditure as of Now (Rs in Lakh)	After amendment budget (Rs in Lakh)	Deducted amount (Rs in Lakh)	Reasons of budget amendment
1	2	3	4	5	6	7	8	9	10
2									
<b>Total</b>									

**Annex 4.7: Budget Transfer (Federal/Province)**

Budget-head No. ( Reduce)				Budget-head No. ( Increase)				Justification
Office Name and Budget sub-head No.	Expenditure head No.	Activity No. / Program No	Amount / Source	Office Name and Budget sub-head No.	Expenditure head No.	Activity No / Program No	Amount / Source	

**Annex 4.8: Statement of Reimbursement for Budget Release**

Budget Sub-head No.	Programme Name	Loan/Grant No	DP	Agreement Amount (USD)	Reimbursement in NPR					Remarks
					As of ..... Trimester of FY Reimbursable Expenditure	Total reimbursed amount as of .... Period	Receivable from DP submitted withdrawal Application)	Yet to be submitted amount	Balance Loan/Grant	
1.	2	3	4	5	6	7	8	9	10	11
2.										
3.										
	<b>Total</b>									

**Note:** *If separate reimbursement guidelines are issued by the Federal and Provincial Governments, the format specified in those guidelines will be used.*

**Annex 4.9: Periodic Financial Reporting (Federal/Province)/CGAS**

Expenditure head No.	Expenditure Head	Primary Level		Secondary Level		Final Budget	Budget Release as of previous month	Expenditure as of previous month	Expenditure of this month	Expenditure as of this month	Advance	Expenditure except advance	Balance Budget
		Source of Entity	Mode of Payment	Source of Entity	Mode of Payment								
1	2	3	4	5	6	7	8	9	10	11 (9+10)	12	13(11-12)	14(8-11)
<b>Total</b>													



**Annex 4.10: Internal Audit Reporting (Format)**

Code No.	Subject of Irregularity	Legal Provision	Nature of Irregularity	Total Irregularity (NPR)	Recoverable Irregularity (NPR)	Irregular (NPR)	Advance Rs.	
							Expired	Unexpired
	Internal control							
	Adoption of FCGO form and account							
	Annual budget and program							
	Remuneration and service facilities							
	Over payment without basis							
	Procurement Management							
	Tax Management							
	Responsibility transfer of Advance							
	Miscellaneous							
	To be Prepared by the foreign investment Project (PCU)							
	Revenue							
	Security							
	Inventory and Asset Management							
	Program Operating Fund							
	Previous year irregularity and re-audit							

#### Annex 4.11: Subjects to be Covered in Internal Audit Report

SN	Subject to be covered	Yes/ No
1	Compilation of actual, revised estimates and total estimated expenditure on the summary page of the statement book of expenditure estimates for the proposed fiscal year.	
2	Comparing the figures of all the castles of the expenditure estimate statement, including the expenditure indicators, resource and financial arrangement, with the total castle.	
3	Actual, revised estimate and estimated total expenditure for the proposed year, actual revised estimate and total expenditure and total expenditure as mentioned in the schedules of the budget statement.	
4	Revision of the actual, revised estimate and the current expenditure of the proposed year's estimate on the summary page of the statement book of the expenditure estimate for the proposed financial Year.	
5	Reconciliation of actual, revised estimates and current expenditure estimates for the proposed year as mentioned in the schedules of the budget statement.	
6	Compilation of the actual, revised estimate and the capital expenditure of the proposed year's estimate on the summary page of the statement of expenditure estimate for the proposed financial Year.	
7	Reconciliation of actual, revised estimates and capital expenditures of the proposed year as mentioned in the schedules of the budget statement.	
8	Compare the details of expenditure estimates (including expenditure indicators, Sources and financial arrangements) mentioned in the schedules of the budget statement with the actual, revised estimates and the financial arrangement estimates for the proposed year.	
9	Reconciliation of the actual, revised estimate and total amount of the target amount with the total amount of the revenue and grant receipts of schedule-2 of the budget statement.	
10	Compare the total amount of the details of the ministerial expenditure estimates (including financial arrangements) of schedule-4 of the budget statement with the total amount.	
11	Appropriation of sample summaries and aggregate sums within each budget sub-heading of the statement of expenditure estimates (including expenditure indicators, resource and financial arrangements).	
12	All schedules and summary reports should be combined horizontally and vertically.	
13	Using the horizontal and vertical aggregates of two or more ministries as a sample of expenditure estimates.	

## Annex 5: Procurement Guidelines & Procedures

### Annex 5.1 : Procurement Cycle and Required Documents

SN	Stages	Responsibility	Time Period ( By when)	Required Documents to be prepared		Remarks
				Goods/Works	Consultancy	
1	Planning Stages	Procurement Unit	By Shrawn	a) Standing list b) Procurement Plan (Annex ...) <a href="#">applewebdata://ffca771c-e6b7-423a-938d-340ded7e3dab/Procurement plan.xls</a> c) Preparation of bid document (Cost-estimate, specifications, qualifications, d) Selection Criteria- pre-qualification, technical and financial e) Notice of tender	a) Standing list b) Procurement Plan (Annex.) c) Cost Estimate d) Terms of Reference e) EOI Selection Criteria ( Annex...) f) Eoi Notice	
2	Bidding Stage	Procurement Unit /Evaluation Committee	As per the deadline of notice	a) Publication of notice for Sealed Quotation/Tender. b) Formulation of evaluation committee c) Pre-bid meeting d) Evaluation of Technical & Financial and preparation of evaluation report.	a) Formulation of evaluation committee b) Evaluation of Eoi and prepare the short-list. c) Prepare the RFP including evaluation criteria(Annex..) d) Issue of RFP e) Evaluation of Technical & Financial of RFP f) Prepare of evaluation report and	

SN	Stages	Responsibility	Time Period ( By when)	Required Documents to be prepared		Remarks
				Goods/Works	Consultancy	
					recommendation for approval.	
3	Contract Stage	Procurement unit/Entity head	Before the bank guarantee expired	a) Issue of letter of intend b) Performance security, if required c) Approval of contract award d) Debriefing e) Sign contract document f) Issue work order	a) Negotiation. b) Issue of letter of intend c) Approve of contract award d) Debriefing e) Signed contract document f) Issue of Job Order	
4	Contract Execution Stage	Procurement unit, Account head, Entity head	As per the contract period	a) Work Completion schedule b) Payment for contract execution: (i) Advance Payment against Bank guarantee , if applicable (ii) Interim Progress payment against IPC Report/work in progress, (iii) Final payment against work completion report/ technical acceptance report. c) Regular progress report d) Time extension, if applicable (request letter with justification). e) Work completion/acceptance report.	a) Payment for contract execution: i) First instalment against inspection report /as per contract agreement (ii) 2 <sup>nd</sup> instalment against draft report /as per contract agreement (iii) Final payment against final completion report. b) Time extension, if applicable (request letter with justification).	

SN	Stages	Responsibility	Time Period ( By when)	Required Documents to be prepared		Remarks
				Goods/Works	Consultancy	
5	Post Contract Stage	Procurement unit, Account head, Entity head	Within the one year after project completion/within the warranty or guarantee period	a) Apply of default liability period (DLP)/ Warranty Period/ Guarantee period b) Record of correction of defects c) Apply warranty cards for goods. d) Release of security guarantee ( 50% after the DLP and 50% after tax filling proof of Venders.	a) Knowledge transfer b) Warranty/Guarantee if software purchase under service procurement.	

#### Annex 5.2: Procurement Plan Format (Service)

S N	Description of Services	Date as per mentioned on Procurement Plan	ToR Approved Date	Cost Estimate approved date	Cost Estimate Rs.	Procurement Method	Short-Listing			RFP Document		RFP received date	Technical Proposal		Financial proposal evaluation date	Lol date	Types of Contract agreement	Contract agreement date	Service commence date	service completion date	Consultant's		
							Eol Notice Date	Evaluation report preparation finalization date	Approved date	Approved date	Issue date		Evaluation Finalization date	Approved date							Name	Contract No	Contract Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24



2		Plan																				
		Actual																				
3		Plan																				
		Actual																				
...		...																				

#### Annex 5.4: Expression of Interest for Consulting Services (Evaluation Criteria)

SN	Criteria	Score (Out of 100%)	Remarks
<b>1</b>	<b>Qualifications</b>	<b>30-50%</b>	
1.1	Qualifications of key experts		
1.2	Experiences of key experts		
<b>2</b>	<b>Experiences</b>	<b>40-60%</b>	
2.1	General of consulting firm Specific experience of consulting firm within last 7 years.		
2.2	In case of person, specific experience of the person within last 4 years.		
2.3	Similar Geographical experience of consulting firm		
<b>3</b>	<b>Capacity</b>	<b>10-20%</b>	
3.1	Financial Capacity*		
3.2	Infrastructure/equipment related to the proposed assignment **		

*\*Average turnover required shall not exceed 150% of cost estimate*

*\*\*This Evaluation criteria should be deleted if infrastructure/equipment are not the part of the proposed assignment.*

Note: In Case, a corruption case is being filed to Court against the Natural Person or Board of Director of the firm/institution /company or any partner of JV, such Natural Person or Board of Director of the firm/institution /company or any partner of JV such firm's or JV EoI shall be excluded from the evaluation, if public entity receives instruction from Government of Nepal.



### Annex 5.5: Technical Evaluation for Consulting Services (Criteria)

SN	Evaluation Criteria				Full Marks	Marks Obtained	Remarks
1	Consultants Specific Experiences				25		
2	Methodology of performance & responsiveness to the term of reference				20-35		
3	Qualification and Experiences of Key human resources				30-60		
4	Technology Transfer or Training				10		
5	Participation of the National Human Resources				10		
	Total				100		
Sub-Criteria					Full Marks	Sub-Marks	Marks Obtained
1	Consultants Specific Experiences				25		
	1.1	General					
	1.2	Specific					
	1.3	Overall					
2	Methodology of performance & responsiveness to the term of reference				20-35		
	2.1	Technical Approach and Methodology					
	2.2	Clarity on work plan (work schedule...)					
	2.3	Organization and Staffing (Manning schedule & responsibility matrix)					
3	Qualification and Experiences of Key human resources				30-60		
	3.1	General Qualification					
	3.2	Specific/project related experience					
	3.3	Overall experience					
4	Technology Transfer /Training				10		
	4.1	Excellent					
	4.2	Good					
	4.3	Fair					
5	Participation of the National Human Resources				10		
	5.1	Skilled					
	5.2	Semi-skilled					
	5.3	Non-skilled					

## Annex 6: Reimbursement and Reporting to JFA Development Partners

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### Annex 6.1: Reimbursement Format (Cover page)

<p style="text-align: center;">Government of Nepal Ministry of Federal Affairs and General Administration Provincial and Local Governance Strengthening Programme (PLGSP) JFA/Grant No.</p> <p>.....</p> <p style="text-align: center;">.....Financial Report</p> <p style="text-align: center;">Period Covered : (<i>from..... to.....</i>)</p> <p>Fiscal Year .....</p>
---

## Annex 6.2 : Sources and Uses of Fund

Fiscal Year:

Period covered: *(from..... to.....)*

Description		Note	Cumulative up to last FY	Reporting FY .....					Cumulated to date
				1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date	
Budget Allocation									
<b>A. Sources of Funds (Receipts)</b>									
I	GoN Fund								
II	GoN Reimbursable Fund								
III	DP Grant No.								
	<b>Total Fund Received</b>								
<b>B. Uses of Funds</b>									
I	Capital Expenditure								
II	Recurrent Expenditure								
III	Others								
<b>Total Uses of Funds</b>									

**Annex 6.3: GoN Fund & GoN Reimbursable Fund**

**Fiscal Year:**

**Period covered: (from..... to.....)**

Fund Detail	Notes to Account	Cumulative up to previous	Reporting FY.....					Cumulative to Date
			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	
GoN Fund:								
GoN Fund Released								
To be source changed to/from GoN source								
<b>Total GoN Fund</b>								
GoN Reimbursable Fund Released								
To be source changed to/from GoN source from/to GoN Reimbursable								
Less: Reimbursement received from JFA								
<b>Total GoN Reimbursable Fund</b>								
<b>Total of GoN Fund &amp; GoN Reimbursable Fund</b>								

#### Annex 6.4: Statement of withdrawal tatus from Development Partners

Period covered: (From..... To.....)

NPR

Description	WA No.	Value Date	JFA					Total (NPR)
			SWC	Norway	EU	UN Agency	FCDO	
<b>Cumulative of previous FY</b>								
Reporting FY								
1st Quarter period								
<b>Total of 1st Quarter</b>								
2nd Quarter period								
<b>Total of 2nd Quarter</b>								
3rd Quarter period								
<b>Total of 3rd Quarter</b>								
4th Quarter period								
<b>Total of 4th Quarter</b>								
<b>Total of this FY .....</b>								
<b>Cumulative of Reporting period</b>								

USD

Description	WA No.	Value Date	JFA					Total (USD)
			SWC	Norway	EU	UN Agency	FCDO	
<b>Cumulative of previous FY</b>								
Reporting FY								
1st Quarter period								
<b>Total of 1st Quarter</b>								

2nd Quarter period								
<b>Total of 2nd Quarter</b>								
3rd Quarter period								
<b>Total of 3rd Quarter</b>								
4th Quarter period								
<b>Total of 4th Quarter</b>								
<b>Total of this FY .....</b>								
<b>Cumulative of Reporting period</b>								

**Annex 6.5: Consolidated Statement of Expenditure and Budget Allocation**

Item No.	Description	Cumulative Expenditures up to previous FY			Budget Allocation Current Fiscal			Expenditure in Reporting Fiscal Year ....															Balance Budget		Cumulative Expenditure to Date		
		GoN	JFA Reimbursable	Total	GoN	JFA Reimbursable	Total	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Total of Reporting period			Amount	%	GoN	JFA Reimbursable	Total
								GoN	JFA Reimbursable	Total	GoN	JFA Reimbursable	Total	GoN	JFA Reimbursable	Total	GoN	JFA Reimbursable	Total	GoN	JFA Reimbursable	Total					
<b>Recurrent Expenditure</b>																											
21111	Employee Salary																										
21121	Uniform																										
<b>Sub-Total of Recurrent Expenditure</b>																											
<b>Capital Expenditure</b>																											
31122	Machinery Equipment																										
31123	Furniture & Fixtures																										

Item No.	Description	Cumulative Expenditures up to previous FY			Budget Allocation Current Fiscal			Expenditure in Reporting Fiscal Year ....															Balance Budget		Cumulative Expenditure to Date		
								1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Total of Reporting period							
		GoN	JFA Reimbursable	Total	GoN	JFA Reimbursable	Total	GoN	JFA Reimbursable	Total	GoN	JFA Reimbursable	Total	GoN	JFA Reimbursable	Total	GoN	JFA Reimbursable	Total	Amount	%	GoN	JFA Reimbursable	Total			
Sub-Total of Capital Expenditure																											
Total of Capital & Recurrent Expenditure																											



**Annex 6.6: Statement of Expenditure of individual Cost Centre**

Item No.	Description	Budget Allocation Current Fiscal			Fiscal Year ....														
		GoN	JFA Reimbursable	Total	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Total of Reporting period		
					GoN	JFA Reimburs able	Total	GoN	JFA Reimburs able	Total	GoN	JFA Reimburs able	Total	GoN	JFA Reimburs able	Total	GoN	JFA Reimburs able	Total
Recurrent Expenditure																			
21111	Employee Salary																		
21121	Uniform																		
Sub-Total of Recurrent Expenditure																			
Capital Expenditure																			
31122	machinery Equipmen t's																		
31123	Furniture & Fixtures																		

<b>Sub-Total of Capital Expenditure</b>																			
<b>Total of Capital &amp; Recurrent Expenditure</b>																			

**Annex 6.7: Summary of Budget and Expenditure of total cost centre**

SN	Name of the Cost Centres	Budget Allocation			Expenditure			Balance Budget		
		GoN Fund	JFA Reimbursable Fund	Total	GoN Fund	JFA Reimbursable Fund	Total	GoN Fund	JFA Reimbursable Fund	Total
1	PCU/MoFAGA									
2	OPMCM									
3	FCGO									
4	OCMCM/PPSU-Koshi									
5	OCMCM/PPSU-Madesh									
6	OCMCM/PPSU-Bagmati									
7	OCMCM/PPSU-Gandaki									
8	OCMCM/PPSU-Lumbini									
9	OCMCM/PPSU-Karnali									
10	OCMCM/PPSU-Sudurpaschim									
11	PRTA-Koshi									
12	PRTC-Madesh									
13	PRTA- Bagmati									
14	PRTA- Gandaki									
15	PRTA-Lumbini									
16	PRTA-Karnali									

SN	Name of the Cost Centres	Budget Allocation			Expenditure			Balance Budget		
		GoN Fund	JFA Reimbursable Fund	Total	GoN Fund	JFA Reimbursable Fund	Total	GoN Fund	JFA Reimbursable Fund	Total
17	PRTA-Sudurpashim									
<b>Grand Total</b>										

### Annex 6.8: Summary of Capital and Recurrent Expenditure

SN	Name of the Cost Centre	Expenditure			Remarks
		Capital	Recurrent	Total	
1	PCU/MoFAGA				
2	OPMCM				
3	FCGO				
4	OCMCM/PPSU-Koshi				
5	OCMCM/PPSU-Madesh				
6	OCMCM/PPSU-Bagmati				
7	OCMCM/PPSU-Gandaki				
8	OCMCM/PPSU-Lumbini				
9	OCMCM/PPSU-Karnali				
10	OCMCM/PPSU-Suder Paschim				
11	PRTA-Koshi				
12	PRTA-Madesh				
13	PRTA- Bagmati				
14	PRTA- Gandaki				
15	PRTA-Lumbini				
16	PRTA-Karnali				
17	PRTA- Suder Paschim				
<b>Grand Total</b>					

**Annex 6.9: Exchange Gain & Loss Report**  
Reporting Period: (*from..... to.....*)

Ref	Description	Date	USD	Notional Exchange	Actual Exchange Rate	*Notional NPR	** Actual NPR
A	Opening FCA Balance as on .....(USD)						
	1. FCDO						
	2. SDC						
	3. Norway						
	4. EU						
	5. UN Agency						
B	Deposited to the FCA during the Fiscal Year (USD)						
	1. FCDO						
	2.SDC						
	3. Norway						
	4.EU						
	5.UN Agency						
C *	Transfer from FCA to FCGO during the Fiscal Year .... (USD)						
	1. FCDO						
	2. SDC						
	3. Norway:						
	4. EU						
	5. UN Agency						
D	Closing FCA balance at the end of the Fiscal Year (A+B-C)***						
	Notional Exchange Rate Adjustment Calculation	NPR					
	+ Notional NPR Value of FCA Opening Balance on-----						
	-Actual; Transfers to FCGO ( valued in NPR) during the fiscal Year						
	+ Deposits at Notional NPR valuation						

Ref	Description	Date	USD	Notional Exchange	Actual Exchange Rate	*Notional NPR	** Actual NPR
	=Notional Running Balance as at ..... .....						
	- Actual NPR Valuation at ..... ....						
	= Notional Adjustment (Gain)						
	FCA* and FCGO CASH Summary of the Year						
	Opening Balance FCA						
	+Total Deposits						
	-Transfers to FCGO (See Disclosure Note ** below)						
	Transfer to TA Account						
	Closing Balance FCA						
	Opening Balance FCGO						
	+Total Receipts from FCA						
	- Transfers to Local Government Bodies(+ other spend)						
	Closing Balance FCGO						

#### Annex 6.10: Status of Development Partners Commitment

Reporting Period: *(from..... to.....)*

SN	Description	Opening Balance ( USD in Million)	Deposits ( Reimbursement to GoN)					Total Deposits	% of Total Commitment Deposit	Balance Outstanding
			Year 1	Year 2	Year 3	Year 4	Year 5			
1	FCDO	21.91								
2	SDC	2.99								
3	NORWAY	5.27								

SN	Description	Opening Balance ( USD in Million)	Deposits ( Reimbursement to GoN)					Total Deposits	% of Total Commitment Deposit	Balance Outstanding
			Year 1	Year 2	Year 3	Year 4	Year 5			
4	EU	20.48								
5	UNDP/UN AGENCY	2.00								
<b>Total</b>		<b>52.65</b>								



## Annex 7: Fiduciary Risk

### Annex 7.1 Fraud Reporting Form Template

#### PLGSP Fraud & Corruption Reporting Form

**Anonymity Guaranteed:** No personal details required. Retaliation is prohibited.

##### i. Incident Details

Field	Details
Type of Fraud (Check All Applicable):	<input type="checkbox"/> Embezzlement <input type="checkbox"/> Bribery <input type="checkbox"/> Conflict of Interest <input type="checkbox"/> Procurement Fraud <input type="checkbox"/> Other (Specify): _____
Date of Incident	[_____]
Location (Project/Office)	[_____]
Involved Parties	[Names/Positions if known]
Description	[Provide specific details, including how you became aware of the issue.]

##### ii. Evidence (Optional but Encouraged)

- a) Attach files (max 5 MB): ☐ Photos ☐ Documents ☐ Emails
- b) Describe evidence: [\_\_\_\_\_]

##### iii. Submitter Information (Optional)

Field	Details
Name	[_____]
Contact (For Follow-Up)	[_____]

##### iv. Submission & Protection

- a) **How to Submit Securely:**
  - o **Encrypted Portal:** PLGSP Integrity Portal.
  - o **Anonymous Hotline:** Dial .....for FRAUD cases.
- b) **Protection Measures:**
  - o All submissions are encrypted.

- Retaliation against whistleblowers is a punishable offense under PLGSP Policy.
- v. **Next Steps**
  - a) **A Case ID** will be generated for tracking (if contact details provided).
  - b) Investigation updates within **15 days**.
- vi. **Key Features of the Forms**
  - a) **Accessibility:**
    - Available in **Nepali and local languages**.
    - Simple, non-technical language.
  - b) **Compliance:**
    - GDPR-compliant data protection.
    - UNDP-aligned grievance categorization.
  - c) **User-Centric Design:**
    - Clear instructions and checkboxes.
    - Optional fields to encourage reporting.

## Annex 8: Monitoring, Evaluation & Learning

### Annex 8.1: Quarterly/Annual Progress Report (Federal/Province)

SN	Program/Activities	Unit	Annual Target			..... Quarterly Target			..... Quarterly/Annual Progress		As of this period progress of FY		Key result/ progress based on indicators	Remarks
			QTY	Weighted	Budget	QTY	Weighted	Budget	QTY	Weighted	QTY	Weighted	QTY	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A)	Activities under capital expenditure													
(ka)	Sub-total of capital expenditure													
AA)	Activities under recurrent expenditure													
(kha)	Sub-total of recurrent expenditure													
(ga)	Total Program expenditure (ka+kha)													
(gha)	Consumption Expenditure													

SN	Program/Activities	Unit	Annual Target			..... Quarterly Target			..... Quarterly/Annual Progress		As of this period progress of FY		Key result/ progress based on indicators	Remarks
			QTY	Weighted	Budget	QTY	Weighted	Budget	QTY	Weighted	QTY	Weighted	QTY	
(na)	Office operating expenditure													
(cha)	Total Program expenditure (ga+gha+na)													

Quarterly/Annual weighted progress percent :

Quarterly/Annual financial progress percent :

## Annex 8.2 : Annual Progress Report (Format)

### Summary

Instructions: Insert a one paragraph summary of progress during the reporting period that could be shared with the program's stakeholders.

<Insert text here>

Key Components	Description
Programme Title:	
Name of Implementing Agency:	
Priority area/ strategic results	
Participating Organization(s)	
Implementing Partners	
Programme/Project Cost (US\$)	
Programme/Project Cost (NPR)	
Programme Duration	Commence Date:
	Completion Date:
Reporting Period :	
<b>Agency Contribution</b> by Agency	
<b>Government Contribution</b>	
<b>Other Contributions (donors)</b> (if applicable)	

### Activities & Outputs

Instructions: Complete the following table for each activity in the project (see example below). Describe your progress with the activity and the outputs generated. Choose a status for each activity (achieved, in progress, challenges or not started).

Status	<b>In progress</b>
Objective	
Activity dates	<i>Planned:</i> <i>Actual:</i>
Progress	
Outputs created	

#### Activity 1

Status	<b>Achieved In progress Challenges Not started</b>
Objective of Activity	
Activity dates	<i>Planned:</i> <i>Actual:</i>
Progress	Describe progress
Outputs created	List the outputs that have been created from the activity

#### Activity 2

Status	<b>Achieved In progress Challenges Not started</b>
Objective	Insert the objective of the activity
Activity dates	<i>Planned:</i> List the dates when you expected to run the activity <i>Actual:</i> <List the dates when you ran the activity>
Progress	<Describe your progress with the activity in 1 paragraph>
Outputs created	<List the outputs that have been created from the activity>

#### Activity 3

Status	<b>Achieved In progress Challenges Not started</b>
Objective	<Insert the objective of the activity>
Activity dates	<i>Planned:</i> <List the dates when you expected to run the activity> <i>Actual:</i> <List the dates when you ran the activity>

Progress	<Describe your progress with the activity in 1 paragraph>
Outputs created	<List the outputs that have been created from the activity>

#### Activity 4

Status	<b>Achieved In progress Challenges Not started</b>
Objective	<Insert the objective of the activity>
Activity dates	<i>Planned:</i> <List the dates when you expected to run the activity> <i>Actual:</i> <List the dates when you ran the activity>
Progress	<Describe your progress with the activity in 1 paragraph>
Outputs created	<List the outputs that have been created from the activity>

#### Results

Instructions: Complete the following table with the latest results for your key indicators. Focus on outcome / goal indicators if possible, rather than activities and outputs which are already described in the previous section. Choose a status for each indicator (achieved, in progress, challenges or not started).

Indicator	Baseline	Target	Result as of <date>	Status
	.....%	....%	.....%	<b>In progress</b>
				<b>Achieved</b>
				<b>In progress</b>
				<b>Challenges</b>
				<b>Not started</b>

#### Partners & Stakeholders

Complete the following table describing your collaboration with each of the partners / stakeholders involved in the project.

The following table summarizes our relationship with key partners and stakeholders during the reporting period:

Partner / Stakeholder	Relationship update
<b>EXAMPLE OPMCM</b>	<i>Our relationship with the OPMCM</i>

#### Challenges & Lessons Learned

Complete the table below with challenges that were encountered during the reporting period and the lesson learned. Include any solution that you plan to implement in the next reporting period.

The following table summarizes the challenges we have faced during the reporting period and the lessons learned / solutions for each challenge.

Challenge	Lessons learned / solutions
	.

#### Budget

Provide a summary of the expenditure during the reporting period compared to the original budget and expenditure to-date. Explain any discrepancies or changes to the budget.

Budget heading	Total budget allocated	Expenditure this reporting period	Total expenditure to date
TOTAL			

## **Annex 8.3 : Monitoring Checklist (Joint/Third Party)**

### **1. Team Composition of Joint Monitoring:**

MoFAGA, NSC, FCC, PSC, JFA DPs and Expert Pool

### **2. Time Frame**

- a) Joint Monitoring 2 times in a year for joint monitoring.
- b) The TPM will be conducted once in year through subject expert/s.

### **3. Checklist for Monitoring**

#### **3.1. Governance & Institutional Strengthening**

- a) ☐ Are provincial and local governments effectively implementing PLGSP policies?
- b) ☐ Is there coordination between different tiers of government for program execution?
- c) ☐ What is the status of ASIPB/PSIAPB ?
- d) ☐ Are governance structures (PCU, PPSU, LGs) functioning efficiently?
- e) ☐ What are the issues of intergovernmental relationship (IGR) ? What is the key take aways to further improve IGR ?
- f) ☐ What are the initiatives taken by PLGs to response climate change impact and building the community resilient enough ?

#### **3.2. Financial Management & Resource Utilization**

- a) ☐ Are funds allocated and utilized transparently and efficiently? What is state of fund allocation, disbursement and status of utilization ?
- b) ☐ What is the state of fund allocation and disbursement under GoN contribution ?
- c) ☐ What is the status of procurement ( plan, issues ) ?
- d) ☐ Is financial reporting timely and accurate?
- e) ☐ Are fiduciary risks assessed and mitigated?
- f) ☐ What is the status of reimbursement ( issues and status) ?
- g) ☐ What is the status of internal control system and compliance of audit issues ?
- h) ☐ What is the status of IPF ? What are the takeaways ?

#### **3.3. Service Delivery & Capacity Development**

- a) ☐ Are PLGs providing quality public services after PLGSP interventions ?
- b) ☐ Are there defined service standards for key services providing by LGs ?
- c) ☐ Are there evidences of improved capacity of elected representatives and employees of PLGs through special CD programs ?
- d) ☐ Are training programs effectively enhancing governance and service delivery?

#### **3.4. Stakeholder Engagement & Feedback Mechanisms**

- a) ☐ Are GESI policies in place and adopted in planning, budgeting and decision-making process?
- b) ☐ Are communities and stakeholders actively participating in governance processes?
- c) ☐ Are feedback mechanisms (suggestion boxes, toll-free numbers, email reporting) functional and accessible?
- d) ☐ Are grievances addressed effectively and in a timely manner ( discuss specifics cases) ?

#### **3.5. Monitoring & Evaluation**

- a) ☐ Are monitoring reports prepared and shared timely ?
- b) ☐ Are key performance indicators (KPIs) being tracked and evaluated?
- c) ☐ Are lessons learned from previous monitoring visits incorporated into program improvements?
- d) ☐ Are there any transformative or innovative ideas implemented under PLGSP ?
- e) ☐ If yes, can you explain how those innovative and transformative ideas could be adopted by other institutions ?
- f) ☐ Are there any outstanding risk and challenges facing the programme ?
- g) ☐ Can you share the status of digitalization of MEL system adopted by your organization ? (What are the advances and challenges ? )

#### Annex 8.4: MTR of PLGSP: OECD's Six Evaluation Criteria

MTR Review Criteria	Weight age (%)	Definition /Description	Rating Description	Rating Value
1. Relevance	20	Here the <b>Relevance</b> is the consistency of a PLGSP’s impact and outcome with the development strategy of the Government of Nepal (GoN) 2030 at development partners' strategic objectives at the time of programme approval, and the adequacy of the program design.	Highly Relevant	3
			Relevant	2
			Partly Relevant	1
			Irrelevant	0
2. Coherence	20	Here in this MTR, <b>Effectiveness</b> considers whether PLGSP has ensured coherent use of programme procedures and tools across policy areas and levels of government.	Highly Coherent	3
			Coherent	2
			Partly Coherent	1
			Incoherent	0
3. Effectiveness	20	Here in this review, <b>Effectiveness</b> means the extent to which the outcome, as specified in the design and monitoring framework, either as agreed at approval or as subsequently modified of PLGSP, has been achieved so far.	Highly Effective	3
			Effective	2
			Partly Effective	1
			Ineffective	0
4. Efficiency	20	Here in this review, <b>Efficiency</b> considers ex-post, how economically resources have been converted to results, using the economic internal rate of return, or cost-effectiveness, of the investment/resources or other indicators as a measure and the resilience to risk of the net benefit flows over time in PLGSP.	Highly Efficient	3
			Efficient	2
			Partly Efficient	1
			Inefficient	0
5. Sustainability	20	Sustainability in PLGSP’s MTR review defines the likelihood that the resources (human, institutional, financial, and other) are sufficient to maintain the outcome over its economic life.	Most Likely	3
			Likely	2
			Less Likely	1
			Unlikely	0
Overall Assessment (weighted average of above criteria)	1) <b>Highly Successful:</b> Overall weighted average is more 2.7. 2) <b>Successful:</b> The overall weighted average is between 1.6 and less than 2.7. 3) <b>Partly Successful:</b> Overall weighted average is between 0.8 and less than 1.6. 4) <b>Unsuccessful:</b> Overall weighted average is less than 0.8.			



## Annex 8.5: Mix of Quantitative and Qualitative Domains of MTR

SN	Key Domains	Key Sub-Domains
1	Theory of Change (TOC) within the Political Economic context of Nepal, the intermediate programme outcomes and impact, the assumptions and strategies;	<p>1.1 Whether the programme processes, principles, approaches, funding modalities including JFA Terms &amp; Conditions, strategies and methods of programme implementation complied;</p> <p>1.2 Whether the monitoring, reporting, and the results chain of activities - outputs, outcome and impact complied and whether recommended changes required to adjust and adapt by PLGSP complied;</p> <p>1.3 Whether the results achieved during the PLGSP period (2019 to date) and whether the lessons learned from previous governance projects were adopted and utilized by PLGSP;</p>
2	PLGSP's contribution in clarification of the roles and responsibilities of each tier of government - particular with regards to concurrent rights;	2.1 Whether PLGSP adequately contributed to clarifying of the roles and responsibilities of each tier of government in sectors, with regards to concurrent rights;
3	Perceptions of PLGs on PLGSP;	3.1 Whether PLGs perceive that PLGSP has been effective to respond to their demands and how the programme is perceived by the PLGs.
4	Revised Monitoring, Evaluation and Learning Framework	4.1 Whether the revised Monitoring, Evaluation and Learning Framework is effective and user friendly;
5	Programme Components & Structure	<p>5.1 Whether the key programme components and policy structure are effective which may include PFM, E-Governance/IT, GESI, IPF implementation, Communication, Coordination and sustainability, the outcome of gender targeted funding and the effectiveness of contribution of e-governance in service delivery;</p> <p>5.2 Whether key deliverables including LISA framework, FRRAP strategy &amp; Plan, CDMIS and CMIS effectively implemented;</p> <p>5.3 Whether the provision of TA structure, staffing and funding arrangements is efficient and effective;</p> <p>5.4 Whether governance and decision-making structures of NSC, NEC, PSC, TASC and PCC, and Programme implementing units such as PCU, PPSUs and PRTAs are effective;</p> <p>5.5 Whether the PLGSP decision-making process is effective and is there any scope for improvements?</p> <p>5.6 Whether the PLGSP's institutional mechanism, financing and process of fund flow and spending units including those PPSU, PRTA and FCGO are effective and create institutional synergies and whether there is any scope for improvements;</p> <p>5.7 Whether the process initiated to implement the IPF is effective;</p> <p>5.8 Whether the mobilization of the PLGSP resources for strengthening service delivery units and developing institutional infrastructures of LGs is effective;</p>

SN	Key Domains	Key Sub-Domains
		5.9 Whether the mobilization of PLGSP to implement the core framework of the local governments such as environment friendly local governance, urban development and the outcomes-oriented indicators of LISA and Fiduciary Risk Reduction Action Plan is effective;
6	Engagement, coordination, communication and participation of stakeholders in the PLGSP:	<p>6.1 Whether ASIP formulation process including the participation of LGs and LG Associations effective and how well it has been able to integrate their voices;</p> <p>6.2 Whether the communication and coordination of PLGSP with JFA Development Partners both at federal and provincial level effective for the implementation of PLGSP;</p> <p>6.3 Whether the role and participation of Local Governments in the Programme Implementation is effective;</p> <p>6.4 Whether the Programme can contribute to local economic development and service delivery effectively;</p> <p>6.5 Where and how PPIU and PCGG have been able to work together and/or build on each other's strengths and results to improve capacity of PLGs to deliver services;</p> <p>6.6 Whether the coordination and communication processes of MOFAGA towards federal, provincial and local governments, including assessment of the information sharing, approval of the necessary procedures, formation of the PLGSP structures at provincial and local levels, i.e. the overall enabling environment for PLGSP (procedures and institutional framework) is effective;</p> <p>6.7 Whether the Partnership approach followed by the PLGSP with other governance programmes for better synergies with focus at sub-national level is effective;</p>
7	Cross Cutting Issues	<p>7.1 Whether PLGSP's intervention in strengthening and application of rights-based approach, fiduciary risk reduction/ anti-corruption and environment is effective;</p> <p>7.2 Whether PLGSP has responded to the needs caused by COVID-19 outbreak and the effect of COVID-19 has had on the PLGSP activities;</p> <p>7.3 Whether the challenges and limitations faced by the programme and mitigation strategies adopted effectively with specific focus on ownership, accountability, inclusiveness and effectiveness;</p> <p>7.4 Whether GESI has been addressed and followed through in all activities?</p>

## Annex 8.6: Mid-term Evaluation (Template)

**Conceptual Framework:** The objective of a project evaluation is to make a judgment on the success or failure of an intervention considering its a) adaptability, b) efficiency, c) effectiveness, d) relevance, e) coverage, f) impact, g) sustainability and h) the adequacy of its management and monitoring mechanisms.

An evaluation can be external carried out entirely by professionals from outside the entity managing the intervention, which contributes to increasing the independence and credibility of the evaluation.

PLGSP will hire an independent project evaluation expert.

### i. **Create the Terms of Reference (ToR)**

The ToR for the final project evaluation is the initial planning document that defines the **scope, requirements and expectations** of an evaluation and serves as a guide and reference point throughout the evaluation. The preparation of the ToR is the responsibility of the project management entity although it is very important to involve stakeholders, the local partner and beneficiaries to ensure that the ToR reflect the expectations and concerns of all project stakeholders.

### ii. **Selection of the consultant/evaluation team**

Once the ToR are finalized, you will have to disseminate them through the most suitable channels (website, social networks etc.). Applicants are required to send the methodological proposal, their CV and references from previous work. In the ToR it is important to define the contents and the minimum information to be included in the methodological proposal.

**Attention:** the methodological proposal is key to being selected as it is the offer that the consultant makes to the managing entity to be hired. This is the other perspective mentioned above, which we will explore on another occasion.

### iii. **Adjustment of the technical proposal**

Once the consultant has been selected, and before fieldwork is implemented, the managing entity must have a meeting with the consultant to adjust and define the terms of the methodological proposal. This is the moment to clearly delimit the evaluation questions, adding the focuses of interest and concerns of the different stakeholders. It is also the time to compare the collection tools proposed by the evaluation team (questionnaires, interviews and so on).

The products to be delivered by the consultant in this phase could be:

(a) The Evaluation Planning Matrix, which will include the evaluation criteria and evaluation questions.

1. b) The final work plan: which will contain the schedule of the evaluation stages and the timeframe for the delivery of the expected outputs.

### v. **Engaging in Fieldwork**

Fieldwork is the phase of the evaluation in which the evaluation team/consultant collects information from key informants. The duration of this stage will depend on factors such as the number of informants, the size and geographical spread of the intervention or the estimated extent of the evaluation.

### v. **Presentation of the Final Evaluation Report**

## Annex 8.7: Indicator Based Performance Assessment

Using the Programme Results Framework from PLGSP Prodoc, 2024 and ASIP- this assessment provides an update on the achievement of indicators at both the output and outcome level in the table given below. Where it has not been possible to collect data on indicators, clear explanation should be given explaining why, as well as plans on how and when this data will be collected.

Outcome 15 Indicator: Baseline: Planned Target:	Achieved Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
Output 1.1 Indicator 1.1.1 Baseline: Planned Target:			
Indicator 1.1.2 Baseline: Planned Target:			
Output 1.2 Indicator 1.2.1 Baseline: Planned Target:			
Indicator 1.2.2 Baseline: Planned Target:			

### C. A Specific Story (Optional)

- This could be a success or human story. It does not have to be a success story – often the most interesting and useful lessons learned are from experiences that have not worked. The point is to highlight a concrete example with a story that has been important to your Programme in the reporting period.
- In  $\frac{1}{4}$  to  $\frac{1}{2}$  a page, provide details on a specific achievement or lesson learned of the Programme. Attachment of supporting documents, including photos with captions, news items etc., is strongly encouraged. The MPTF Office will select stories and photos to feature in the Consolidated Annual Report, the GATEWAY and the MPTF Office Newsletter.

**Problem / Challenge faced:** Describe/analyse the specific problems or challenges faced by the subject of story (this could be a problem experienced by an individual, community or LG/Provincial Govt/Federal Govt.).

**Programme Interventions:** How was the problem or challenge was addressed through the Programme interventions?

<sup>5</sup> Note: Outcomes, outputs, indicators and targets should be **as outlined in the PLGSP Prodoc, 2024** so that relevant agencies of provincial and LGs report on the **actual achievements against planned targets**. The use can add rows as required for Outcome 2, 3 etc.

Result (if applicable): Describe the observable change that occurred so far because of the Programme interventions. For example, how did community lives change or how was the government better able to deal with the initial problem?

Lessons Learned: What did LG/ PG (and/or other partners) learn from this situation that has helped inform and/or improve Programme (or other) interventions?

Note: Evidences while reporting on the case study.

Other Assessments or Evaluations (if applicable)

- Report on any assessments, evaluations or studies undertaken.

Programmatic Revisions (if applicable)

- Indicate any major adjustments in strategies, targets or key outcomes and outputs that took place.

Resources (Optional)

- Provide any information on financial management, procurement and human resources.
- Indicate if the Programme mobilized any additional resources or interventions from other partners.

Note: Formatting Guidance:

- a) The report should be between 10-12 pages. Include a list of the main abbreviations and acronyms that are used in the report.
- b) Number all pages, sections and paragraphs as indicated below.
- c) Format the entire document using the following font: 11 point -Arial and do not use colours.
- d) The report should be submitted in one single Word or PDF file.
- e) Annexes can be added to the report but need to be clearly referenced, using footnotes or endnotes within the body of the narrative.

**Annex 8.8: Result Framework of PLGSP (Elaborated Temple with Example)**

Result Chain	Results	Indicator	Unit	Baseline Status	Target of Planning Period (FY and Total						MoV	Risk and Assumption
					Y 1	Y2	Y 3	Y 4	Y 5	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13
Impact	Living standard of rural/urban people improved	Average life expectancy	Year	70	70.2	70.5	71	71.5	72.	72	Economic Survey	
	Loss/damaged decreased	Annual death	No.	150	100	80	75	25	5	5	Report of Local Disaster Management Committee	
Outcome	1. Increase in income level of citizen	Annual Income (NPR)	000	100	120	130	175	180	200	200	Economic Survey	Market price remains in the level predicted level
	2. Decrease the risk of climate change impact and disaster	Economic loss from disaster	000	1000	900	800	700	600	500	500	Annual Progress Report	Climate change impact will be under the limit of past experiences
Result/s	1. Capacity enhanced in disaster reduction and management in terms of knowledge, skill and technology	Skilled manpower	No	200	250	300	350	400	500	500	Annual Progress Report	Climate change impact is under manageable level
	Production of local competitive products increased	Production values in Rs	Million	20	30	40	50	60	70	70	Annual Progress Report	Public, private and community have developed partnership

Result Chain	Results	Indicator	Unit	Baseline Status	Target of Planning Period (FY and Total						MoV	Risk and Assumption
					Y 1	Y2	Y 3	Y 4	Y 5	Total		
Main Programme /Projects	Capacity building in disaster management	Beneficiary	No.	500	600	700	800	900	1000	1000	Annual Progress Report	Public awareness enhanced
	Promoting climate smart agriculture (CSA) and Adapting Farming	Hectare	No.	20	30	50	75	85	100	100	Field survey	Investment from private sector increased
	Smart Villages/Cities	Settlements	No.	1	2	3	5	7	All	All	Annual Progress Report	Public, private and community have developed partnership

Source: NPC, 2078. Local Planning Guidelines

Note: The implementing agencies in supports of subject experts will update PLGSP related results chain in their agency's results chain of periodic plan/MTEF and annual plan (refer detail results chain given in the PGLSP Programme document, 2024).

#### Annex 8.9: Monitoring Framework of PLGSP ( Annex )

Programme/ Activities	Base line	Target Indicators	Indicators Achieved	Means Verification of	Responsibility
Outcome 1:					
Output 1,2 ,3)					
Result Stream 1					
Result Stream 2					
Result Stream 3					

Programme/ Activities	Base line	Target Indicators	Indicators Achieved	Means Verification	of Responsibility
Outcome 2:					
Output (4,5 ,6)					
Result Stream 1					
Result Stream 2					
Result Stream 3					
Outcome 3					
Output (7,8 ,9)					
Result Stream 1					
Result Stream 2					
Result Stream 3					

Note: Regarding outcome, output and result stream, refer of Result Chain PLGSP Prodoc, 2024



## Annex 8.10 Grievance Form Template

### PLGSP Grievance Form

**Confidentiality Assurance:** Your identity and information will remain secure.

#### i. Complainant Details (Optional)

Field	Details
Name	
Contact (Email/Phone)	
Municipality/Province	

#### ii. Grievance Information

Field	Details
Category (Check All Applicable):	<input type="checkbox"/> Service Delivery <input type="checkbox"/> Gender/Social Exclusion <input type="checkbox"/> Environmental Harm <input type="checkbox"/> Resource Allocation <input type="checkbox"/> Other (Specify): _____
Date of Incident	
Location (Ward/Municipality)	
Description	Briefly describe the issue, including how it affected you or others.
Suggested Resolution	What action do you recommend?

#### iii. Submission & Follow-Up

##### a) How to Submit:

- **Online:** Upload at PLGSP Grievance Portal.
- **In-Person:** Drop at your nearest municipal office.
- **Hotline:** Call PLGSP to report verbally.

##### b) Next Steps:

- You will receive a **Tracking ID** within 24 hours.
- Resolution within **30 days**.

## Annex 9: GESI

### Annex 9.1: Indicative Outline for GESI Strategy

Chapter	Key Contents
Introduction	<ul style="list-style-type: none"><li>a) Context (e.g., links with federal/provincial/local laws, sectoral guidelines, and institutional policies to promote GESI)</li><li>b) Rationale for the sector GESI strategy</li><li>c) Objectives (e.g., GESI-responsive approach adopted to ensure women's and disadvantaged groups access to and use of sector resources and benefits; GESI mainstreamed in sector programming and institutions)</li><li>d) Definitions (e.g., key concepts like gender equality, women's empowerment, social inclusion, masculinity, SOGIESC, and intersectionality)</li><li>e) Key principles and core requirements for addressing GESI (e.g., management commitment to embed GESI as relevant in different aspects of programming, basic understanding of GESI concepts of staff, allocation of time to staff to work on GESI aspects, disaggregation of data)</li><li>f) 6. Methodology (e.g., participatory and inclusive approach; consultations with different stakeholders, including women and excluded and vulnerable groups)</li></ul>
GESI assessment of the sector	<p>GESI Profile and Sector</p> <ul style="list-style-type: none"><li>a) Barriers to GESI, trends, challenges, and opportunities</li><li>b) 2. Stakeholder analysis (internal and external stakeholders)</li></ul>
Sector Agency's GESI Strategy	<ul style="list-style-type: none"><li>a) Agency policies and tools to implement national GESI laws, sector guidelines, and institutional response to GESI issues and concerns in the sector and agency:</li><li>b) GESI in the sector agency's vision, mission, and values statement; GESI in the sector agency's theory of change</li><li>c) Internal operations. Examples include human resource management (e.g., recruitment and selection, rewards and incentives, training, career promotion, worker or staff relations, anti-sexual harassment mechanisms, grievance redress mechanisms); work-life balance (maternity leave and paternity leave, provision of child daycare and breastfeeding rooms, family support programs); quotas aimed at increasing representation of women and disadvantaged groups in decision-making bodies; gender-disaggregated toilets; occupational health and safety standards; finance management (including GESI budget); GESI in the project development cycle (GESI-responsive planning and budgeting, implementation, and monitoring and evaluation), including the preparation, implementation, and monitoring and evaluation of a gender or GESI action plan; and assignment or formation of a gender focal point or gender budget cell</li><li>d) External operations. Examples include developing an operations manual that spells out procedures to ensure equality of access to the services of the sector agency, especially for women and disadvantaged groups; collecting and analysing data on sector agency beneficiaries disaggregated by sex or gender and social indicators, and including these data in sector agency reports; engaging communities through the formation of service (electricity, water, transport) user committees with significant representation of women and disadvantaged groups and forming networks promoting GESI in the sector</li></ul>

Chapter	Key Contents
Institutional Arrangements for GESI mainstreaming	<p>Tools, measures, and guidelines for the following:</p> <ul style="list-style-type: none"> <li>a) Strengthening the capacity and understanding of staff on GESI concepts and skills</li> <li>b) Locating responsibility from national to subnational levels for GESI (e.g., the tasks of divisions, departments, and sections to mainstream GESI in the sector ministry, line agencies, and government offices at subnational levels)</li> <li>c) Promotion of staff diversity</li> <li>d) Ensuring a common understanding of GESI objectives and strategies at national and subnational levels.</li> <li>e) 5. Identify responsible units and people for the implementation of the GESI strategy of the sector agency</li> </ul>

*Note: This template is simple guidance for preparing GESI strategy of federal, provincial and local levels.*

## Annex 9.2: Guide for Developing a ToC for GESI Strategy

Step	PLGSP Theory of Change	Guidance Points
Define the problem and gather evidences	i. Establish baseline status regarding key aspects of PLGSP	<ul style="list-style-type: none"> <li>a) Present the objective(s) of the GESI strategy and the target audience.</li> <li>b) Develop the ToC based on a clear statement of the GESI problem and how it will be overcome by the project interventions.</li> <li>c) Review existing evidence and data (disaggregated) related to the problem and other projects with similar objectives.</li> <li>d) Supplement the review with field research and consultations with relevant stakeholders, including women and men and people of disadvantaged groups in the communities, as required.</li> <li>e) Summarize the state of knowledge on the subject and identify the programs expected GESI outcomes (based on theory or empirical studies).</li> <li>f) Work backward through components of the ToC, adopting a participatory process involving input and feedback from staff members and stakeholders.</li> </ul>
Programme outcomes	a) Federal level - Outcome 1: Federal level Government institutions and intergovernmental mechanisms are fully functioning in support of federal governance as per the Constitution.	a) Develop a set of GESI outcomes drawing on the analysis of the problem and evidence from the literature review or field research. Include in the definition of outcomes if counterfactual evaluation is required to measure outcomes.
Programme outputs	a) Output 1: Federal-level institutions have GESI-sensitive legislation, policies, and strategies in support to devolved good governance of Provinces and local governments. Output 2: Federal horizontal and vertical intergovernmental mechanisms and relations are functional and	<ul style="list-style-type: none"> <li>a) Identify program outputs required for the expected outcomes.</li> <li>b) Consult stakeholders and review evidence to link the theoretical framework with practical context.</li> <li>c) Expand assumptions to connect the things the organization can control</li> </ul>

Step	PLGSP Theory of Change	Guidance Points
	<p>strengthened to 'Leave No One Behind'.</p> <p>b) Output 3: Inclusive service delivery by provinces and local governments strengthened through Tools and Systems for Capacity Development (LDTA/PRTAs), GESI, PFM/Fiscal federalism, ICT and others.</p>	<p>(outputs) with the changes they should produce that are outside of the organization's control (outcomes).</p> <p>d) Define GESI-related outputs that are specific and measurable and can be tracked through monitoring.</p>
<p>Provincial level - Outcome 2: Provincial Governments have efficient, effective, inclusive, and accountable institutions and organizations.</p>	<p>a) Output 4: Provincial institutions, organizations and capacity of elected representatives and staff, are strengthened for provincial good governance, inclusive service delivery and GESI responsiveness.</p> <p>b) Output 5: Horizontal collaboration among Local Governments and vertical collaboration across Local Governments, Provinces and Federal Government is institutionalized and strengthened through intergovernmental mechanisms, Civic Engagement, Local Governance Associations, and Innovative Partnership Fund.</p> <p>c) Output 6: Provincial Research and Training Academies have capacity to sustainably deliver demand-driven capacity development services for PLG institutions, organizations, their staff, and elected representatives, to perform their institutional functions and to deliver inclusive services.</p>	<p>b) Define GESI-related outputs that are specific and measurable and can be tracked through monitoring.</p> <p>b) Define governance related indicators aligned with PLGSP.</p>
<p>Local Government level - Outcome 3: Local Governments have capacity for Good Governance and for delivering inclusive basic services to all people</p>	<p>a) Output 7: Local government institutions and organizations, including elected representatives and staff, are strengthened and accountable for good governance, intergovernmental collaboration, Civic Engagement and GESI responsiveness. Output 8: Local Government Basic Service Delivery Systems deliver effective, sustainable and inclusive services to all people,</p>	<p>a) Define GESI-related outputs that are specific and measurable and can be tracked through monitoring.</p> <p>b) Define governance related indicators aligned with PLGSP.</p>

Step	PLGSP Theory of Change	Guidance Points
	<p>especially the most marginalized and remote.</p> <p>b) Output 9: Civic Engagement, social inclusion and external accountability mechanisms are internalized by local governments to ensure meaningful inclusive service benefits and performance accountability to people.</p>	
Define programme activities		<p>a) Choose activities that can address the analytical domains of change ToC under GESI Policy of PLGs.</p> <p>b) Specify GESI program activities that can be tracked through activity monitoring with disaggregation (as required).</p>
Map pathways between components		<p>a) Reaffirm the logic of the identified activities, outputs, and outcomes. Identify additional activities to address any gaps, if any.</p> <p>b) Ensure that livelihood and voice empowerment of women and disadvantaged groups and discriminatory policies and mindsets are addressed throughout the ToC.</p>
Identify assumptions		For each link between activity and GESI output, and GESI output and GESI outcome, identify assumptions that must hold if the program is to work as expected.
Identify risk & mitigation measures		<p><b>To identify risk, ask the following questions:</b></p> <p>a) What are the forces acting against project success?</p> <p>b) What occurrences or actions might happen at any point in the project cycle that would significantly jeopardize the achievement of the intended results?</p> <p><b>Note :</b> Consider the following points while finding the risk : Do not include as risks : (i) any factors that the project fully controls, (ii) risks already eliminated through redesign, and (iii) planned mitigation measures.</p>

Step	PLGSP Theory of Change	Guidance Points
		<p><b>Mitigation Measures :</b></p> <p>c) For all projects and operations, list all project risks in the risk assessment and prepare a risk management plan.</p> <p>d) List mitigating measures for each identified risk in the risk management report.</p>

### Annex 9.3: Guide for Developing a Logical Framework for GESI Strategy

Prepare a logical framework for the GESI sector strategy to operationalize the theory of change. Ensure GESI-related aspects are embedded in the results chain of the logical framework.

Step	Guidance Points	Remarks
Activities and inputs	<ul style="list-style-type: none"> <li>i. Include activities for the implementation of the strategy</li> <li>ii. Identify the inputs required for the implementation of the GESI strategy</li> </ul>	
Outputs	<ul style="list-style-type: none"> <li>i. Develop outputs related to the implementation of the GESI strategy</li> <li>ii.</li> </ul>	
Outcomes	<ul style="list-style-type: none"> <li>i. Include key GESI outcome statements describing the immediate and direct benefits of achieving the outputs</li> <li>ii.</li> </ul>	
Impacts	<ul style="list-style-type: none"> <li>i. Identify the impact of implementing the GESI strategy</li> <li>ii. PLGSP streams mentioned in the prodoc</li> <li>iii.</li> </ul>	
<p><i>GESI = gender equality and social inclusion.</i>  <i>Source: Adapted from Government of Nepal, Ministry of Physical Infrastructure and Transport. 2017. GESI Operational Guidelines 2017. Kathmandu; and Government of Nepal, Ministry of Urban Development. 2013. GESI Operational Guidelines, 2013. Kathmandu (developed with the support of the Nepal Resident Mission of the Asian Development Bank).</i>  <i>Additionally, make sure that selected performance indicators for the GESI strategy are and GESI responsive as well</i>  <i>as specific, measurable, achievable, relevant, and time-bound (SMART):</i></p> <ul style="list-style-type: none"> <li>(i) <i>Specific. Details the outputs or outcome the project seeks to achieve by specifying dimensions, such as who, where, when, quality, quantity, and cost.</i></li> <li>(ii) <i>Measurable. Stated in quantifiable terms (e.g., percentage of people with disabilities) and feasible to collect data in time to report in project progress reports as relevant.</i></li> <li>(iii) <i>Achievable. Realistic about what is to be achieved. The collective judgment of key stakeholders is needed to choose a target that is ambitious yet realistic.</i></li> <li>(iv) <i>Relevant. Appropriate to the results statement it measures and useful for management information purposes.</i></li> <li>(v) <i>Time-bound. Stated with a target and baseline, both with dates.</i></li> </ul>		



## **Annex 9.4 : Harassment Policy**

### **i. Purpose**

The purpose of the harassment policy is to promote a safe, inclusive, and respectful work environment for all employees, free from harassment of any kind. This policy outlines the principles and procedures to prevent and address harassment within the PLGSP.

### **ii. Scope**

This policy applies to all employees, contractors, consultants, and stakeholders involved with PLGSP at federal, provincial, and local levels.

### **iii. Definitions**

- a. Harassment: Any unwelcome behaviour, verbal or physical, that creates an intimidating, hostile, or offensive work environment.
- b. Sexual Harassment: Any unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature.
- c. Discrimination: Any unfair treatment based on gender, race, ethnicity, religion, disability, or any other protected characteristic.
- d. Abuse of Authority: The improper use of a position of power to threaten, intimidate, or coerce others.

### **iv. Policy Statement**

PLGSP is committed to maintaining a work environment where all individuals are treated with dignity and respect. Harassment, sexual harassment, discrimination, and abuse of authority will not be tolerated. All employees have the right to work in an environment free from such behaviours.

### **v. Responsibilities**

- Management: Ensure the implementation and enforcement of this policy, provide training, and address complaints promptly and fairly.
- Employees: Uphold the principles of this policy, report any incidents of harassment, and cooperate with investigations.
- Supervisors: Act as role models, ensure their teams understand the policy, and take immediate action if they witness or receive reports of harassment.

### **vi. Reporting Procedures**

- Informal Resolution: Encourage employees to address the harasser directly if they feel safe to do so.
- Formal Complaint: Employees can file a formal complaint with their supervisor, HR department, or designated GESI officer.
- Confidentiality: All complaints will be handled with the utmost confidentiality to protect the privacy of all parties involved.
- Anonymous Reporting: Provide an option for employees to report incidents anonymously through a secure reporting system.

### **vii. Investigation and Resolution**

- Investigation: All complaints will be promptly and thoroughly investigated by a designated committee.
- Resolution: Appropriate disciplinary action will be taken against the harasser if the complaint is substantiated. Support and resources will be provided to the victim.
- Punitive Actions: Depending on the severity of the harassment, punitive actions may include verbal or written warnings, mandatory training, suspension, demotion, or termination of employment.

### **viii. Prevention and Training**

- Training: Regular training sessions on harassment prevention, GESI principles, and the importance of a respectful workplace will be conducted for all employees.
- Awareness: Promote awareness of this policy through workshops, posters, and internal communications.

ix. **Monitoring and Review**

- Monitoring: Regularly monitor the implementation of this policy and its effectiveness.
- Review: This policy will be reviewed annually and updated as necessary to ensure its continued relevance and effectiveness.

x. **Support for Personnel**

- Support Services: Provide access to counselling and support services for victims of harassment.
- Protection Against Retaliation: Ensure that no employee faces retaliation for reporting harassment or participating in an investigation.

**Annex 9.5 Annual Reporting On GESI: Summary (Template)**

SN	Area of Achievement	Planned	Achieved	Mov
<b>1.</b>	<b>Legislation/Policy Development Support</b>			
1.1	Law prepared by the provinces			
1.2	PRTA laws prepared by the provinces			
<b>2.</b>	<b>Capacity Development Support</b>			
2.1	Periodic Plan developed by PGs			
2.2	Periodic Plan developed by LGs			
2.3	Capacity Development Plan by PGs			
2.4	Capacity Development Plan by LGs			
2.5	LISA conducted by LGs			
2.6	LG Grievances Handling Mechanism developed			
<b>7.</b>	<b>GESI Mainstreaming</b>			
7.1	GESI Audit conducted by PG ministries and departments			
7.2	GESI strategy formulated and implemented by LGs			
7.3	Formulation of work placed Code of conduct			
7.4	Appointment of GESI Focal Person/Section by PGs			
7.5	Appointment of GESI Focal Person/Section by LGs			
	<b>Public Financial Management</b>			
	Revenue Improvement Plan formulation by PGs			
	Revenue Improvement Plan formulation by LGs			
	<b>Fiduciary Risk Management</b>			
	Fiduciary risk assessment conducted by LGs			
	Implementation of FRRAP by LGs			
	<b>Internal Control System</b>			
	Implemented by PGs			
	Implemented by LGs			
	<b>ICT adoption by PGs and LGs</b>			
	Standardized ICT system adopted by PGs			
	Standardized ICT system adopted by LGs			
	<b>Capacity Development Training</b>			

<b>SN</b>	<b>Area of Achievement</b>	<b>Planned</b>	<b>Achieved</b>	<b>Mov</b>
	Elected Representatives of LGs and PGs			
	Officials of LGs and PGs			
	Others			
	<b>Innovative Partnership Fund</b>			
	Innovative Partnership Fund projects			

## Annex 10: Exit Plan

### Annex 10.1: PLGSP Exit Action Plan

Strategy	Objective	Action	Evidence-Based Practice
<b>1. Comprehensive Impact Assessment</b>	Evaluate the programme's outcomes and identify potential risks	Conduct thorough assessments to pinpoint areas needing attention during the transition	INTRAC's longitudinal evaluation of Every Child's responsible exit process highlights the importance of impact assessment.
<b>2. Capacity Building</b>	Ensure local and provincial governments can maintain programme outcomes independently	Provide continuous training in leadership, resource management, and governance	Oxfam's Rough Guide to Exit Strategies emphasizes capacity building for sustainability.
<b>3. Gradual Transition</b>	Minimize disruptions during the exit	Implement a phased strategy where external support is gradually reduced while local responsibility is increased	Exit strategies suggest planning for exit from the outset to ensure a smooth transition.
<b>4. Robust Monitoring and Evaluation (M&amp;E)</b>	Track progress and identify risks	Establish a strong M&E framework, conduct regular reviews, and take timely action	Regular monitoring and evaluation are essential for adaptive management practices.
<b>5. Stakeholder Engagement</b>	Maintain active involvement and cooperation among stakeholders	Regular updates, consultations, and feedback mechanisms with stakeholders	Effective communication and stakeholder engagement ensure transparency and accountability.
<b>6. Strengthened Policy Frameworks</b>	Provide a solid legal foundation	Strengthen and formalize policy frameworks	Policy frameworks are crucial for the continuation of programme benefits.
<b>7. Resource Mobilization</b>	Ensure financial sustainability	Develop strategies for local resource mobilization and diverse funding sources	Experience shows that local resource mobilization is key to sustaining progress.
<b>8. Proactive Risk Management</b>	Address identified risks with proactive measures	Create a comprehensive risk management plan with contingency strategies	Proactive risk management involves continuous monitoring and timely interventions.
<b>9. Knowledge Sharing</b>	Promote continuous learning and	Foster a culture of learning through workshops, training	Knowledge sharing and capacity building are

Strategy	Objective	Action	Evidence-Based Practice
	improvement at Provincial and Local Levels,	sessions, and collaborative platforms	vital for long-term sustainability.
<b>10. Exit Communication Plan</b>	Maintain transparency and build trust during the transition	Develop a clear communication plan outlining the transition process, timelines, and expectations	Clear communication plans are essential for a smooth and coordinated exit.

## Annex 10.2: Asset Handover Plan

Component	Objective	Action	Evidence-Based Practice
<b>1. Asset Inventory</b>	Keep an up-to-date inventory of all assets	Create a detailed inventory, including asset descriptions, locations, and conditions	Successful handover cases highlight the importance of a comprehensive inventory
<b>2. Handover Protocols</b>	Ensure consistency and compliance	Develop clear protocols outlining steps, responsibilities, and necessary documentation	Consistent protocols ensure compliance with legal requirements.
<b>3. Quality and Maintenance Check</b>	Ensure assets meet required standards	Conduct quality checks and address any issues prior to handover	Regular quality checks prevent future issues
<b>4. Handover Documentation</b>	Maintain formal records of handover process	Prepare comprehensive documentation, including asset details and transfer agreements	Documentation serves as a formal record for transparency and accountability
<b>5. Training and Orientation</b>	Familiarize new custodians with assets	Provide training sessions to ensure new custodians understand asset maintenance	Training is crucial for seamless asset management
<b>6. Independent Audit</b>	Ensure accuracy and completeness	Involve an independent auditor to verify the handover process	Independent audits enhance transparency and trust

## Annex 10.3 : Checklist for Asset Handover

Component and Actions	Completed (Yes/No)
<b>1. Asset Inventory</b>	
- Create a detailed inventory of all assets, including descriptions, locations, conditions, and serial numbers	
- Verify asset documentation (warranties, manuals, etc.)	
- Update inventory regularly to reflect status	
<b>2. Handover Protocols</b>	
- Develop clear handover protocols outlining steps, responsibilities, and necessary documentation	

<b>Component and Actions</b>	<b>Completed (Yes/No)</b>
- Communicate protocols to all relevant stakeholders	
- Ensure protocols comply with legal and organizational requirements	
<b>3. Quality and Maintenance Check</b>	
- Conduct quality and maintenance checks to ensure assets meet required standards	
- Document the condition of each asset before handover	
- Address any maintenance issues or repairs prior to handover	
<b>4. Handover Documentation</b>	
- Prepare comprehensive handover documentation, including asset details, quality reports, and transfer agreements	
- Ensure all documentation is signed by relevant parties	
- Provide copies of documentation to new custodians	
<b>5. Training and Orientation</b>	
- Develop training materials and orientation sessions for new custodians	
- Conduct training sessions to ensure understanding of asset management and maintenance requirements	
- Document attendance and feedback from training sessions	
<b>6. Independent Audit</b>	
- Schedule an independent audit to verify the accuracy and completeness of the handover process	
- Review audit findings and address any identified issues	
- Obtain a final audit report for documentation purposes	
<b>7. Community Engagement</b>	
- Inform community stakeholders about the handover process	
- Address any community concerns or suggestions	
- Ensure transparency and accountability throughout the handover	

Note: These checklist regarding asset handover can be amended during PLGSP implementation -especially after MTR.

## **Annex 10.4: Operational Closures Steps**

For projects/programmes to be accepted as "Operationally Closed" the following would need to be complied with:

- a) Inform the National Steering Committee of PLGSP that the programme has been operationally closed;
- b) Submit the Final Narrative Programme Report Template to the ...office Portfolio Manager (link to team contact page) for posting on the.....
- c) Interest for prior and current year, if any, transferred to the appropriate ...Bank Account and notification sent to the UNDP Office to identify the interest (see notification instructions below).
- d) If the Participating Organization's regulations do not require transfer of interest, indicate this by marking the box on the Certified Final Financial Statement and Report.
- e) Expenditure more than funds transferred should not be reported on the Certified Final Financial Statement and Report.
- f) Indirect cost should not exceed the approved percentage of programme cost.

### **Notification Of Closure**

#### **BANK DETAILS**

All interest earnings and unutilized funds should be credited to the following account:

- a) Name: PLGSP (USD) Account
- b) Account Number:
- c) SWIFT Code:

### **Financial Closure Steps**

For programme to be accepted as "**Financially Closed**" the following needs to be complied with:

- d) Certified Final Financial Statement and Report is submitted for each programme allocation. The report is accessible to the Participating Organization's designated financial reporting focal points.
- e) Unspent balance, if over USD ....is refunded and notification is sent to the PLGSP.

Bank Name/Address:

Reference:

- a) Name: PLGSP (USD) Account
- b) Account Number:
- c) SWIFT Code:
- d) Bank Name/Address:

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