



Government of Nepal  
Provincial and Local Governance Strengthening Programme  
(PLGSP)

# Lumbini Province Capacity Needs Assessment, Partnership Mapping Findings Best Practice Options and Potential TA Deployments

Provincial Consultation Note

June 2025

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**Developed with the support of:**

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### **ABOUT THIS NOTE**

This document provides a summary of results emerging from fieldwork, institutional analysis, and key informant interviews conducted across Lumbini Province to assess core capacity gaps and partnership options in governance, public financial management, and service delivery under Nepal’s federal framework. It identifies 48 primary capacity gaps as a long list for provincial prioritization, while also mapping existing partnerships, identifying areas of strategic misalignment and opportunity, and distilling best practices that can be scaled to improve provincial-local coordination.

The report is merely provided as an input to shortlisting priority actions by provincial authorities, and it does not provide a detailed institutional ecosystem analysis, as institutional issues (capacities, partnerships etc.) will only be covered in the final partnership mapping and capacity assessment report.

Based on the findings, the analysis proposes two technical assistance (TA) positions—focused on public financial / local revenue generation management and digital governance—to be taken forward under the Provincial and Local Governance Strengthening Programme (PLGSP).

# 1. PROVINCIAL GOVERNANCE PROFILE

Lumbini Province, located in the western region of Nepal, operates under the federal democratic republican system established by the Constitution of Nepal 2015. The provincial government is structured into three primary branches: executive, legislative, and judicial.

- **Executive Branch:** The Governor functions as the ceremonial head of the province, while the Chief Minister leads the provincial government. The Chief Minister chairs the Provincial Cabinet, which includes ministers responsible for key portfolios such as Physical Infrastructure Development, Economic Affairs, and Social Development.
- **Legislative Branch:** The Lumbini Provincial Assembly is a unicameral legislature composed of 87 members—52 elected through the first-past-the-post system and 35 through proportional representation. The assembly has a five-year term unless dissolved earlier.
- **Judicial Branch:** The Butwal High Court serves as the apex judicial authority within the province, ensuring justice delivery and legal oversight.
- **Administrative Structure:** Lumbini Province consists of twelve districts: Arghakhanchi, Banke, Bardiya, Dang, Eastern Rukum, Gulmi, Kapilvastu, Nawalparasi West (Bardaghat Susta West), Palpa, Pyuthan, Rolpa, and Rupandehi. These are further divided into 32 municipalities and 73 rural municipalities. Each local unit operates autonomously, overseeing local governance, service delivery, and development planning in response to community needs. Each local government unit enjoys autonomy in managing local administration, delivering public services, and implementing development initiatives tailored to the specific needs of communities.
- **Fiscal Structure:** Under Nepal’s federal constitutional framework—primarily Article 57, Article 60, and the Intergovernmental Fiscal Arrangement Act (2017)—the division of fiscal authority is clearly delineated across Schedules 5, 6, 8, and 9 of the Constitution. Karnali Province has the power to levy its own taxes, including agricultural income tax, vehicle tax, entertainment tax, and service charges, as outlined in Schedule 6. While property tax falls under local government jurisdiction (Schedule 8), the province receives fiscal transfers from the federal government, including equalization, conditional, and special grants, as well as a share of national revenue based on a formula recommended by the National Natural Resources and Fiscal Commission (Article 60). These resources support the province’s administrative functions, infrastructure, and development programs. Table 1 provides the structure of sub-national fiscal assignments.

Table 1. PROVINCIAL, LOCAL GOVERNMENT AND SHARED FISCAL ASSIGNMENTS	
<b>Provincial Fiscal Assignments</b>	
<i>Tax Type</i>	<b>Details / Notes</b>
<i>Vehicle Tax</i>	Includes registration, ownership transfer, and annual renewal of vehicles.
<i>Entertainment Tax</i>	Applied to cinema halls, events, shows, and other commercial entertainment.
<i>Advertisement Tax</i>	On advertisements displayed in public spaces, billboards, etc.
<i>Agricultural Income Tax</i>	Provinces may impose this on larger-scale farming activities (non-subsistence).
<i>Tourism Fee / Tax</i>	Includes trekking permits, entry fees, and related provincial tourism charges.
<i>Service Charges / Royalties</i>	For the use of provincial services, licenses, and natural resources (e.g., forests).
<i>Provincial Property Tax (if any)</i>	Rarely imposed; often overlaps with local government mandates.
<b>Local Government Fiscal Assignments</b>	
<i>House and Land Tax (Property Tax)</i>	Imposed annually based on land and building valuations.
<i>Business Tax / License Fee</i>	For operating commercial entities within local jurisdictions.
<i>Rental Tax</i>	On rental income from properties (usually residential or commercial leases).
<i>Advertisement Tax</i>	For ads displayed in local public areas (can overlap with provinces).

<b>Vehicle Entry Tax</b>	On commercial vehicles entering local territory, often for goods transport.
<b>Market Tax / Haat Bazaar Tax</b>	Fees on vendors or marketplaces within local boundaries.
<b>Entertainment Tax</b>	Events, local fairs, movie halls (may overlap with provincial taxes).
<b>Service Fee / Local Royalties</b>	For use of community services (e.g., water, waste management).
<b>Heritage / Culture Fee</b>	For visiting temples, monuments, etc. under municipal control.
<b>Tourism Fees (local level)</b>	Entry or facility use charges (e.g., for local trekking routes or home stays).
<b>Shared Taxes Across Tiers of Government</b>	
<b>Value Added Tax (VAT)</b>	Collected by federal government, shared with provinces/local.
<b>Excise Duty (on local goods/services)</b>	Shared between federal and subnational levels.
<b>Natural Resource Royalties</b>	Revenue from hydropower, forests, mines shared as per formula.

Source: Constitution of Nepal (2015) and Devkota, K., L., (2020)

This decentralized governance model enables Lumbini Province to respond effectively to regional needs while ensuring alignment with national priorities and constitutional provisions.

## 2. NOTE PURPOSE

This Note serves to consolidate key findings from the capacity gap assessment, partnership mapping, and field-based identification of scalable best practices across Lumbini Province under the Provincial and Local Governance Strengthening Programme (PLGSP). Its purpose is threefold:

- **Diagnose Provincial Capacity Gaps:** The Note provides an evidence-based overview of institutional, organizational, and systemic deficits across planning, fiscal management, digital governance, and service delivery functions. Drawing on structured interviews, administrative reviews, and local government diagnostics, it outlines 45 capacity gaps requiring prioritization by the province.
- **Map Strategic Partnerships:** It identifies current and emerging partnerships with development actors—including INGOs, bilateral programs, and UN agencies—and evaluates their alignment with PLGSP objectives. The mapping highlights potential synergies, innovation channels, and duplication risks, offering a roadmap for integrated development cooperation.
- **Inform Future Technical Assistance Deployment:** Based on the assessment, the Note proposes targeted technical assistance (TA) placements and models for scaling best practices. It emphasizes high-impact, cross-cutting roles—particularly in public financial management, digital governance, and inter-governmental coordination—that can unlock reform momentum and strengthen federalism in practice.

By aligning institutional analysis with practical entry points, the Note will inform future PLGSP support, donor coordination, and provincial strategic planning processes—helping ensure governance in Lumbini Province is inclusive, accountable, and resilient.

### **3. CLARIFYING INSTITUTIONAL GAPS**

While the primary aim of this Note is to consolidate a comprehensive list of capacity needs across sectors and governance functions, based on field survey results, several overarching institutional themes emerged during provincial consultations. These issues require a brief mention to inform future planning and support.

While the primary aim of this Note is to consolidate a comprehensive list of capacity needs across sectors and governance functions, based on field survey results, several overarching institutional themes emerged during provincial consultations.

- ***Provincial Assembly's Legislative Role:*** The Provincial Assembly's potential remains underutilized, particularly concerning the volume of legislation required to operationalize provincial mandates. Capacity gaps in legislative drafting, public consultation, and alignment with federal frameworks are evident. Establishing a legislative support unit within the Assembly Secretariat, strengthening provincial sectoral committees and strengthening linkages with sectoral ministries could address these challenges. While the assessment did not cover the accounts committee, finance committee or other sectoral committees, similar observations likely apply.
- ***Intergovernmental Relations (IGR):*** While formal IGR structures exist, their functionality varies. Emphasis should be placed on enhancing existing forums—such as the Provincial Policy and Planning Commission and Chief Minister-chaired coordination council meetings—to improve coordination and mitigate conflict among provinces and local levels. Integrating digital tools like the Provincial Project Bank Management Information Systems (P-PPBIS) and Geographic Management Information System (GEOMIS) can further reduce fragmentation.
- ***Inclusivity in Decision-Making:*** Despite the mainstreaming of GESI principles in law, practical mechanisms to ensure the participation of women, children, youth, Dalits, Janajatis, and persons with disabilities as well as senior citizens and Leave No One Behind people concept in planning and budgeting processes are limited. Institutionalizing participatory tools such as community scorecards could be considered as well as strengthening the Ward Level Planning and Monitoring Committee, which could be made more inclusive and gender responsive.
- ***Law-Making Process:*** The legislative process faces constraints due to procedural ambiguities and limited legal drafting capacity. Supporting procedural reforms and digitizing legislative workflows, drawing on models piloted by organizations like UNDP, can streamline law-making.

#### **Cross-Cutting Importance of GESI and Social Inclusion**

The integration of Gender Equality and Social Inclusion (GESI) serves as a foundational, reflecting PLGSP's commitment to structural transformation and inclusive governance. Strengthening GESI is both a strategic opportunity and a necessity. A more comprehensive and systematic analysis is picked up on the main assessment report to understand how institutional capacities—or the lack thereof—affect historically marginalized groups including women, Dalits, Indigenous Peoples, Madhesis, persons with disabilities etc. Embedding this lens is essential to expose entrenched power imbalances and to articulate the program's ambition to disrupt the status quo.

These observations, while not expanding the current mandate, provide a light-touch diagnostic to guide future Phase II support under PLGSP and related programs. These issues will be developed in the full final consolidated national partnership mapping and capacity assessment report. They highlight priority areas for deeper inquiry and investment to enable provinces to fully realize their constitutional mandates and functions within Nepal's federal system, helping to rationalize and harmonize. Capacity Assessment Results

## 4. CAPACITY ASSESSMENT RESULTS

The Capacity Assessment is a key component of the Provincial and Local Governance Strengthening Programme (PLGSP) in Nepal. This assessment evaluates the institutional, organizational, and individual capacities of provincial and local governments (PLGs) to ensure they function effectively within the federal governance framework. By identifying strengths, shortcomings, and capacity needs, the assessment provides a data-driven foundation for designing targeted interventions that enhance governance performance and service delivery addressing those identified capacity needs.

This exercise examines governance structures, human resources, policy implementation, financial management, and service delivery mechanisms across the seven provinces and selected local governments. It identifies systemic, institutional, and individual-level challenges, ensuring that PLGSP's support aligns with the specific needs of each province and municipality. The assessment also contributes to the development of capacity-building strategies, informing PLGSP's technical assistance (TA) deployment, staffing recommendations, and training priorities.

The study has covered KII and FGDs with the OCMCM, Ministry of Social Welfare, Provincial Planning Commission, and Five municipalities: Ghorahi sub-metropolitan, Lamahi Municipality, Rapti Rural Municipality, Buddhbhumī Municipality, and Nepalgunj Sub Metropolitan city as representative of the province for the study. In addition, the Local Infrastructure Support Programme (LISP), an infrastructure programme designed to improve the local government's capacity to respond to the demand of rural citizens for access to local infrastructure services was also studied. The Province Public Service Commission could not be studied because of time limitations.

By establishing a baseline for future capacity enhancement efforts, this assessment helps provincial and local governments strengthen governance mechanisms, improve coordination, and deliver more inclusive and effective public services. It ensures that PLGSP interventions are evidence-based, responsive, and sustainable, contributing to the long-term goal of functional, accountable, and resilient provincial and local governance in Nepal.

### Summary of Capacity Needs Assessment Findings- Lumbini Pradesh

The province<sup>1</sup> has 12 districts namely Rukum (East), Rolpa, Nawalparasi (West), Rupendehi, Palpa, Kapilbastu, Gulmi, Arghaknanchi, Pyuthan, Dang, Banke, and Bardia. Of the 12 districts, six are in the Terai region, five in the mountain region, and one (RukumEast) in the Himalayan region. There are 109 local governments composed of 4 sub-metropolitan cities, 32 municipalities, and 73 rural municipalities with 983 wards. The province of Lumbini has a human development index of 0.610, a gross domestic product growth rate of 7.2 percent, a child mortality rate of 22 per thousand, and an absolute poverty rate of 18.20 percent. Per capita, income is 1512 US dollars (periodic plan of Lumbini). The Lumbini Province contributes approximately 14% of the country's GDP, along with two industrial areas and a special economic zone in Bhairahawa. The Lumbini Province's Second Five Year Plan focus on sustainable economic development, poverty reduction from 24.35 % to 15 %, Improve in Human Development Index, sector focus with priority on agriculture, industry, and tourism (on their production and productivity), infrastructure development, social justice, good governance, private sector involvement, and resource mobilization. An estimated investment area of 14 trillion 99 billion has been identified for the second five-year plan<sup>2</sup>. However, the capacity challenges facing Lumbini Pradesh reflect systemic constraints across the public sector management spectrum. While institutional mandates have expanded under federalism, the ability to translate these into coordinated planning, sound fiscal management, and effective service delivery remains limited.

**Functional role clarifications:** The Federation, Province, and Local Level (Coordination and Inter-relations) Act, 2077 (2020), also known as the Intergovernmental Relations Act, governs the

<sup>1</sup> Geographically, the province has borders with the provinces of Gandaki to the east and north, Karnali to the north and west, Sudurpaschim to the west, and India to the south.

<sup>2</sup> <https://ekantipur.com/en/pradesh-5/2025/03/27/second-periodic-plan-of-lumbini-province-approved-31-17.html>

relationship between the federal, provincial, and local governments in Nepal. It aims to strengthen federalism and improve coordination and cooperation among these three levels of government. The Act establishes mechanisms for interaction, and dispute resolution, and clarifies the powers and jurisdictions of each level of government. The Constitution has granted exclusive rights and concurrent rights to the federal, provincial, and local governments. There are challenges to the effective use of these rights, at each level. The exclusive rights related to revenue are property tax, house rent tax, house registration fee, vehicle tax, service charge, tourism fee, advertisement tax, business tax, land tax, entertainment tax within the purview of the federal and provincial law, needs to be further reviewed and simplified for effective use of the legal provisions.

***Fragmentation between federal, provincial, and local levels*** undermines strategic coherence, while critical functioning of the Provincial Coordination Council (PCC) is needed to strengthen the intergovernmental relationship between the provincial and Local Government. Although the Lumbini province regularly has meetings of the PCC, there is also a need to have a regular meeting of the Inter-Provincial Coordination Council (IPCC), at the federal level to resolve the issues of inter-provincial coordination on matters such as watershed-based upstream/ downstream water resource management, resolving on the use of sand, gravel extraction along the big rivers like Karnali, Rapti rivers, wildlife management that crosses the provincial boundaries. Similarly, there is a need to regularize the meetings of the Local Coordination Council (LCC) to oversee the issues of common interest and issues on conflict of interest with neighboring municipalities. Convening regular meetings of LCC could overcome mainly the issues related to revenue sharing based on natural resources, creating a co-working environment for common interests like firefighting management, ambulance, private sector mobilization, and Private Partnership Projects (PPP).<sup>3</sup>

***Post-legislative policy scrutiny:*** Post-legislative policy scrutiny and policy audits are critical to ensuring that enacted laws and regulations deliver their intended outcomes and remain relevant in practice. In Lumbini Province, many policies have been adapted directly from federal templates without adequate contextualization, leading to gaps in implementation and local relevance. Conducting regular policy audits will help assess the effectiveness, accountability, and transparency of these frameworks, reinforcing public trust in governance. In parallel, there is a pressing need to update outdated policies and develop clear procedural guidelines at both provincial and local levels to improve consistency, enforceability, and alignment with evolving governance needs.

***Policy coherence between Periodic plans of the Federal, provincial, and Local Government and Limited ownership of Periodic Plans, METEF, and other Policy documents developed with support from consultants:*** There is a challenge to policy coherence between the federal provincial, and local government, mainly in the formulation of Periodic Plan, MTEF and Revenue Implementation Plans. Moreover, there is an issue of ownership of the PP, except for a few municipalities and sub-metropolitan cities like Ghorai which has made an effort to look at the policy and planning coherence. There is also a need to review the process of PP and MTEF formulation at the local level while ensuring quality and policy coherence. The Lumbini Provincial Research and Training Academy (LPRTA) can play a role in developing accredited Human Resources for the Local Government to take the lead in such plan formulations on cost sharing basis, while the Province Planning Commission (PPC) could provide Policy feedback for policy coherence. However, creating a conducive environment for PPC to perform the suggested role is important, with mandates as well as with the provision of Human resources.

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<sup>3</sup> Lumbini has established sectoral coordination platforms in areas such as health, nutrition, education, and agriculture, often facilitated by development partners like UNICEF, WHO, and World Bank programs. The Provincial Ministry of Social Development has chaired multi-stakeholder forums on maternal and child health, with participation from local governments, NGOs, and provincial directorates. In agriculture, coordination is observed through the Provincial Agriculture Development Directorate, which holds periodic planning and review meetings with municipalities to align subsidy schemes, extension services, and farmer support programs. While these mechanisms are not always formalized through the Provincial Planning Commission, they function as de facto sector coordination spaces, especially where strong programmatic funding exists. Further formalization and integration into the provincial planning structure remain areas for institutional strengthening.

***Policy Implementation Challenge/Capacity Building of the Legislative and Executive Bodies:*** Irrespective of the status of the legal provisions, there is a strong demand for the capacity building of the legislative and executive members both at the provincial and local government levels. Limited knowledge of the power and responsibilities, the role of executives and legislative in creating an enabling environment fostering collaborations, cooperation among the three tiers of the government, and promoting transparency and accountability are expected to enhance the effectiveness and efficiency of the organizational performance. Institutions like LDTA could be helpful to take on the chunk of CB of the legislative and executives at the national level so that institutions like LPRTA can focus on the system strengthening at the local level.

***Planning Fragmentation and Under-Developed Inter-Governmental Coherence:*** Persistent challenges continue to undermine the harmonization of planning and budgeting processes across federal, provincial, and local levels. Most municipalities still follow resource-based planning, rather than a demand-driven, need-based approach. To address this, the Provincial Planning Commission (PPC) has introduced a detailed Planning Guideline aimed at bridging the gap between provincial spending units and local governments—a model that could serve as a best practice for replication in other provinces. Additionally, the enactment of the Provincial Fiscal Responsibility Act (2081) has made the use of a Project Bank mandatory in all budgetary processes, establishing a legal foundation for strategic, results-oriented planning. However, operationalizing this reform at the local level requires significant capacity-building support. Local governments need tailored training and a functional software platform to implement the Project Bank concept effectively. Strengthening the technical skills of planning staff and ensuring full integration of Project Bank systems will be essential to institutionalize need-based planning and improve alignment across government tiers.

***Underutilized Exclusive and Revenue Domains:*** The economies of the provincial and most local governments in Lumbini remain heavily dependent on federal grants, with limited own-source revenue (OSR) generation. Despite having exclusive mandates over key revenue streams—such as house and land registration, motor vehicle taxes, entertainment and advertisement taxes, and income from agriculture, fishing, and forestry—these sources are significantly underutilized due to the absence of robust fiscal analysis and revenue forecasting. Non-tax revenues, including service charges, tourism fees, and penalties, also remain untapped. Given that agriculture contributes 28% to the province's GDP and over 60% of the population relies on it for livelihood, there is a strong case for leveraging agricultural and forest resources more systematically to drive economic growth. While land and property taxes are relatively well managed, there is a clear need for system development—particularly for administering and tracking motor vehicle taxes at the provincial level. Local governments face similar challenges, especially in capturing revenue from sand and gravel extraction in rivers such as the Rapti, where shifting river courses and unclear tendering procedures have led to disputes and loss of revenue. Additionally, the current SuTRA revenue model lacks functionalities for calculating penalties, unlike the national tax office systems. The practice of arbitrary tax waivers further undermines revenue discipline, calling for stricter regulation and oversight of tax concessions at both provincial and local levels.

The Lumbini Province plans to increase OSR by strengthening revenue administration, easing restrictions, and strengthening relevant legislation in revenue collection, identifying additional sources of intervention. Launching an enormous tax awareness campaign to increase the number of taxpayers covered, is recommended to support, examine, or change the revenue sharing percentage between the provincial and local government while building confidence with the political leaders for their commitment to support the process. (Resource Mapping Report,2024)

***Budgeting systems need review for equitable allocations:*** There is a need to review an equalization grant allocations formula considering geographical proximity and revenue potential, along with improved conditional grant allocation mechanisms that apply condition-based conditionality in coordination with NNRFC.

***Sectoral and Infrastructure Planning Capacity Needs Strengthening:*** As per the constitution of Nepal 2015, the provincial government will look after infrastructure provisions (road, drinking water, irrigation, electricity, health and education, land recording and management). The road infrastructure, in many cases, is found to suffer from fragmented planning processes, duplication of efforts, and limited cross-governmental coordination. However, the province is following a systematic way of transport infrastructure planning. The Provincial Infrastructure Development Authority (PIDA) of the Lumbini Provincial Government (LPG) has collected data on different types of existing road infrastructure in the province. The Lumbini province has 3400 roads under construction by the three levels of government in 12 districts but are reportedly stalled due to low budget availability. The province is moving ahead with identifying strategic roads for further funding and upgrading. In the meantime, Local Infrastructure Support Programme (LISP), is leading the local infrastructure services by providing technical assistance and performance-based capital funding to improve the delivery and resilience of local infrastructure. LISP aims to support the use of the systems and capacity developed by the Provincial and Local Government Support Programme. It is understood that capacity preparedness is expected from PLGSP for LISP funding. **In this case**, more strategic planning needs to be done to match the LISP complementarity activities.

***Budget Unrealism and Need to Strengthen Fiscal Futures:*** Budget formulation remains disconnected from realistic forecasts. A realistic Revenue Improvement Action Plan (RIAP) should be developed for both provincial and local government. Capacity building is required in realistic budget forecasts, and budget tracking (especially for Gender, SDG, and climate-linked spending) in PLMBIS, and SuTRA. Strengthening internal audit systems and building technical backstopping for digital PFM systems such as SuTRA, RIMS, and PAMS, with backstopping support from provincial-level District Treasury Controller Offices (DTCOS). Similarly, there is a need to develop technical backstopping support for the effective functioning of the Electronic Government Procurement (e-GP) system to enhance transparency, efficiency, and accountability in revenue management, asset management, and public procurement. Are also prioritized in coordination with PPMO? A “procurement clinic”, or “PFM clinic” team could be developed as a mobile team to provide technical backstopping at the local level. Learning from Madhesh Pradesh.

***Need for Improving Internal Control System Strengthening:*** There is a need for regular institutional capacity building on using Internal Control System Guidelines/ procedures for both staff as well as the elected representatives for reducing fiduciary risk, safeguarding assets, preventing fraud, and maintaining accurate records. Ensuring regulatory compliance, improving operational efficacy to control and streamline processes, and improving overall organizational performance are needed. Developing a system of result-based financing and strengthening arrears settlement processes is needed to improve the financial discipline. There is also a need for building a robust system for LISA and FRA assessment through DCC and developing a system to potentially integrate them into performance-based grant systems or other incentive-based financing systems. There is also a need to Develop an integrated online portal to manage the Master List of tax-exempted and rebated goods along with quantity, foregone customs, VAT, Excise, and other taxes at the provincial level.

***Human Resource Capacity constraints in the province and the local government.:*** The Ministries at the provincial level as well as the Local government face significant human resource gaps. It is expected that the completion of the organization and method (O&M) survey of the LG would open up the door for fulfillment of required HR. The present process requires the O&M survey to be submitted by the LG to the OCMCM for their approval and is further forwarded to MoF for their Guidance. In Lumbini Province After approval from the MoF, the PSC can start the recruitment process. It is in this context, that the provincial Government is about to finalize the organization and method (O&M) survey for the provincial Ministries. The O&M survey at the provincial level is being done by commissioning the study to a 3-member committee of retired secretaries from MoF, retired secretaries from the administration, and one retired secretary from Education (10<sup>th</sup> level). The O&M needs to ensure a) the IT section coordinates the overall ICT systems of the Ministries with data security and data backup systems, The Local Government requests for developing standard “criteria” at the provincial level before conducting (O&M) at the local level. To align with the Province Public Service Commission

Act, the municipality's O&M survey—conducted prior to the Act's enactment—must be revised and updated.

**Capacity Constraints in Local Economic Development (LED) and Employment Creation:** According to the Planning Commission, new opportunities in agriculture, industry, tourism, and the green economy will be investigated along with increased employment and entrepreneurship through long-term thinking of economic development, good governance, and development. Its goal is to guarantee universal access to high-quality education and healthcare in the Lumbini Province to develop healthy and productive human capital. However, at the practical level, the economic development activities remain fragmented, and financing to these sectors is not justified as per the planning. Therefore, fragmented LED strategies need to be strengthened, especially at the LG level by combining the scattered programme of the PM Employment programme, Women Development, and Entrepreneurship Development programme while linking with programmes alike ENSURRE/ Helvetas. The CD table below calls for Structured approaches, including identifying programs and activities that are supportive to move the subsistence to a more viable economic growth career path, while promoting private sector engagement, which are essential to long-term economic resilience.

**Lumbini Province Research and Training Academy (LPRTA) Institutional Development:** The Lumbini Province Research and Training Academy (LPRTA), also functioning as the Provincial Center for Good Governance (PCGG), is located in Nepalgunj, over 150 km from the provincial capital. Given its distant location, a cluster-based training approach is essential to accommodate municipalities situated up to 600 km east and 200 km north of Nepalgunj. With the recent endorsement of the LPRTA Act, there is an urgent need to develop an operational guideline to ensure the institution's effectiveness. A comprehensive Organization and Management (O&M) review should be conducted to address existing human resource inefficiencies within the academy. Additionally, the LPRTA should establish an accredited pool of resource persons in key thematic areas—such as Periodic Planning (PP), Medium-Term Expenditure Framework (MTEF), curriculum standardization, institutional linkages with sectoral training centers, infrastructure planning for LISP, and quality assurance mechanisms—particularly to support the capacity needs of remote municipalities. As the province is currently compiling a roster of retired government officials for advisory use by the OCMCM, a similar thematic roster of experts should be developed by LPRTA. The introduction of a Training Management Information System (TMIS)—drawing lessons from Gandaki Province—will improve training oversight and delivery. Furthermore, a strategy should be developed to access technical backstopping from LDTA and NASC, particularly for Master Training of Trainers (M-ToT) and curriculum development. This expert pool can support local governments in preparing plans like PP and MTEF, thereby enhancing local ownership and policy coherence. Finally, creating an enabling environment for the Provincial Planning Commission to provide policy feedback will further institutionalize alignment across government levels.

**Human Resource Development Needs:** A coordinating mechanism between the Public Service Commission, OCMCM, and LPRTA is needed to address the issues provisioning capacitated new job entry HR at the provincial and local levels. Moreover, the province needs to ensure a selection system for revenue group employees to appoint revenue specialist staff at the LG level.

**OCMCM oversight role strengthening:** A digital blueprint developed by the Prime Minister's Office in Kathmandu offers a model for provinces, which are expected to establish corresponding "action centers" within their OCMCMs. These centers would act as digital secretariats, equipped for real-time governance, policy implementation, and coordination with the federal level. There is also a need to strengthen OCMCM's role, also in LPRTA training delivery quality assurance. The absence of connected digital systems also limits coordination between the three levels of government. Capacity development support is needed for spatial planning, digital mapping, and a common portal to check the project duplication issues, thus enhancing alignment between provincial and local planning. Further strengthening of the Data portal developed by the Provincial Planning Commission, development of Project Management Information systems (PIMS), and Donor coordination Platforms are identified for improving planning fragmentation and improving governance and stakeholder coherence.

**Justice, Social Protection, and Inclusion Mechanisms Require Strengthening:** There is an inadequate understanding of the core legal provisions by the staff and the executives. For this purpose, a mechanism for providing legal services is suggested. Provisioning legal mentors or experts could be an option. Moreover, Public awareness of local justice mechanisms is low. Strengthening the capacity of duty-bearers at the operational level on GESI-related national and international policies and legislation is essential. Equally critical is establishing robust partnerships and advocacy initiatives with local governments to drive effective service delivery and promote inclusive governance—ensuring policies and programmes are not only inclusive but backed by dedicated, earmarked budgets for women, children, and the elderly. In parallel, targeted campaigns to accelerate citizenship and vital registration, along with systematic evidence generation, are urgently required to inform gender-responsive and inclusive policymaking across all three tiers of government. The table below recommends training for legal facilitators, public outreach campaigns using FM and digital platforms, and incorporating mandatory budget provisions for women, children, and disadvantaged groups.

**Digital Systems and Knowledge Platforms Remain Fragmented and Underutilized: The province has built a very good physical infrastructure for the operation of province Ministries.** The province is ready to equip the new infrastructure with platforms such as the Government Integrated Office Management System (GIOMS), and Integrated Document Management System (IDMC), and a digital interface at the provincial level that connects with LG to access the list of Acts and regulatory Frameworks developed by the Local Government. Data security issues and data backup systems a major-concerns in the process. A comprehensive provincial digital reform strategy is now needed—anchored in platform interoperability, digital literacy, and province-wide adoption of performance-linked digital tools. This agenda applies across all provinces and warrants a harmonized, system-wide approach.

**Capacity Building of the staff:** There is a strong demand for regular capacity building of staff on the use of digital technologies for spatial planning, PFM tools, procurement, and E-GP. Most importantly, job entry and in-service training need to be tailored with on-the-job training, G2G model, and development online courses needed. Coordinate with LPRTA.

**Institutional Needs in Innovation Systems:** Innovation as a cross-cutting enabler remains institutionally unanchored. Within the context of innovation, terms understood only as digital solutions, the province could open up the innovations to resolve the social challenges of inclusion, economic challenges of market system development, market linkages, local tourism promotion, resolving inter-municipality issues like that of waste management, firefighting management, fallow land management, wildlife-human conflicts. Re-orienting the IPF funding, to solve the local problems with or without digital technologies could lead to innovation-led service delivery or governance improvements as an area for future strategic focus.

## Summary of Capacity Needs Findings

Table 1 provides a list of 48 actions to be considered by provincial authorities in their prioritization process, ideally down to the priority 10-15 actions to be targeted by the PLGSP program over the next 4-5 years.

Table 2. LONG LIST OF LUMBINI CD NEEDS & RECOMMENDATIONS FOR PRIORITIZATION	
Capacity Needs	Recommendations
<b>A. Issues Common Across All Provinces</b>	
1.1.	<p><b>Intergovernmental coordination</b> across the three tiers of government is limited, with the provincial government facing significant capacity constraints, and the</p> <p>To address limited intergovernmental coordination and provincial under-capacitation, sector-specific <b>Shared Service Agreements (SSAs)</b> are based on agreements reached between comprising federal, provincial, and local</p>

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	unbundling exercise needs to be embedded in each sector service delivery model.	representatives. These SSAs will assign responsibilities based on actual capacity, embed coordination within sectoral frameworks and budgets, and align with ongoing unbundling efforts. A national <b>Shared Services Support Cell (SSSC)</b> could backstop implementation.
1.2	<b>Coordination challenges limit strategic coherence</b> , Vertical coherence between federal, provincial, and local levels remains weak. Planning and budgeting processes are not harmonized, digital systems are non-integrated, and data flows are inconsistent or dysfunctional. Provincial capacities to operationalize exclusive mandates are constrained by the lack of sector-embedded coordination mechanisms and interoperable tools. This undermines service delivery, delays reforms, and leads to duplication of efforts.	<b>Institutionalize sector-specific Intergovernmental Coordination Units (ICUs)</b> with clear mandates to align federal, provincial, and local planning. These units could be supported by a province-wide interoperable digital platform enabling shared data access, synchronized project management, and real-time fiscal tracking. Formalized Shared Service Agreements (SSAs) and a provincial-level Shared Services Support Cell (SSSC) could be deployed to standardize tools, offer technical backstopping, and coordinate with digital governance partners to ensure sustainable, cross-tier collaboration.
1.3	The Constitution has granted exclusive rights and concurrent rights to the federal, provincial, and local governments. There are challenges to the effective use of these rights, at each level.	The exclusive rights related to revenue are property tax, house rent tax, house registration fee, vehicle tax, service charge, tourism fee, advertisement tax, business tax, land tax, entertainment tax within the preview of the federal and provincial law, needs to be further reviewed and simplified for effective use of the legal provisions.
1.4	<b>Decreasing Equalization Grant and increasing conditional grant</b> . The rising share of conditional grants over equalization grants risks limiting provincial autonomy and flexibility. Provincial governments lack localized tools and procedures to comply with updated CS grant allocation guidelines.	Review of Fiscal Equalization Grant Allocation Formula used for fund disbursement under its domain from grants obtained from the Federal Government and its resources based on the need for expenditure and revenue capacity of the LGs. Coordinate with NNRFC.  Review and advocate for condition-linked conditional grant allocation mechanisms; develop provincial funding structures mirroring conditional grant principles. Coordinate with NNRFC. Develop KPI-based.
1.5	Provincial and local governments face serious capacity gaps in using key PFM systems like PAMS, RIMS, and e-GP, compounded by fragmented training and lack of sustained technical support, undermining financial transparency and efficiency.	Establish a dedicated support mechanism at the Provincial DTCO to provide ongoing backstopping through a “procurement clinic” model, while coordinating with FCGO and PPMO. Roll out targeted, role-specific capacity building for IT officers (networking, GIS), engineers (e-GP, infrastructure systems), and finance staff (PAMS, SuTRA, ICS, audit) to enable full system adoption and integrated PFM performance.
1.6	<b>Duplication of infrastructure plans</b> across government levels needs rationalizing and harmonizing.	Support to complete <b>digital portal</b> initiated by the provincial Planning Commission. Develop and link a <b>digital infrastructure planning platform</b> accessible to LGs and PGs to avoid duplication; include LG-level mapping.
1.7	Provincial governments <b>lack structured, tech-enabled coordination units</b> , reducing efficiency and alignment with federal systems.	Support the rollout of provincial-level <b>Action Centers</b> based on the Prime Minister’s Office model, with full technical implementation support.
1.8	<b>Multiple, incompatible software platforms</b> exist across PG and LG levels, limiting data integration.	Develop a <b>Provincial Level Data Bank</b> with a unified digital platform to harmonize provincial and local level systems.
1.9	Post-PLGSP, system outages and inactive websites have disrupted digital continuity due to the absence of dedicated IT	Establish a permanent IT unit within the provincial structure, staffed with qualified personnel, and revitalize data backup and security systems to ensure uninterrupted

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	personnel and weak data backup and security protocols.	digital operations and long-term sustainability of e-governance platforms.
1.10	<b>Low digital literacy</b> among users reduces the uptake of e-governance tools and systems.	Promote digital literacy with best-practice learning methods tailored to demand-side users. Replicate CoP on enhancing digital literacy. Learning From GIZ/ Karnali
1.11	Provincial governments lack context-specific tools and procedures to operationalize updated Conditional Service (CS) grant guidelines, resulting in poor fund targeting and implementation delays.	Develop and implement an online CS grant management system with tailored operational guidelines, enabling transparent allocation, tracking, and compliance aligned with provincial needs and fiscal planning cycles.
1.12	Provincial staff have limited understanding of how to use the <i>NPC's online project bank system</i> effectively, including Project Bank Guidelines and Localization.	Support effective <b>uptake and integration of existing NPB and NPB MIS systems by building LG capacity</b> , simplifying user interfaces, and piloting applied use cases to improve project planning and ownership. Provide structured training for spending unit staff on the project bank platform and CS grant operations, coordinated with NPC and PPC.
1.13	The Lumbini Planning Process Guideline, though nearing endorsement, remains underutilized, leading to inconsistent planning practices and weak alignment between provincial and local development priorities.	Accelerate the adoption of the Lumbini Planning Process Guideline post-endorsement through structured orientation and practical application support, while documenting and adapting relevant project selection best practices from Karnali to enhance planning quality and consistency.
1.14	Weak policy coherence between federal, provincial, and local government levels	Update Periodic Plans and MTEF to align with the 16th Five Year Plan; deliver online capacity building on MTEF formulation. Develop and implement a provincial Policy Coherence Framework to align plans, budgets, and sectoral priorities, supported by coordination mechanisms and integrated planning tools.
1.15	<b>Poor data integration</b> and siloed IT systems hinder coordination across federal, provincial, and local levels.	Support <b>integrated data centers (IDMC)</b> to centralize and streamline multi-level coordination.
1.16	Limited user training and technical capacity hinder effective utilization of the GIOMIS and IDMC systems, resulting in underused digital infrastructure and inefficiencies in administrative processes.	Implement targeted, hands-on training programs for staff on GIOMIS and IDMC, including system navigation, document handling, and data security, to ensure full operational use and improve digital workflow efficiency across ministries.
<b>B. Non-Functional Systems Initiated at the Federal Level</b>		
1.1.7	System Strengthening for Policy Improvement	Conduct <b>Post-Legislation Scrutiny/ Policy Audits</b> for many of the regulatory frameworks developed at the provincial levels. Develop Province Statistics Act
1.18	The absence of legal and structural data security protocols affects safe data handling and inter-system coherence.	Develop and deploy real-time action monitoring tools with integrated dashboards, supported by the procurement of essential IT hardware and connectivity to enable timely tracking, reporting, and accountability at all administrative levels.
1.19	Key public sector data is outsourced to private firms, with weak oversight and major data migration challenges.	Support GOMIS rollout through coordination with MoCIT, aligned with the 2022 Electronic System Directive.
1.20	The current Equalization Grant formula lacks precision and fails to address provincial fiscal disparities effectively.	Study to review and revise the Equalization Grant formula to enhance equity and fiscal balance at the provincial and local level, coordinating with NNRFC.
1.21	The rising share of conditional grants over equalization grants risks limiting provincial autonomy and flexibility.	Study to develop condition-based conditional grant allocation systems, with TA support and inclusive consultation. Coordinate with NNRFC
1.22	The absence of real-time online monitoring tools limits transparency, delays decision-making, and weakens	Develop real-time " <b>Action Monitoring</b> " tools, procure IT logistics,

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	oversight of project implementation and service delivery across provincial and local governments.	
1.23	Suboptimal use of LISA/FRA/LED results for LG rewards	Advocate for linking LISA/FRA results to LG grant systems; ensure Capacity Building to DCC for effective and robust assessment mechanisms.
<b>C. Provincial-Specific Issues</b>		
1.24	Persistent conflicts over natural resource-based revenue sharing—especially along the Rapti and Karnali rivers—highlight legal ambiguities, overlapping mandates, and weak coordination between provinces and local governments, undermining fiscal equity and sustainable resource management.	Conduct a targeted study to develop or update revenue-sharing regulations based on equity and sustainability, with clear legal mandates delineating provincial and local roles. Establish joint inter-governmental committees to mediate disputes and co-design revenue-sharing models and institutionalize regular Local Coordination Council (LCC) meetings to resolve cross-jurisdictional issues and promote cooperative governance.
1.25	Periodic Plans, MTEFs, and key policy documents often lack local ownership, having been consultant-driven with limited institutional engagement, resulting in weak implementation, low accountability, and poor policy coherence across government levels.	Build a cadre of accredited local experts to lead PP and MTEF preparation at the municipal level on a cost-sharing basis, enhancing ownership and sustainability. Empower the Provincial Planning Commission (PPC) to provide structured policy feedback and coordination, supported by an enabling environment that institutionalizes its role in aligning provincial and local plans with national priorities.
1.26	Policy and Mechanism Gaps in Improving inter-municipality Co-operation	Replicate best practices on inter-municipality coordination on matters of common interest-Management of Ambulances among the municipalities, by sharing the fuel cost- Dhangadhimai RM.
1.27	O&M processes remain inconsistent across ministries and local governments, with outdated frameworks, fragmented ICT roles, and unstandardized service titles undermining administrative coherence, staff mobility, and digital governance.	Finalize and institutionalize the O&M survey for all provincial ministries, ensuring inclusion of standardized ICT roles, data security protocols, and coordinated digital systems. Develop and enforce province-wide O&M criteria aligned with the new Public Service Act (2081) to harmonize staff structures, clarify service hierarchies, and eliminate title inconsistencies that hinder transfers and career progression across LGs.
<b>Public Service Commission and PRTA</b>		
1.28	The provincial Public Service Commission <i>lacks modern tools and infrastructure</i> for efficient, transparent, and merit-based recruitment processes.	Implement a <i>comprehensive digital upgrade package</i> with advanced recruitment software, automated scoring (OMR) for Merit-Based Recruitment (MBR) result tracking systems, and fully equipped computer labs.
1.29	<i>The absence of an integrated staff inventory system</i> limits workforce planning, redeployment, and capacity analysis.	Roll out a centralized <i>Integrated Public Service Management Information System (IPFMIS)</i> at the provincial level. Coordinate with Federal PSC with live staffing data, linked to planning and budgeting systems. Support Execution of the Personal Information System (PIS) system at the Department of Provincial Personal Records (civil). Introduce E_ Service to check the personal details and online “Sheet roll” registration system at the Department of Provincial Personal Records (Civil)
1.30	Operational and management (O&M) structures vary across local governments, creating inefficiencies and inconsistencies in service delivery undermining compliance with Schedule 8 of the Constitution and further elaboration of the Local Government Operation Actis the	<i>Provide technical assistance to design and adopt a unified O&amp;M standard framework across all local levels.</i>

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1.31	<b>Weak coordination</b> among the Provincial Planning Commission (PPC), PSC, and OCMCM hampers a cohesive approach to Human resource development at the provincial and local government level.	Establish a <b>formal coordination platform</b> among the Provincial Planning Commission (PPC), PSC, and OCMCM for coordinated efforts on O& M study and fulfillment of the vacant public service staff, positions in the Ministries and Local Government level, ensure quality of job entry and in-service training and develop standardized systems for ensuring sectoral training centers.
1.32	With the LPRTA Act near endorsement, the Academy faces critical human resource and operational capacity gaps, limiting its ability to deliver high-quality, decentralized training and technical support across Lumbini’s geographically dispersed municipalities.	Strengthen LPRTA’s effectiveness through a targeted O&M review, introduction of a Training Management Information System (TMIS) modeled on Gandaki, and development of an accredited pool of resource persons across key governance and planning domains. Establish mobile technical support teams (“mobile clinics”) of expert trainers to deliver on-site mentoring—particularly on procurement and planning—to remote municipalities, ensuring responsive, high-quality, and inclusive capacity development.
1.33	The province <b>lacks structured induction training programs</b> for newly recruited civil servants, affecting their readiness and performance.	With LPRTA design and adapt existing similar courses in other provinces and deploy online, modular pre-service induction programs in partnership with sectoral training institutes.
1.34	Existing job entry and in-service training conducted from province have created facilities to conduct training at own province and aligned with administration content only supporting jobs requirement Provincial-level in-service training is a strong step forward to address the huge demand of officials for their promotion and much address their job necessity. However, to be truly effective, it must move from just fulfilling “demand” to ensuring impact at the classroom level. This requires thoughtful planning, continuous support, and systemic alignment.	With LPRTA create a <b>continuous professional development system with needs-based</b> , role-specific training modules and digital tracking. And develop a strategy to meet the high demand. Develop a Strategy to align also with the sectoral training units.
<b>Strategic Planning and Policy Coherence</b>		
1.35	Inadequate Economic analysis during planning	Provide technical assistance (TA) <b>in economic data analytics and applied policy research to strengthen provincial-level planning accuracy</b> . Capacity-building will focus on enhancing the ability of PPCs to interpret, localize, and apply economic data for evidence-based policy formulation.
1.36	System strengthening in Institutional development on project selection and prioritization.	<b>Develop Project Bank Software</b> , learning from Gandaki Province. Support in its execution <b>Develop MTEF data portal</b> with API from DoIT for better organizing planned expenditures efficiently over multiple years with data exchange facility at the federal-provincial and local levels.
1.37	System strengthening in Policy coherence Monitoring mechanism	Support in developing and Executing M& E Framework Procedural Guidelines for progress reporting and policy coherence
1.38	Capacity Building Support to Spatial Planning- Metro and sub-metropolitan cities	Deliver technical assistance and GIS training as part of a broader effort to institutionalize spatial planning within provincial governance systems. This will include developing standard operating procedures, integrating GIS into planning workflows, and strengthening the capacity of

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		technical staff and planning units to sustainably manage and utilize spatial data for evidence-based decision-making.
1.39	Need for digitizing the local resource information	Support the development of digital maps for Rural Municipalities to improve local resource tracking.
<b>Public Finance Management (PFM)</b>		
1.40	Support in expanding revenue base from and within the existing resources	Develop a mechanism to resolve the conflict between the neighboring municipalities in outsourcing the tenders for riverine natural resources
1.41	Revenue administration in Lumbini Province remains fragmented, with weak enforcement, outdated systems, poor tracking of exemptions and waivers, and no systematic analysis of fiscal potential—limiting the province’s ability to mobilize domestic resources effectively.	Modernize revenue administration by establishing an integrated digital system to track tax exemptions, rebates, and revenue waivers, supported by updated penalty and compliance frameworks aligned with federal tax office standards. Conduct a comprehensive fiscal potential study to identify new revenue sources and design mechanisms to formalize non-tax practices within the legal tax regime, with feedback loops to MoF and MoFAGA for regulatory improvement.
1.42	Procurement and e-bidding capacity-building needs	Develop a technical backstopping support mechanism using the” procurement clinic” model in providing capacity-building support to LGs on procuring government tenders, private sector procurement, and donor-funded project contract management to ensure compliance, transparency, and work efficacy. Coordinate with PPMO to design and deliver tailored capacity building on EGP systems, including e-bidding.
1.43	Lumbini Province faces persistent fiscal discipline challenges, including growing expenditure arrears, weak compliance with audit recommendations, lack of accountability for financial mismanagement, and minimal linkage between budget execution and performance outcomes. These gaps undermine trust in public finance systems, distort budget credibility, and limit the effective use of available resources.	To improve fiscal discipline, a dedicated Provincial Fiscal Oversight Committee will be established, comprising serving and retired audit professionals tasked with identifying and resolving arrears, tracking audit compliance, and supporting corrective actions. This will be paired with the introduction of a result-based financing framework that links budget disbursement to predefined performance indicators, service delivery outputs, and financial compliance. The initiative will also institutionalize periodic fiscal performance reviews and embed audit tracking dashboards within the provincial financial management system, ensuring transparency, accountability, and long-term financial discipline.
<b>Sectoral Development and Economic Policy</b>		
1.44	LISP aims to support the use of the systems and capacity developed by the Provincial and Local Government Support Programme. It is understood that capacity preparedness is expected from PLGSP for LISP funding.	Develop a strategy to address the capacity gaps to be addressed by the PLGSP support.
<b>Service Delivery and Inclusion</b>		
1.45	Public Service Delivery: slow effort to improve public service delivery	To accelerate public service delivery in Lumbini Province, a unified digital governance approach is proposed, centered on a One-Stop Service Portal housed at the OCMCM, integrating key functions such as online motor vehicle tax payments and linked to real-time data from the Provincial Planning Commission’s portal. This will be supported by the establishment of an Action Room equipped with a Project Management Information System (PIMS), modeled on Karnali’s experience, to enhance planning oversight. Minimum Service Standards will be introduced for provincial services, and office automation systems aligned with citizen charters will be replicated

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		across local governments to ensure faster, transparent, and accountable service delivery.
1.46	Unmet social protection measures for children and women in Budgetary Planning	Provide TA to develop mandatory budget cap provisions for women, children, and disadvantaged groups in planning and budgeting processes to streamline and mainstream.
1.47	Local Justice System Awareness remains low, with limited public engagement and visibility.	To strengthen awareness and engagement with local justice systems in Lumbini Province, a coordinated solution is proposed through a Provincial Legal Mentorship and Advisory Network (PLMAN) offering on-demand legal advice, virtual clinics, and periodic field support to municipalities. This will be paired with an auditor-legal interface, including standard legal interpretation guides and joint training to reduce audit issues stemming from inconsistent legal frameworks. Legal facilitators and paralegals will be trained via LPRTA on grievance redressal and citizen rights, while a civic awareness campaign using FM radio, digital platforms, and justice fairs will boost public outreach. A digital Local Justice Resource Hub will centralize laws, templates, and FAQs—accessible via voice/text for broader inclusion—thereby improving legal access, audit clarity, and local institutional trust.
<b>Civilian Oversight</b>		
1.48	Capacity Building Needs of the Elected Representatives	Conduct targeted sessions for elected representatives and council members on: (i) revenue sharing provisions and LG roles (ii) project identification and planning processes (iii) Integration of social, gender, and climate issues into planning (iv) concept and use of the Project Bank and (v) organize exposure visits and short executive learning programs on governance and development policy.

## 5. PARTNERSHIP MAPPING RESULTS

This section provides the results of the initial provincial-level mapping exercise, illustrating how key development partners are supporting federalism-related reforms in Lumbini Province. The examples focus on thematic alignment, coordination opportunities, and potential risks of overlap with PLGSP interventions. These working examples demonstrate how diverse actors—ranging from those engaged in youth participation to civic monitoring and inclusive planning—can contribute to and align with PLGSP’s objectives. This section is split into Priority Program Examples (three detailed examples provided) and a table of all other Lumbini province partnership options to be explored in the final report.

### 5.1 EXAMPLE PARTNERSHIP OPPORTUNITIES

Section 4.1 provides a summary of three illustrative cases highly relevant to PLGSP operations in Lumbini Province. The three examples include (i) the Asia Foundation/DFAT, (ii) The Coherence Program Phase II/FCDO/International IDEA, and (iii) Sustainable Use of Technology for Public Sector Accountability in Nepal (SUSASAN/YoungInnovations). These are provided here as examples but will be developed in the final main report, which covers federal, provincial, and local partners of significance to PLGSP.

#### 5.1.1 NEPAL SUBNATIONAL GOVERNANCE PROGRAMME (SNGP) – PHASE II

SNGP is a flagship governance initiative funded by the Government of Australia’s DFAT and implemented by The Asia Foundation (TAF) in partnership with the Government of Nepal. Currently in its second phase, SNGP works in an adaptive, politically-informed manner, convening a “coalition of influence” across government, civil society, and experts. The program has defined five End-of-Program Outcomes (EOPOs) that echo PLGSP aims: (1) stronger intergovernmental coordination mechanisms, (2) more inclusive and evidence-based local policies (with a focus on public health services), (3) inclusive economic policies at the subnational level, (4) more inclusive service delivery responding to women’s and marginalized groups’ needs, and (5) integration of climate change considerations into subnational plans (this fifth outcome was introduced in 2023).

- **Presence in Lumbini:** Under Phase II the Programme facilitated policy dialogues and supported evidence-based planning exercises in Lumbini’s provincial government and a handful of its municipalities on issues like public health and local economic development. It also convenes cross-provincial learning, notably in which youths from Lumbini participated in a Youth Sounding Board that informs the program’s youth engagement strategy. SNGP had expanded to Tansen municipality Palpa in Lumbini Province, with intentions to gradually include all other local units..
- **Key Activities & Alignment with PLGSP:** SNGP’s activities are tailored to its EOPOs. Key interventions include: supporting the design of inter-governmental coordination forums and dispute resolution mechanisms between provincial and local governments (addressing PLGSP outcome 1 on inter-governmental functioning); technical assistance to provincial ministries for evidence-based policy and to municipalities for data-driven planning (advancing PLGSP outcome 2 on efficient, inclusive institutions); and capacity development for elected representatives on participatory planning, with an emphasis on inclusive practices (linked to PLGSP outcome 3).

For example, under SNGP, policy labs were organized in Lumbini to help local governments formulate policies on public health service delivery using data and community input, aligning with PLGSP’s push for quality local services. The program also actively mainstreams GESI and climate resilience in local planning. Notably, SNGP often works through granting and mentoring local CSOs and research institutions to carry out studies or pilot programs, thereby fostering a local knowledge base and civic engagement in governance.

- **Innovations and Lessons:** SNGP is known for its adaptive programming approach, iteratively adjusting activities based on what works (a “learning by doing” ethos similar to a Problem-

Driven Iterative Adaptation model). One innovation is the establishment of Province Center for Good Governance (often through Provincial Center for Good Governance collaboration) that produces evidence for policy-making. This has been piloted in provinces including Lumbini, helping ground provincial plans in data. SNGP has documented lessons on inter-governmental relations: for instance, in facilitating dialogues on functional assignments between Lumbini’s provincial ministries and its local governments, a best practice emerged to use neutral conveners (like TAF or academia) to mediate discussions, which improved trust.

Another success under SNGP is the integration of participatory planning tools (like community scorecards and public hearings) into the annual planning cycle of certain partner municipalities, which led to more citizen-centric local development plans (a practice that can be scaled). SNGP’s mid-term review notes successful practices in gender-responsive budgeting support – some municipalities in Lumbini, with SNGP guidance, prepared budgets that earmark funds for women, Dalits, and persons with disabilities, illustrating inclusive governance in action.

- **Potential Duplication or Synergy with PLGSP:** Given that SNGP and PLGSP are both broad governance programs, coordination is crucial. However, they both have clear niches. Whereas PLGSP is a government-led framework program focusing on formal capacity development (training curricula, systems like LISA, etc.), SNGP operates more flexibly, often testing approaches and focusing on specific thematic areas (public health, economic policy, etc.). SNGP’s support to inter-governmental coordination (e.g., helping form provincial coordination councils or federal-provincial dispute resolution committees) directly complements PLGSP’s work on institutionalizing such mechanisms.
  
- One area to watch is training, as both programs deliver training to local officials; however as SNGP often channels training through the Provincial Center for Good Governance (PCGG) established by PLGSP, this is already largely managed. In Lumbini, for example, SNGP experts contributed to developing curricula for the Provincial Center for Good Governance on inclusive planning rather than running parallel training. The risk of overlap can still be managed by regular donor and government coordination (DFAT/TAF coordinate with MoFAGA and PLGSP’s donors).

<b>Table 3. THE ASIA FOUNDATION / DFAT – PLGSP OPTIONS</b>					
Name of Partner Project/Initiative Name(s)	Best Practices Identified	Potential Areas for Synergy with PLGSP	Overlap/Duplication Risks	Entry Points for PLGSP Engagement	Coordination Mechanisms Proposed
Subnational Governance Programme (SNGP)	Use of adaptive programming; facilitation of policy labs for provincial-local dialogue; establishment of Provincial Center for Good Governance; mainstreaming of GESI and climate considerations into provincial/local planning; inclusive planning tools like community scorecards.	Support in building intergovernmental coordination mechanisms; collaboration on inclusive and evidence-based local planning processes; alignment on GESI and climate resilience in governance frameworks.	Possible redundancy in provincial/local capacity building trainings; thematic overlap in GESI and planning support could result in duplicated sessions if uncoordinated.	Partner with SNGP on evidence generation and dissemination through PCGGs; integrate inclusive and data-driven approaches into PLGSP training modules; jointly convene policy forums for local governments.	Quarterly joint planning and reflection workshops; shared development of training curricula; establishment of a joint learning hub at the provincial level integrating both PLGSP and SNGP resources.

### **5.1.2 THE COHERENCE PROGRAM-PHASE II**

International IDEA's Coherence Programme is a pathfinder program funded by the FCDO. It aims to enhance gender-sensitive governance and participation of women and excluded groups in local government in Nepal. The program addresses female elected representatives, whose leadership will be enhanced, peer-to-peer learning improved, and peer networks established by means of Communities of Practice (CoP). The program focuses on gender-sensitive tools like gender audits and budgeting to ensure that local policies are based on women's and excluded groups' interests. Through mentoring, facilitation of policy dialogue, and training for capacity building, the Coherence Programme attempts to promote inclusive decision-making and public service delivery. The Coherence Programme supports Nepal's broader governance spirits and enhances the overall governance architecture by mainstreaming social inclusion and gender equality in local governance frameworks.

- ***Presence in Lumbini:*** International IDEA's Coherence Programme has a strong presence in Nepal's Lumbini Province with the aim of empowering elected representatives (ERs) women and marginalized groups of citizens at the grassroots level. Through assistance in establishing Communities of Practice (CoP), the program creates space for rural municipalities and women leaders of municipalities to learn from each other, exchange experiences, and be mentored with the expectation of enhancing leadership skills. In Lumbini, the program has been strengthening gender-responsive governance, expanding tools like gender audit and gender-sensitive budgeting to local governments. The program will increase capacity for inclusive decision-making and increase the role of women and marginalized groups in local governance. Through encouraging intergovernmental discussion and devising practical solutions for gender difference in government, the Programme for Coherence has managed to uphold growth in the area toward a more equitable and inclusive form of governance.
- ***Key Activities & Alignment with PLGSP:*** International IDEA's Coherence Programme emphasizes gender-responsive governance, capacity development, and inclusive leadership, and its main activities are directed towards strengthening female elected representatives' (ERs) and marginalized groups' role in local governance. Its main activities involve setting up Communities of Practice (CoP) to facilitate peer-to-peer learning, applying gender-sensitive tools like gender audits and gender-responsive budgeting, and mentorship for local leaders. These projects are exceptionally aligned with the Provincial and Local Governance Strengthening Programme (PLGSP) because both initiatives aim at strengthening governance structures, strengthening intergovernmental coordination, and enhancing inclusive decision-making at the local level. The Coherence Programs thrust for gender equality and social inclusion directly supports PLGSP's attention to building inclusive local governance systems, sustaining elected representatives, and strengthening public service delivery. Furthermore, the CoP model promotes partnership and sharing of knowledge, which could be integrated into PLGSP's capacity building to further supplement the reinforcement of local governance reforms and gender-responsive planning.
- ***Innovations and Lessons:*** Lumbini Province Coherence Programme Phase II has introduced an array of new practices with the vision of consolidating women's leadership and gender-responsive governance. Among them is the introduction of Communities of Practice (CoP), whereby there is a space where women ERs and poor communities can learn from each other, share best practices, and be mentored. The community-based approach has been effective in enhancing leadership development, particularly among rural municipality women. The program has also supported gender-sensitive tools such as gender audits and gender-responsive budgeting, which have enabled gender equality to be integrated into local government policy and practice in Lumbini. Additionally, the program's focus on digital platforms for inclusive governance has opened up information and training for rural leaders beyond geographical barriers, enabling marginalized groups to engage with local decision-making processes.
- One of the most significant takeaways from the Coherence Programme in Lumbini Province is that female elected representatives (ERs) and marginalized groups require ongoing support in

order to thrive within local governance roles. While initial training and workshop programs are necessary, ongoing mentorship and peer support groups are required for long-term leadership development and sustainability. The CoP model has demonstrated that learning communities can facilitate the building of trust, develop self-esteem, and overcome the challenges for women in a male-dominated political culture. The second lesson is the need for adaptive strategies responsive to the local context. The program has demonstrated that there is no one-size-fits-all solution but adaptive strategies responsive to the diverse needs of different municipalities are needed in order for governance reforms to be successful. This flexibility, combined with the gender equity pledge, has been significant in enabling inclusive government in the province.

- **Duplication/Overlap or Synergy with PLGSP:** PLGSP and the Coherence Programme both share a number of similar objectives, such as building capacity among local governments, gender equality, and participatory local governance, and these could potentially generate some duplication of effort unless they are effectively coordinated. Both the programs aim to empower women and vulnerable groups in the area of local government through capacity building and training. For example, both programs provide gender-responsive governance, budgeting training, and leadership training to female elected representatives (ERs). Uncoordinated training activities result in duplication of efforts and wastage of resources, especially in the same areas where the two programs are implemented.

However, there are also significant synergies between the two programs, especially in their complementary functions. While the Coherence Programme seeks to address gender equality and youth empowerment in local government through peer learning and policy dialogue, PLGSP focuses on institutionalization of local governments, with emphasis on consolidating service delivery, intergovernmental coordination, and financial management. The two programs can be complementary by leveraging the governance framework of PLGSP and Coherence Program's focus on gender and inclusion. For instance, membership of CoP members in Lumbini Province can be absorbed into PLGSP's capacity development programs, and joint gender equality, inclusive budgeting, and effective delivery of services workshops can be organized. This complementarity can help reduce duplication and enhance impact, leading to improved sustainability of gender-inclusive practices of governance.

<b>Table 4. THE COHERENCE PROGRAM / FCDO – PLGSP OPTIONS</b>					
Project/Initiative Name(s)	Best Practices Identified	Potential Areas for Synergy with PLGSP	Overlap/Duplication Risks	Entry Points for PLGSP Engagement	Coordination Mechanisms Proposed
International IDEA/The Coherence Program Phase II  PCGG(LPRTA) with GIZ, Capacity Development Support to Governance CDSG project have successfully implement Communities of Practice (CoP) in elected representatives in Banke, Bardiya, Palpa and Gulmi	1. Communities of Practice (CoP) Female Elected Representatives 2. Peer-to-Peer Learning and Dialogue Spaces 3. Mobile Teams for Inclusive Planning and Gender-Responsive Budgeting: 4. Integration of GESI in Municipal Development Plans: 5. Sustainability of Best Practices:	1. Use of Communities of Practice (CoP) for women's leadership. 2. Gender responsive governance tools like gender audits and budgeting. 3. Peer learning and mentoring for female ERs and marginalized groups.	1. Support for intergovernmental coordination. 2. Capacity-building for inclusive governance. 3. Gender equality is mainstreaming in governance frameworks.	Possible duplication in training initiatives if not aligned with PLGSP's existing modules.	1. Joint training programs on gender equality and inclusive governance. 2. Collaborative policy forums on public administration, gender equality, and youth engagement. 3. Integration of gender-sensitive tools in local governance and budgeting.

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#### 4.1.3 SUSTAINABLE USE OF TECHNOLOGY FOR PUBLIC SECTOR ACCOUNTABILITY IN NEPAL (SUSASAN)/YOUNGINNOVATIONS

The Sustainable Use of Technology for Public Sector Accountability in Nepal (SUSASAN)/YoungInnovations project in Nepal, which is being carried out by CECI and supported by Global Affairs Canada (GAC), aims to improve service delivery, accountability, and transparency in Nepal's public sector, particularly local governments (LGs). The effort of SUSASAN, which is now carried out by YoungInnovations, focuses on LGs' marginalized communities and leveraging technology, which bridges the divide between the public and local governments. The initiative uses resources, including the Municipality Data Portal, digital communication platforms, and grievance resolution procedures, to enhance public service delivery in collaboration with local governments in 7 provinces and 40 LGs, including Lumbini. It seeks to guarantee that women and other marginalized groups have access to essential services, promote inclusive government, and boost citizen involvement.

- **Presence in Lumbini:** *Presence in Lumbini:* SUSASAN/YoungInnovations assists local governments in utilizing digital technology to enhance service delivery, accountability, and transparency. It has contributed to the development and implementation of digital technologies, including Municipality Data Portals, Electronic Citizen Charters, and Grievance Redressal Systems, which allow local governments to quickly provide services, share information with the public, and resolve grievances effectively. Involving marginalized people, ensuring their access to services, and allowing them to participate in governance processes are all made possible by these resources. The program works closely with 4 LGs like in Khajura, Rapti Sonari, Suddhodhan, and Tansen Municipalities of Lumbini, to help integrate and execute e-governance ideas. Through SUSASAN, local governments in Lumbini Province 4 LGs, are undergoing promotion of inclusive governance, enhancing operational efficiency, and boosting citizen engagement in decision-making, which are in keeping with the broader goals of PLGSP
  
- **Key Activities & Alignment with PLGSP:** SUSASAN/YoungInnovation activities add value to the PLGSP by prioritizing e-government, digital governance, and capacity-building. The creation of digital tools, including Municipality Data Portals, Electronic Citizen Charters, and Grievance Redressal Systems, are SUSASAN's main goals to improve public service delivery, transparency, and citizen involvement. These programs directly promote PLGSP's objectives of enhancing service delivery, strengthening intergovernmental cooperation, and empowering underserved communities via better service access. SUSASAN further supports the PLGSP's goal of institutionalizing instruments for good governance by encouraging participatory and evidence-based planning processes and providing technical assistance to local governments in e-governance.

In addition, through mainstreaming GESI (gender equality and social inclusion) and climate resilience into local planning, SUSASAN and PLGSP are complementary to each other in enabling inclusive governance structures. However, as both programs provide capacity-building services, there may be duplication in training the local governments. Both programs collaborate with the Provincial Center for Good Governance (PCGG) through joint workshops for creating standardized training materials with the perspective of reducing this risk and its execution. PLGSP and the SUSASAN project are closely related in terms of improving e-governance, public involvement, and service delivery. Adopting digital solutions such as the Municipality Data Portal, electronic citizen charters, grievance redressal processes, and community scorecards is one of SUSASAN's primary initiatives. These initiatives have a direct influence on the increased accountability and openness of local governments. They also support the PLGSP's mission to guarantee inclusive, efficient institutions and strengthen other local-level governance tools for advancement. Enhancing intergovernmental collaboration and service delivery is the same objective of both initiatives.

PLGSP's efforts to promote more inclusive and transparent local government align with LG's emphasis on inclusive service delivery and e-communication for the disadvantaged using technologies like SMS and audio-based messaging systems. Additionally, SUSASAN supports the capacity building of local government authorities to maximize the use of online platforms in order to enhance governing processes and increase public involvement, which is consistent with PLGSP's work on institutional capacity building for local government.

- ***Innovations and Lessons:*** Some fundamental advancements in e-governance and electronic service delivery have been brought about by the SUSASAN initiative, which has greatly increased accountability, transparency, and public involvement. The most important of these improvements is the establishment of the Municipality Data Portal, which maximizes accountability and openness by compiling government data and making it publicly accessible. Aside from this, the Grievance Redressal System and Electronic Citizen Charters have made it possible to hear residents' voices and act upon them quickly. Another important invention that has made communication easier for underserved groups, such as those who are illiterate or blind, is the SMS and audio messaging system.

Additionally, the initiative has made it possible for community scorecards to incorporate data-driven planning and public opinion into local administration. One of the most important lessons learned is the value of adaptive programming, in which the project keeps evolving in response to input and results, ensuring that its instruments and techniques meet the changing demands of the local government and the public. Building inclusive and sustainable governance systems has been viewed as requiring the use of local CSOs to engage the public and produce evidence for policymaking.

Innovations in the Province produced positive outcomes. One of the major improvements that has made it easier for local governments in Lumbini to give residents open access to information is the Municipality Data Portal. In addition to giving residents access to basic information like budgets, policy papers, and services, the site also fosters civic involvement by making it easier for citizens to monitor local government performance.

The requirement for adaptive programming—that is, programming that is based on locality and feedback needs—was perhaps the most important lesson learned. For instance, the SMS and voice communications system that was specially created for underrepresented groups worked amazingly well. This method might also be used to reach the visually impaired and uneducated with basic government data, making local governance inclusive.

Furthermore, the Lumbini Province has benefited from a number of creative ideas carried out by the SUSASAN initiative. One of the best inventions that has allowed local governments to make information publicly available to the public is the Municipality Data Portal. In addition to giving users vital information on policies, budgets, and services, the website promotes public involvement in government by allowing citizens to monitor LG's performance.

The programmatic customization of operations using field-level needs and feedback is one of the lessons learnt from the Lumbini Province. For instance, SUSASAN-supported LGs and other marginalized groups have found great success with phone and SMS messaging technologies.

- ***Potential Duplication or Synergy with PLGSP:*** In terms of strengthening local government, improving service delivery, and inclusively promoting development, the goals of the SUSASAN project and the Provincial and Local Governance Strengthening Programme (PLGSP) are extremely aligned. Both of these initiatives aim to increase openness through digital media and strengthen local government capability, thus, they complement rather than duplicate one another. PLGSP's goal of enhancing LGs' accountability and service delivery is

supported by SUSASAN's e-governance initiatives, including the Municipality Data Portal and Grievance Redressal Systems. Local official training is another area where the two programs overlap; PLGSP concentrates on general governance and policymaking, while SUSASAN offers technical help in digital governance.

However, the two programs need to confirm coordination of their training operations through Provincial Center for Good Governance (PCGG) and Joint Workshops to avoid duplication. This ensures that resources are used efficiently and that capacity-building activities don't duplicate one another but rather work in tandem to create synergy.

PLGSP and SUSASAN programs are complementary to one another since they both seek to strengthen local governance and promote transparency. For instance, it has been demonstrated that SUSASAN's voice messaging and SMS for disadvantaged populations makes inclusive governance a priority in the PLGSP's objective to promote inclusive local government. Furthermore, PLGSP's goal of enhancing local governments' ability is closely related to SUSASAN's capacity development efforts, which equip local authorities with data-driven planning and inclusion initiatives.

<b>Table 5. SUSASAN/YOUNG INNOVATION – PLGSP OPTIONS</b>						
<b>Project/Initiative Name(s)</b>	<b>Best Practices Identified</b>	<b>Potential Areas for Synergy with PLGSP</b>	<b>Overlap/Duplication Risks</b>	<b>Entry Points for PLGSP Engagement</b>	<b>Coordination Mechanisms Proposed</b>	
Sustainable Use of Technology for Public Sector Accountability in Nepal (SUSASAN)	<ul style="list-style-type: none"> <li>- Development of Municipality Data Portals</li> <li>- Use of SMS and Audio Messaging Systems for marginalized groups</li> <li>- Grievance Redressal Systems</li> <li>- Community scorecards for feedback</li> <li>- Electronic Citizen Charters</li> </ul>	<ul style="list-style-type: none"> <li>- Building inter-governmental coordination mechanisms</li> <li>- Collaboration on inclusive and evidence-based local planning</li> <li>- Alignment on GESI and climate resilience in governance frameworks</li> </ul>	<ul style="list-style-type: none"> <li>- Potential redundancy in training for local officials</li> <li>- Thematic overlap in GESI and planning support could lead to duplication if uncoordinated</li> </ul>	<ul style="list-style-type: none"> <li>- Partnering with SUSASAN on evidence generation and dissemination through PCGG</li> <li>- Integrating inclusive and data-driven approaches into PLGSP training modules</li> <li>- Jointly convene policy forums for local governments</li> </ul>	<ul style="list-style-type: none"> <li>- Quarterly joint planning and reflection workshops</li> <li>- Shared development of training curricula</li> <li>- Joint learning hubs at the provincial level integrating both PLGSP and SUSASAN resources</li> </ul>	

## 5.2 OTHER LUMBINI PROVINCE PARTNERSHIP OPTIONS

Table 4 below provides a more concise summary of the primary partnership options available to the program, to be developed for the main report. The table includes the names of partners, their thematic focus areas, and the organizations involved. Each row is expected to showcase an illustrative project and its implementation status within the province. The table also evaluates alignment with the PLGSP, highlighting innovative approaches, identifying best practices suitable for scaling, and assessing the risk of duplication with existing initiatives. This structure helps guide strategic coordination and maximize impact.

**Table 6. LUMBINI PROVINCE PARTNERSHIP OPTIONS**

#	Partner Name	Thematic Area	Partner Organization(s)	Illustrative Project	Implementation in Lumbini	Linkage with PLGSP	Innovation	Best Practice for Scaling	Risk of Duplication
Federal Institutions									
	Ministry of Finance (MoF)	PFM and Fiscal Management	.	Nepal Disaster Resilience DPC + Cat DDO (Ongoing) Budget support operation to enhance disaster resilience through fiscal instruments and policy reforms		Fiscal framework alignment	Contingent financing for disaster resilience	Budget tagging for resilience expenditure	Moderate – requires PLGSP policy sync
	Ministry of Women, Children, Senior Citizens Development (MoWCSC)	Health, Education, and Nutrition		WFP School Meal Programme Mid-day meal program targeting ECD to Grade 6 in rural districts, nutrition-linked with education outcomes.		Indirectly via service delivery	systems Nutrition education service integration	School-based food security systems	Low – strong operational structure
	Ministry of Physical Infrastructure Transport (MoPIT)	Infrastructure Planning and Management		Infrastructure Project Bank and Planning (In Development) Development of a centralized digital platform for managing and tracking all infrastructure projects with planning alignment.		Overlaps in infrastructure planning at local level	Web-based infrastructure project bank	Multi-tier digital project tracking systems	Moderate – needs harmonization with federal tools

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	Ministry of Agriculture Livestock Development (MoALD)	Agriculture and Livelihoods		Digital Agriculture and Irrigation Development Promotion of agri-infrastructure, apps, and digital systems for crop monitoring and service delivery.		Indirectly via service delivery	App-based service delivery to farmers	Public-private extension and irrigation tech	Moderate – overlaps with federal schemes
	Public Service Commissions (PSC)	Human Resources and Recruitment		Provincial Civil Service Reform Support to merit-based recruitment and training for provincial civil service cadres in line with federal guidelines.		Coordination on HR policy and training	Unified provincial recruitment standards	Integrated HR systems between PG and LGs	Low – clear mandate
	European Union	Federalism, Education, and Nutrition		Support to Federalism and MSNP Phase III Sector Budget Support to strengthen federal structures and improve service delivery in education and nutrition through MSNP.		Aligned on federalism and decentralization	Budget support linked to performance in federal reforms	Multi-sector budget support with joint indicators	Low – embedded in government systems
	DFAT	Subnational Governance		Subnational Governance Programme (SNGP) Phase II Supports local governance strengthening, planning, budgeting, and intergovernmental coordination.		Complements programming at the local level	Inter-governmental fiscal alignment	Joint planning and budgeting units with LGs	Moderate – overlaps if not coordinated with PLGSP

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	Norwegian Government	Education, Gender, food and nutrition security	UNDP, SAHAS	Support to School Education Sector Plan (SESP) Contributes to inclusive, quality education with a focus on girls' education and federalism support. Energy to food project		Sectoral but aligned with decentralized delivery Integrated Periodic Plans (PPs)	Gender-responsive school financing Climate Smart Entrepreneurs hip	Education budget tagging for equity Climate Investment Plan for Agriculture Sector	Low – in JFA mechanism moderate duplication in DRRM and CCA policy frameworks
	Swiss Development Cooperation (SDC)	Revenue and PFM Reform		Revenue Administration Support (RAS III) Support to subnational revenue and fiscal reform, including tax systems and PFM strengthening.		Links on PFM systems	Subnational tax system digitization	integrated tax and financial systems across levels	Moderate risk if uncoordinated with MoFAGA
	World Bank	Disaster Resilience, PFM, Infrastructure		Disaster Resilience DPC + Cat DDO / ACCESS Budget and infrastructure projects focused on disaster resilience, connectivity, and fiscal management.		Overlaps in fiscal space and infrastructure policy	Contingent financing + regional transport link	Cat DDO as fiscal buffer for provinces	Moderate—requires strategic sync
	Asian Development Bank (ADB)	PFM, Infrastructure, Trade		PFM & Customs Reform / Public Investment Management		Overlaps on PFM and planning	Customs and investment reform at SNG level	Performance-linked investment implementation TA	Moderate – with other PFM projects

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				Supports implementation of devolved PFM systems, logistics/customs reforms, and public investment performance improvement.					
	UNDP	Governance, Justice, Preparedness		Access to Justice / SUPER / Parliament Support Multiple streams including legal empowerment, disaster preparedness (SUPER), grievance systems and provincial assembly support.		Governance, demand-based enterprises, Legal aid, Earthquake preparedness, institutional capacity	Integrated governance and justice model	Link grievance redress to digital governance	Low – strong alignment with PLGSP
	UNICEF	Child Rights, Nutrition, WASH, Education		Suaahara II / Child-Centric Programming Multi-sectoral programming supporting health, education, WASH and child protection through local governance.		Linkage through decentralized service delivery	Child-focused integrated governance services	WASH + Education + Nutrition convergence	Low – fits service delivery model
	UN Women	Gender Equality and Social Inclusion (GESI)		Gender Responsive Governance and Budgeting		GESI mainstreaming	Gender budgeting in provincial systems	Institutionalized GESI focal points with budget power	Low—complementary to PLGSP

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				Support GESI integration in governance, budgeting, and local planning processes.					GESI strategy
	International Organization for Migration (IOM)	Disaster Risk and Migration Governance		SIKAI – Institutional Knowledge for DRM Strengthening DRM capacity at the local/provincial level through institutional knowledge systems.		Overlaps on disaster response systems	Localized DRM data and coordination systems	Provincial disaster platforms	Moderate – overlaps with MoHA DRR roles
	World Food Programme (WFP)	Food Security, Education, Nutrition		School Feeding Programme (Food for Education) Food distribution, nutrition education, and capacity building for schools in rural Lumbini.		Indirectly supports MoSD delivery	Integrated nutrition and education delivery	Food-for-education linked to local agriculture	Low – institutionalized via MoSD
	FAO	Agriculture and Food Systems		Agri-Food System Resilience Projects Capacity development for local governments in agriculture, including value chain, policy support, and data systems.		Relevant to MoA systems at local level	Food systems and value chain governance	Provincial agri-data systems + PPP platforms	Moderate – risk with parallel MoA initiatives
	WHO	Health governance	PGs, LGs	Provincial Health policies, NCD, EPI		Low-Relevant to MoSD with	Health system governance,	Provincial service delivery on	Low– risk parallel with

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		policies, NCD and EPI				PGs, LGs service delivery		non-communicable diseases, Expanded programme on immunization	MoSD initiatives
	ILO	Climate change, information economy, Child labor	MoSD, SAHAS	Climate strategy, community engagement and economic sustainability		Medium-CCA policies, community engagement	Climate governance	integrated approachCommunity engagement	Low-risk MoSD, LGs
<b>Provincial Institutions in Lumbini Province</b>									
	Provincial Center for Good Governance (PCGG)	Training and Capacity Building	LGs, PG of Lumbini	Cluster-Based Training & Curriculum Development PCGG provides training to local officials, partners with academic institutions and central training agencies to develop curriculum and deliver provincial training	All the LGs and , PG Lumbini	Strong-linkage given delivery of PLGSP through training modules	Demand-based, decentralized training modules	Inter-provincial training community of practice	Low – fills clear niche in the training landscape
	Ministry of Economic Affairs and Planning (MoEAP)	Economic Policy and Investment		Provincial Economic Development Planning (Planned) Supports economic planning, budget formulation, and provincial investment forums for resource mobilization.		Indirectly-Coordinates on planning systems	Public-private investment forums	Joint venture-based financing of provincial growth hubs	Low – tailored to provincial strategy

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	Ministry of Social Development, (MoSD)	Health, Education, Nutrition, Youth, Sports		Provincial youth empowerment, health, sports, and cultural preservation. It provides technical training, scholarships and supports youth parliament and entrepreneurship programs		Indirectly via service delivery systems	Nutrition education service integration	School-based food security systems, disability inclusions	Low—strong operational structure
	Ministry of Urban Development, Water Supply (MoUDWS)	Infrastructure Planning and Management		Infrastructure Project Bank and Planning (In Development) Development of a centralized digital platform for managing and tracking all infrastructure projects with planning alignment.		Overlaps in infrastructure re planning at local level	Web-based infrastructure project bank	Multi-tier digital project tracking systems	Moderate – needs harmonization with federal tools
	Ministry of Agriculture, Land Management and Cooperatives (MoALMC)	Agriculture and Livelihoods		Digital Agriculture and Irrigation Development Promotion of agri-infrastructure, apps, and digital systems for crop monitoring and service delivery.		Indirectly via service delivery	App-based service delivery to farmers	Public-private extension and irrigation tech	Moderate – overlaps with federal schemes
	Provincial Public Service Commissions (PPSC)	Human Resources and Recruitment		Provincial Civil Service Reform Support to merit-based recruitment and training for provincial		Coordination on HR policy and training	Unified provincial recruitment standards	Integrated HR systems between PG and LGs	Low – clear mandate

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				civil service cadre in line with federal guidelines.					
	Lumbini Province Planning Commission (LPPC)	Formulating long-term and short-term policies, strategies, and plans		M&E Plan, Policy Formulation, Advice & Support		Links with PLGSP in planning, monitoring, and evaluation	Focus on policy research and effective M&E systems	Integrating M&E frameworks for improved planning processes	Low-Risk of overlap with PLGSP's planning and monitoring functions
	Ministry of Energy, Water, Resources, and Irrigation (MoEWRI)	Energy, water resources, and irrigation		Energy Policy, Water Resources Management, Irrigation Projects		Direct linkage to PLGSP in resource management and infrastructure development	Adoption of renewable energy technologies for sustainable irrigation	Expanding energy access through local government involvement	Low-Duplication risk in energy and water infrastructure projects with other initiatives
	Ministry of Forest and Environment (MoFE)	Forest and environment		Forest Management, Environmental Protection		Contributes to PLGSP's environmental goals and climate resilience	Sustainable forest management and environmental governance	Replicating forest conservation efforts at the local level	Low-Risk of redundancy in environmental conservation programs
<b>Bilateral/Multilateral Development Partners in Lumbini Province</b>									
	FAO	Agroforestry, Watershed Management,	MoAL D, MoFE, MoLM	Agroforestry and sustainable livestock farming programs	Lumbini Province	Low-Strengthens local governance	Integration of sustainable practices in	Strengthen through local cooperatives, LGs and	Low-ensure align with LGs plan,

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		Sustainable Livestock	CPA, Forest Farm Facility, Forest and Farm Producer Organization, LGs			through sustainable agriculture and forestry practices	agriculture and livestock	government collaboration	
IOM	Migration Management, Community Support	MoHA, MoFA GA, OPDs, CBM Global, LGs	Migration management and support for vulnerable communities	Lumbini Province	Low-Links to migration governance and support for vulnerable populations	Migration policy improvement and community support integration	Expediting through community-based migration programs	Low-Work with MoLEP, LGs	
UNDP	UNDP (Green Job creation, GEF-SGP, Climate finance, PLGSP, UNDP Super-II)	MoFA GA, OCMC M, PGs, LGs, MoLJP A, AEPC, LIBIRD, WFP,	Governance, Study biodeversity, Climate-smart agriculture, green job, Water conservation, Sustainable livelihood	Lumbini Province	Strong-Strengthens governance systems through green jobs and climate action	Green job creation and water conservation through local governance	Scaling through local government collaboration and green enterprises	Low-Strong alignment with PLGSP, works with LGs	

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			ICIMOD						
	UNFPA	Sexual and Reproductive Health, Gender Equality, Urban Health	MoHP, DoHS, Health Institutions, LGs, PGs	Reproductive health programs and urban population dynamics support	Lumbini Province	Low-Strengthens health and gender governance through reproductive health services	Comprehensive reproductive health and gender equality programs	Expanding through local health systems and community outreach	Low-Work with MoSD, LGs, Health institutions
	UNICEF	WASH, Education, Child Protection, Health, Nutrition	MoHP, MoEST, MoW CSC, LNGOs/CBOs, LGs, Educational Institutions	WASH and child protection programs, health and nutrition services	Lumbini Province	Low-Strengthens local service delivery in education, health, and child protection	Integrated health and education programs with a focus on WASH	Strengthening through schools and local health centers	Low-Delivery suits with LGs. MoSD
	UN Women	Economic Empowerment, Ending Violence Against Women, DRR	MoW CSC, MoFAGA, NGOs, Private Sectors, LGs, UN	Economic empowerment and ending violence against women programs	Lumbini Province	Strong-Supports gender equality and disaster resilience through local governance	Empowerment and violence prevention programs for women	Proceeding through partnerships with local NGOs and women's groups	Low-contribute to the PLGSP GESI strategy

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			Agencies						
	WFP	Urban Food Security, Nutrition, School Feeding, DRR	MoALD, LNGOs, FAO, UNICEF, Local Farmers Groups, CBOs, Educational Institutions, LGs, MoSD YSYS	Urban food security and nutrition interventions, disaster preparedness	Lumbini Province	Low-Strengthens governance in food security and disaster risk management	Community-based disaster risk reduction and nutrition interventions	Continuing through schools and local food security initiatives	Low-collaborate with MoSD, education institutions, and institutionalize at LGs
	WHO	Health Promotion, Vaccine Preventable Disease Surveillance	MoHP, DoHS, Health Institutions, UNFPA, UNICEF, LGs, PGs,	Vaccine preventable disease surveillance and routine immunization	Lumbini Province	Low-Strengthens health service delivery through immunization and disease surveillance	Routine immunization and surveillance programs	Strengthening through local health institutions and community outreach	Low-ensure MoSD, MoH, initiative to strengthen health institutions

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			Educational Institutions						
Non-Governmental Organizations Operating in Lumbini Province									
	ADRA	Livelihoods and agricultural	Local governments and other stakeholders	Enhanced Rural AI (TERAI) project	Banke, Rupandehi, and Kapilvastu	Low-Livelihoods and agricultural	Collaborative community-driven approach	Expanding through partnerships with local governments	Low-works with MoALMC
	Aids Health Care Foundation	HIV prevention, testing and treatment	Local ART clinics and government health services	HIV care and treatment	Lumbini Province	Low-HIV prevention, testing	ART clinics integrated with local health systems	Local health collaboration for sustainable HIV care	Low-Works with MoH, Health facilities
	AMDA Minds	Health services, particularly maternal and child health	Local governments and health facilities	Multisectoral and Integrated Development Services	Lumbini province	Low-Health and social development	Community-based health models and integration	Using health and social sector collaboration for sustainability	Low-service delivery through HP/MoH, MoSD
	BNMT	Health (TB)	National Tuberc	Strengthening Health Resilience in Nepal – TB Program	Banke, Kapilvastu, Bardiya, Palpa,	Low-TB Program	Strengthening local health	Use of local health offices	Low service through MoSD,

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			ulosis Contro l Centre, local health offices		Pyuthan, Rolpa, Rupandehi, Nawalparasi West, Dang		response for TB	for integrated TB care	Health facility
	CARE Nepal	Health and Nutrition, Education, Economic Empowerment	Local govern ments, comm unities	Social development, disaster risk reduction, climate change adaptation, and livelihood improvement	Rupandehi, Kapilvastu, Dang	Low- Livelihood, Health, Nutrition	Fostering multi-sector partnerships for sustainable development	Integrated approach combining health, nutrition, and education	Low- complement LGs plan, coordination with MoSD
	CBM	Disability- inclusive development	Local govern ments and comm unities	Disability-inclusive development	Rupandehi, Kapilvastu, Dang	Low- Disability- inclusive developmen t	Use of local governance for inclusive services	Community- centered approach for disability inclusion	Low-Closely work with MoSD, LGs
	Christian Aid	Health, education, and economic empowerment	Local govern ments and comm unities	Social development programs	Rupandehi, Kapilvastu, Dang	Low- Health, education, empowerme nt	Integrated approach combining social services with governance	Using partnerships for community- based solutions	Low coordination with MoH, MoSD, LGs
	CRS	Livelihood, disaster preparedness, resilience	Local govern ments and	Geohazard Technical Solutions (GTS)	Rupandehi, Kapilvastu, Dang	Low-- Livelihood, Disaster resilience	Collaborative disaster risk reduction systems	Strengthening local capacity for disaster resilience	Low- align with LGs plan,

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			communities						coordination MoSD
ECAPT	Agricultural productivity, farmers' incomes	Local governments	Smart Village (SAVP)	Agricultural Program	Rupandehi, Kapilvastu, Banke, Bardiya, Dang	Low-Agricultural productivity	Data-driven solutions for sustainable agriculture	Expanding market-oriented and sustainable farming practices	Low- works closely with LGs, MoALMC, align annual plan
Equal Access International	Health, education, women's empowerment	Local governments	Nepal Tracking, and (PROTECT)	Prevention, Education, Transformation	Lumbini province	Low-Health, Education, Empowerment	Community-based education and awareness programs	Youth engagement through innovative platforms	Low-coordination with MoSD, MoH, LGs
Farmed	Health (NTDs, Maternal health)	Health institutions, local NGOs	Essential Project (EHP)	Health	Kapilvastu, Rupandehi, Nawalparasi West	Low-Health and NTDs	Using integrated health approaches for rural areas	Bridging the gaps in rural health access	Low-Works with MoH, DHO, LGs
FELM	Community development, health, education	Local governments and health institutions	Various community development projects		Rupandehi, Kapilvastu, Dang	Low-Vulnerable communities	Local-driven community services	Focus on community resilience and access to essential services	Low-Align service delivery DHO, LGs, Health facility
FHI 360	Civil society, health, and nutrition	Local governments, comm	Civil Society: Mutual Accountability Project (CS:MAP)		Dang, Banke, Kapilvastu, Rupandehi	Low-Governance, Health and Social Services	Accountability in governance via civil society	Integration of public health services with community action	Low-Work with DHO, LGs, MoH, MoSD

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			unity NGOs						
	Good Neighbors International	Child protection, education, public health	Local governments	Various child protection and education programs	Lumbini province	Low-Child protection, Education	Holistic development with a focus on child protection	Youth and child-focused services in local governments	Low-Coordination with MoSD, LGs,
	Habitat For Humanity	Housing, community resilience, youth engagement	Local governments	Safe Shelter Project	Banke	Low-Housing, Resilience, Youth	Collaborative shelter development and disaster resilience	Youth engagement in community resilience projects	Low-works coordination with MoSD, MoUDWS, LGs
	Heifer International	Agricultural, Livelihoods, Dairy Development	SEWA, LGs	Agriculture, Dairy Development	Rupandehi, Kapilvastur, Palpa, Arghakhanchi, Dang	Low-Focus on agriculture and dairy development	Community-based dairy farming, youth training	Community-driven dairy initiatives that can be scaled	Low-Risk of overlap in rural development projects targeting farmers
	IM Swedish Dev Partner	Social, Economic, and Climate Justice	LGs	Climate Justice, Social Empowerment	Kapilvastu and Dang	Low-Focus on climate resilience and economic justice	Integrating climate justice in local governance	Integration of climate justice into community-based projects	Low-Potential overlap in climate justice activities
	Oxfam	Water, Sanitation, and Hygiene (WASH), Girls Get Equal	LGs	WASH, Gender Justice	Lumbini Province	Low-Gender empowerment through WASH and	Integrating WASH and gender justice	Empowering women through WASH projects in	Low-Possible duplication of gender-

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						climate resilience		marginalized areas	sensitive programs
	Renewable World	Clean Energy Project	LGs	Solar-powered Water Solutions	Banke, Kohalpur	Low-Clean energy solutions in rural areas	Solar-powered water systems	Solar-based solutions for rural water access	Low-Risk of overlap with other clean energy initiatives
	Swiss Contact	QualiTY (Quality Technical and Vocational Education & Training)	LGs, Private Sectors, CTEV T	Skills Development, TVET	Butwal submetro, Siddhartha, Tilottama, Kapilvastu, Ghorahi, Tulsipur	Low-Technical capacity building for youth employment	Integrating vocational training with local economic needs	Developing local vocational education systems for scaling	Low-Potential overlap with TVET projects by other agencies
	TDH Switzerland	Health and WASH, Environment	LGs, MIDSON	Health, WASH Programs	Bardia, Rupandehi	Low-Focus on health, WASH, and environmental protection	Integrating health and WASH with environmental sustainability	Synergies with local governance in health infrastructure	Low-Overlap with other health and WASH programs
	CARE Nepal	Infrastructure Delivery, Green Recovery Jobs, Economic Development	LGs	LISP	Lumbini Province	Low-Infrastructure delivery, creating green recovery jobs	Green recovery and climate-smart infrastructure	Capacity-building through green jobs in vulnerable communities	Low-Duplication in infrastructure and economic recovery initiatives

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	Plan International	Education, Child Protection, Youth Empowerment, DRR, CC	LGs	Education, Youth, DRR	Rolpa, Kapilbastu, Banke	Low-Focus on child protection and youth participation	Youth empowerment through educational initiatives	Scaling through school-based disaster risk reduction programs	Low-Potential overlap with youth-focused programs by other organizations
	Action Aid International	Women's Rights, Education, Community Resilience, Economic Well-being	LGs	Local Rights Programme	Shivaraj LG-Kapilbastu, Bansgadi-Bardiya	Low-Gender equality and community resilience	Integrating women's rights with community development programs	Strengthening local governance with a focus on women's rights	Low-Risk of overlapping with women's empowerment programs
	Fairmed	Lymphatic Filariasis, Health and WASH	LGs	Health and WASH	Kapilvastu, Rupandehi, Nawalparasi West	Low-Focus on disease prevention and health infrastructure	Community health education on lymphatic filariasis prevention	Expanding community health interventions for disease control	Low-Potential duplication of health-related interventions
	Save the Children	Health Care Infrastructure, Child Protection, Humanitarian Response	LGs	Child Protection, Health	Lumbini, Rupandehi	Low-focus on child protection and health services	Child-centric health interventions	Expansion through child welfare programs	Low-Possible overlap with other child protection programs
	Helvetas	Vocational Training, Governance, Youth	LGs	ENSSURE, PROYEL	Lumbini Province	Low-Focus on governance and youth leadership	Capacity-building for youth governance	Scaling youth empowerment through vocational education	Low-Duplication with other youth development programs

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						development			
	MSNP	Nutrition	LGs, PG	Multi-Sector Nutrition Plan	Lumbini	Low-Focus on multi-sectoral nutrition interventions	Strengthening local nutrition governance	Integrating nutrition into community development programs	Low-Potential overlap with other health and nutrition initiatives
	NHSSP	Health Sector Support Programme	LGs, PG	Capacity Building, Health	Lumbini	Low-Health infrastructure and policy implementation	Health sector reforms and capacity building	Expanding health infrastructure through local governments	Low-Duplication in health sector capacity building programs
	Practical Action	Infrastructure Development, Food Security, DRR	LGs, PG	Livelihood, DRR	Lumbini	Moderate-Focus on livelihood and disaster resilience	Community-based disaster resilience	Enhancing community resilience through sustainable livelihoods	Moderate-Possible overlap with other DRR initiatives
	Swiss Contact	QualiTY, Sahaj, CASA	LGs, PG	Technical Assistance	Lumbini	Low-Supporting vocational education, infrastructure development	Expanding capacity-building through technical assistance	Developing sustainable economic models through local projects	Low-Duplication with other vocational training initiatives

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	Islamic Relief Nepal	Food Security, Livestock, Livelihood, Climate Change	LGs, CDM, LIDO	Resilience Program	Suddhodhan, Mayadevi, Samarima, Rupendehi, Kapilvastu	Moderate-Food security and livelihood support	Livelihood support through climate-resilient practices	Scaling through community resilience and livelihood models	Moderate-Potential overlap in livelihood and climate-related projects
	People in Need (PIN)	Civil Society and Inclusive Governance	CBOs, NGOs	Inclusive Governance	Lumbini	Moderate-Strengthening civil society capacity and governance	Building governance capacity through local engagement	Strengthening local governance through capacity-building efforts	Moderate-Duplication in governance-focused programs
	International IDEA/FCDO	Democratic Governance, Capacity Building	MoFA, GA, LGs, PG	Coherence Programme	Lumbini	Moderate-Capacity-building for democratic governance	Empowering elected representatives in local governance	Strengthening democratic processes through capacity-building	Moderate-Potential overlap in governance training
	Heifer International	Agricultural Productivity, Economic Empowerment, Community Development	LGs, NGOs	Livelihood Development	Lumbini	Low-Supporting agricultural productivity and livelihoods	Empowering communities through agriculture-based development	Strengthening livelihoods through community development	Low-Duplication in agricultural empowerment programs

## 6. BEST PRACTICES FOR SCALING

Table 7 summarizes possible best practices derived from the identified partnership options in the Lumbini Province mapping. These practices are organized by thematic areas and are designed to support sustainable, inclusive, and coordinated local development efforts. These can be integrated into the PLGSP program.

<b>Table 7. BEST PRACTICES IDENTIFIED FROM THE FIELD</b>	
<b><i>Thematic Area</i></b>	<b><i>Upgraded Best Practice for Scaling</i></b>
<b><i>Inter-Governmental Coordination</i></b>	Establish formal Shared Services Agreements (SSAs) supported by Intergovernmental Coordination Units (ICUs) and digital platforms to align service delivery mandates and budgets.
<b><i>Infrastructure</i></b>	Co-develop multi-stakeholder infrastructure platforms for joint planning and funding, integrating LG-PG-INGO resources with real-time tracking.
<b><i>Health and Education</i></b>	Adopt cross-jurisdictional shared health and education service delivery models with pooled investment and shared digital platforms for outreach and monitoring.
<b><i>Economic Development</i></b>	Institutionalize inter-municipal economic zones and business incubation hubs jointly managed by PG and LGs to drive SME growth.
<b><i>Disaster Risk Management</i></b>	Operationalize three-tier DRM coordination platforms involving PG, LGs, and NDRRMA with integrated contingency planning and budget tagging.
<b><i>Environmental Sustainability</i></b>	Co-implement climate-smart community-based projects with shared environmental performance indicators and citizen reporting tools.
<b><i>Capacity Building</i></b>	Expand province-led, cluster-based modular training through SPRTA and PCGG, with demand-driven course design and digital learning options.
<b><i>Provincial OCMCM Action Centers</i></b>	Replicate the PMO prototype by establishing tech-enabled provincial Action Centers for real-time coordination, planning, and performance monitoring.
<b><i>Policy Harmonization</i></b>	Hold periodic inter-tier policy summits to align sectoral priorities, fiscal frameworks, and legislative timelines across government levels.
<b><i>Funding and Resource Mobilization</i></b>	Launch blended finance mechanisms through project banks, combining LG, PG, and donor investments in priority sectors.
<b><i>Public Awareness &amp; Community Voice</i></b>	Institutionalize civic scorecards, public hearings, and community monitoring platforms like CivActs to enhance feedback and transparency.
<b><i>Agriculture and Livelihoods</i></b>	Promote contract farming and cooperative models linked to agri-tech platforms and supported by joint academic-INGO technical units.
<b><i>Digital Literacy and Innovation</i></b>	Develop province-wide digital skill programs in partnership with universities and incubators; integrate e-governance into school curricula.
<b><i>Governance and Accountability</i></b>	Mainstream participatory M&E systems across tiers using common KPIs, social audits, and peer reviews to drive accountability.
<b><i>Social Inclusion</i></b>	Implement participatory budgeting and planning protocols that prioritize women, youth, elderly, and marginalized groups with embedded GESI indicators.
<b><i>Urban Planning and Tourism</i></b>	Integrate cultural heritage and eco-tourism into periodic and master plans, with climate-smart urban infrastructure design standards.

## **7. SUGGESTED PROVINCIAL TA**

Based on the capacity gaps and implementation priorities two strategic technical assistance (TA) positions are recommended for deployment at the provincial level in Lumbini. Each responds to cross-cutting needs that impact planning, fiscal governance, service delivery, and coordination.

### **1. Provincial Public Financial Management and Revenue Advisor**

The report outlines critical underutilization of provincial and local revenue mandates, weak OSR administration, conflicts over natural resource taxation (e.g., sand/gravel), limited capacity for tax analytics, and the lack of updated legal frameworks and fiscal equalization formulas. A generic “revenue generation TA” is too narrow; this role should explicitly link to strategic, systemic, and legal reforms necessary to unlock fiscal autonomy and policy coherence across all levels.

#### **Proposed Job Description:**

- Design and operationalize a comprehensive Provincial Revenue Improvement Action Plan (RIAP) with detailed analytics on existing and potential revenue streams.
- Support the development of a harmonized legal and regulatory framework for revenue mobilization and revenue-sharing, especially around natural resources.
- Provide technical guidance for **updating** equalization and conditional grant formulas in coordination with NNRFC.
- Lead design of digital OSR systems, including integration with SuTRA, Project Bank, and Tax Office systems, enabling real-time revenue monitoring.
- Facilitate creation of a shared provincial-local “Revenue Forum” to address inter-municipal conflicts (e.g., riverine resource extraction).
- Build institutional capacity of MoF and DTC offices to deliver fiscal decentralization reforms.

### **2. Strategic Planning and Digital Governance Specialist**

The province faces severe fragmentation in digital systems, poor data interoperability, stalled portals, and duplication in infrastructure planning. The original digital governance TA doesn’t fully capture the need for system-wide interoperability, institutional anchoring, and long-term governance of digital platforms.

#### **Proposed Job Description:**

- Develop a Provincial Digital Governance Strategy, aligning with GIOMS, IDMS, SuTRA, and the Prime Minister’s Digital Blueprint.
- Support the roll-out of interoperable digital platforms that unify planning, procurement, budgeting, and revenue systems between PG and LGs.
- Build capacity and institutional structures for OCMCM Digital Action Center, modeled on the federal-level prototype.
- Lead establishment of a Provincial Data Protection and Coherence Act, ensuring long-term sustainability of IT systems.
- Coordinate with LPRTA to design tailored digital literacy modules for elected officials, technical staff, and service providers.
- Facilitate digital integration of grievance redressal systems, One-Stop Service Portals, GIS-based planning, and infrastructure duplication checks.

A third option, either built into one of the two roles or established separately, could be a Provincial Reform Coordination Advisor, who:

- Ensures vertical coherence in planning (PPs, MTEF, CS grants).
- Institutionalizes coordination bodies (PCC, LCC) and convenes SSAs and joint working groups.
- Interfaces with key partners (SNGP, Coherence Programme, SUSASAN) to avoid duplication and ensure programmatic synergy.



