

**Government of Nepal**  
**Ministry of Federal Affairs and Local Development**  
**Local Governance and Community Development Programme-II**  
**10<sup>th</sup> Sub-NAC**  
**Meeting Minutes**

Date: 29 June 2015

Location: MoFALD Meeting Hall

Start time: 11:00 am. End time: 1:30pm

Chair: Mr. Reshmi Raj Pandey, National Programme Director/Joint Secretary, MoFALD.

Co-Chair: Mr. Tom Wingfield, DP Focal Person/Team Leader, DFID

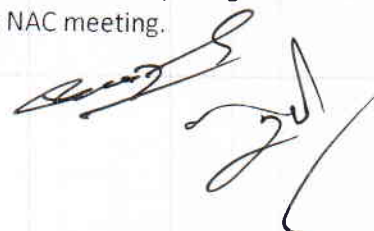
Following the JFA for LGCDP-II, MoFALD has organized the Sub-NAC meeting to discuss and endorse the ASIP 2015/16, review the status of action taken on previous Sub- NAC decisions, special package in earthquake affected districts, programme results matrix, and financial status. Key highlights, discussion points and decisions are given below.

**1. Welcome and Opening Remarks**

Mr. Reshmi Raj Pandey welcomed the participants and mentioned that emergency support of NPR 500 million disbursed in the 25 April earthquake affected 14 districts by LGCDP was very effective. The decision to provide emergency support was taken collectively by MoFALD and development partners on April 29<sup>th</sup>. It was restated that the decision to support the earthquake affected population was very timely and it was one of the initial support to reach the affected population and MOFALD is proud to have initiated. Thereafter, Mr. Pandey highlighted the agendas of the meeting, which was followed by DP focal person remarks.

Mr. Tom Wingfield congratulated MoFALD/LGCDP for the fantastic results on the emergency fund utilization in the earthquake affected areas. Mr. Wingfield expressed enthusiasm on the recent consensus of political parties for constitution drafting and therefore building of positive environment for dialogue to hold local elections in the near future and opportunity amongst the relevant stakeholders to start necessary groundwork in supporting that. In anticipation of the local election, it was underlined that probable roadmaps, priorities, systems and structures should become part of regular discussions. The environment presents opportunity on how LGCDP can promote political debate at the local level, which perhaps is different than the current mandate of LGCDP. It was noted that LGCDP has evolved from empowering people at local level to delivering services in the interim period.

Mr. Wingfield commented that since the documents for the meeting was shared at a short notice; it did not allow much time for DPs to review the document. Hence, proposed for a task team comprising of DPs and government counterparts to review the ASIP 2015/15 and other documents before NAC meeting.



### **Updated status on action taken on previous Sub NAC meeting:**

Mr. Purushottam Nepal highlighted in brief the status on action taken on previous Sub-NAC decisions. The major decisions of the last Sub-NAC meeting includes, a) use of MCPM assessments to make LDOs/EOs/VDC Secretaries more accountable and responsive on service delivery, b) implementation of FRRAP both at national and local levels with no further delay, c) conduct quality assessment of social audit, public audit and public hearing to improve the overall performance of the LBs in terms of downward accountability, and d) VDC accounting software implementation in 1000 VDCs. He shared that Local Development Officers and Executive Officers have signed performance contract with MoFALD to improve overall performance of LBs. Regarding the FRRAP implementation status, out of 98 indicators 41 % are complied, 38% partially complied and 21 % non-complied. In case of implementation of VDC accounting software it has been installed in 1056 VDCs. LB's Associations have conducted quality assessment of public audit, public hearing and social audit. He mentioned that most of the decisions have been complied and some are under discussion.


### **2. Key Highlights of ASIP 2015/16**

Mr. Purusottam Nepal, National Programme Manager, highlighted in brief the guiding principles, approach, budget and major activities of ASIP 2015/16. He mentioned that two prone approaches is adopted in formulating the ASIP 2015/2016 by taking into account the massive damage in 14 districts by the 25 April 2015 earthquake and subsequent aftershocks. The overall guiding principle adopted in formulating ASIP 2015/16 are a) follow the LGCDP –II programme document, Strategic Implementation Plan, Joint Financing Arrangement, bilateral agreement, National Planning Commission's directives, b) progress status of current ASIP, c) damage caused by devastating earthquake which are included in the PDNA.

The first approach is to focus LGCDP II activities in expanding Citizen Awareness Centers (CAC) in all the wards of VDCs highly affected districts, capacitate CAC members to implement livelihood improvement plan and restore the service delivery of local bodies with temporary office set up. In earthquake affected districts the focus is to resume local body offices and their key functions including revitalization of basic services. This includes revisiting the staffing structure of the VDCs with additional human resources particularly accountant and a technicians/engineer

The second approach is to carry out governance reform activities in all the districts in line with strategic implementation plan and LGCDP-II programme document. The high priority core governance reform activities for 2015/16 are:

- Establish 5,000 additional CACs and graduate 4,300 existing CACs,
- Strengthen and Engage at least 55% WCFs in civic oversight functions
- Strengthen public financial management and roll out VDC accounting software in 200 more VDCs
- Capacity building of various stakeholders both at supply and demand side
- Strengthen and monitor mainstreaming of CFLG, EFLG, GESI, GRB and RBM in local bodies.
- Strengthen local management of vital registration and social security system
- Establish linkage between periodic plan and annual plan with targeted resource allocation
- Develop open space and public land management including implementation of building codes in VDCs,
- Develop transitional management plan in the federal context.
- Improve quality assurance of local infrastructure.



Major activities in earthquake affected districts are:

- Expand CACs in all the wards of VDCs at the rate of one CAC per ward
- Implement livelihood improvement plan targeting the most marginalized and CACs
- Human resource support to VDCs and Municipalities ( overseer, technical assistant, social mobilizers/community volunteer)  
Support to construct temporary block for VDCs with solar panel, computer and furniture
- Implement downward accountability activities through activation of WCFs and other social accountability tools
- Capacitate LBs staff

The proposed budget for 2015/16 is US\$ 263.81 million of which GoN contribution is US\$ 195.5 million, while the contribution of JFA, aligned programme, SPMP, and PPSF are respectively US\$ 37.23 million, US\$ 21.75 million, US\$ 10.48 million and US\$ 4.09 million. (Shall we mention something about budget deficit and low investment from GoN on LGCDP comparing with total commitment?)

### 3. Programme Results Matrix

Mr. Pandey highlighted in brief the status of Programme Results Matrix and pointed out that with the possibility of the Constitution being promulgated and the government commitment toward holding local election after the declaration of the new Constitution is a positive and promising development. MoFALD has already tabled the LSGA amendment bill, which will further strengthen the representation of women through inclusive elected representation. He mentioned that SPMP team has submitted the final report of MTBF to MoFALD and forwarded to MoF for their consideration. The Financial Compliance Unit is established at MoFALD and functional whereas PEFA secretariat is yet to establish. He mentioned that most of the indicators included in Programme Results Matrix are complied.

### 4. Financial Status as 15 June 2015 for FY 2014-15

1. Annual budget: Rs 21.52Bn	1. Total expenditure: Rs 10.045 Bn
2. Budget under GoN: Rs 17.52 Bn	2. Expenditure under GoN:Rs 9.07 Bn
3. Budget under JFA Rs 2.59 Bn	3. Expenditure under JFA :Rs 935.7 Mil
4. Budget under PPSF: Rs 710 Mil	4. Expenditure under PPSF: Rs 361 Mil
5. Budget under SPMP: Rs 677 Mil	5. Expenditure under SPMP: Rs 39.5 Mil

### 6. Discussions

Representative from MUAN pointed out that DIMC meeting has not taken place for long time and it is high time to hold this meeting as discussion on promulgation of new Constitution is going on. Regarding implementation of integrated property tax (IPT) it was clarified that rental taxes and other taxes need to be considered before introducing IPT in new municipalities. It was further reinforced that if not introduced with other taxes, IPT will merely become an extended form of land and building taxes, and not serve its real purpose of local resource mobilization. Urban planning is a requirement while introducing new municipalities, however, there has been no initiative taken, either by MoFALD or Ministry of Urban Development so far.

Representative from DFID mentioned that in principle DFID fully understand the urgency to reconstruct VDC office buildings to restore services; however, there is a need of clarity first, on supporting the reconstruction of VDCs



through this programme versus a new authority to do the same. It is pertinent to seek clarity in terms of roles and responsibilities for reconstruction between MoFALD and the new authority. DFID would not be able to support the reconstruction of VDC office building unless programme document is modified.

Representative from the Embassy of Denmark mentioned that budget planned for 2015/16 seems quite ambitious considering there will be less budget left for the year 2016/2017. This needs to be taken seriously. Otherwise it will just be list of activities and not prioritized ASIP as envisioned to be implemented in the coming year.

Representative from the UN Women noted that since this is the last Sub NAC meeting for this FY, it is better to present the programme progress based on the indicators of the programme document and presented at the NAC meeting.

Representative from the Embassy of Norway reemphasized on having two prone approaches for the next year ASIP. It was underlined that there should be clear strategic priorities for the 14 earthquake affected districts and the remaining districts; thereby the programme can have clarity on way forward. He also highlighted a need of having short narrative plan clearly showing the strategies and targets for next year in comparison with the SIP/ProDoc results indicators. He made a note of caution that the submission of the final audit of last fiscal year is already due in March 2015.

Representative from the ADB noted that the formation of taskforce to discuss the ASIP and refine indicators would allow seeing if activities suggested during output group meetings have been reflected in the ASIP.

Representative from the VDC association informed that feedbacks from VDC secretaries and local stakeholders on the earthquake relief support provided by the Ministry were very appreciative and positive. It added a lot of value at the local level and the fund was effectively utilized. Further it was noted that the draft constitutional document ensures various institutional reforms. The concern is that according to the provisions of the new constitution, whether the ASIP would meet those provisions.


DP focal person made an enquiry regarding MoFALD's view on the kind of timeframe for local election and likely pressure will that put on MoFALD as well as discussion within the ministry or inter-ministries on the same.

Representative from SDC reemphasized on the need of UCPA data since it is an important activity mandated by the programme document. It was highlighted that Civic Society Organizations (CSO) is expected to come up with a governance report of each and every district. However, the concern is on the outcome of the report. It was proposed to have a district level feedback mechanism on the basis of the governance report so that whatever has been reported can be rectified. In the likelihood of promulgation of new constitution, there should be clarity/stand on the role of LGCDP II in designing the future local governance structures. How to manage the transition in view of new local government and new elected local bodies, new provinces? What would be the role of ministry and what would be the role of LGCDP? It is about time to discuss and decide on the future transition so that all stakeholders are on the same page, and local government partners can also support the ministry in this initiative.

Representative from UNICEF made an enquiry regarding the linkage with various cluster- health, education, and agriculture in implementing programme in 14 earthquake districts.

Representative from UNFPA made an enquiry regarding baseline survey of vital event registering as it is vital activity to collect population data for the government.

Representative from NPC noted that NPC guideline has clearly indicated that the programme activities needs to be



segregated for the 14 EQ affected districts and remaining districts. The ASIP has already been discussed at Ministry of Finance and NPC.

### **Response on queries**

Mr. Pandey informed that concern committee of Constitutional Assembly has instructed the government to fix the date for local election as soon as possible. He acknowledged the concern of DP focal person and other representatives from development partners on timely delivery of ASIP and relevant documents prior to meeting. He also assured that a short narrative of the annual plan 2015-16 will be shortly shared with DPs before NAC meeting.

Mr. Basanta Gautam, Director General of Department of Civil Registration informed that the newly established department basically has two ToRs: CRVS management, control and administration. The other is management of civil social security scheme. He mentioned that preliminary report on vital registration survey will probably be out by Oct/Nov2015 from the Central Bureau of Statistics.

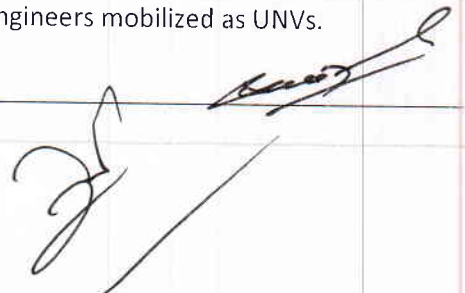
Mr. Purusottam Nepal mentioned that data for UCPA has been collected from 37 districts and rest under progress. Hopefully, it will be accomplished by July 2015. Once collected it will be shared and published in the MoFALD website. It was clarified that reconstruction of VDC office buildings refers to construction of temporary block for VDCs. The cost of temporary block is about Rs 800 thousand and it is proposed for the 256 badly damaged VDCs. The reconstruction activities provisioned are none beyond the recommendation of output group meetings. The ASIP is a result of series of output group meetings, TASC meetings and others.

### **Presentation on AQAA**

Mr. Rune Qvale, Team Leader highlighted in briefs the findings and recommendations of Annual Quality Assurance Assessment (AQAA) and mentioned that AQAA is a diagnostic tool to assess whether implementation and management are on or off track. Moreover, he mentioned that LGCDP II stakeholders with support from the DP Cell should consider ways to strengthen the programme management and execution of LGCDP II and hopefully the AQAA report will stimulate these discussions.

### **Presentation on early recovery cluster and cash for work programme**

Ms. Sophie Kemkhadze, CD a.i, UNDP highlighted on the status of early recovery cluster and cash for work programme and mentioned that humanitarian system was activated immediately after the 25<sup>th</sup> April earthquake and cluster systems were activated, and early recovery cluster is one of them. Early Recovery Cluster is lead by MoFALD and Ministry of Urban Development and co-lead by UNDP. Key priorities are- debris management, rehabilitation of infrastructure at the local level and restoration of basic services. Early recovery cluster developed projects around those key priorities and included in the flash appeal. Three sub groups were set up in each of the priorities areas with cluster representatives. ER continues to operate in three VDCs: Charikot, Gorkha and Chautahara of Sindhupalchowk districts under cash for work programme. It provides good coordination mechanism. In terms of reconstruction, schools and hospitals are the main priorities whether it is a permanent or temporary reconstruction. She also mentioned that cash for work is implemented through LGCDP mechanism and in partnership with MoFALD. Initially, it started as a small pilot activity and is now expanding into three VDCs of Sindhupalchowk. For this purpose, technical assistance is provided via 80 engineers mobilized as UNVs.



## Presentation on Municipal Roadmap

Dr. Horst Matthews presented in brief the main findings of municipal roadmap study. The study has suggested 8 strategic goals to bring new municipalities at the statu of old municipalities. The proposed strategic goals are as follows :

1. The municipal administration is capacitated to provide efficient and effective services to its citizens
2. Participatory programming and implementation processes introduced, producing needs based and inclusive budgets (WCF, CAC, IPFC, CFLG, EFLG, etc.) and programs
3. Efficient financial management and revenue collection systems are introduced
4. Integration of social, cultural, ethnic and religious diversities are consciously promoted in finding of an identity of the new cities, promoting peace and social harmony
5. Mid- and Long Term Town Development Plans (Land Use Plan, Integrated Action Plan or Periodic plans) and Building Codes are elaborated and guide investment and permission of building permits
6. Public service provisions have increased in coverage and quality
7. Local Economic Development potentials are identified and used in close cooperation with Chamber of Industry and Commerce and MoCSPR
8. System, policy and institutional arrangements are improved

## Closing Remarks

Mr. Tom Wingfield noted that the meeting was efficient considering that there were a lot of issues that were covered during the meeting. Just to reassure everyone, a number of key issues that sit beneath these reports and presentations need detailed discussions. He mentioned that DFID is fully committed to discuss these issues and sharing it with other DPs. It was also reiterated that it is probably the most exciting period due to resolution on constitution and positive dialogue on holding local elections in very near future. It is with that an opportunity to sit back and think about what needs to be done to support local elections, how people and communities are empowered to debate across various groups.

Mr. Purna Chandra Bhattarai, joint Secretary, stated that equal money will be contributed from government side as well for reconstruction of VDC office building. He also highlighted on VDC administrative restructuring in 14 earthquake affected districts and mentioned that MoFALD is proposing one Section Officer to work as VDC secretary and one sub engineer and accountant in those VDCs with more than 1000 households.

Mr. Reshmi Raj Pandey, in his concluding remarks summarized key discussions and highlighted major decisions of the meeting. He thanked all DPs, LB associations and everyone providing comments& suggestions and for their active participation. The comments & suggestions have been well taken. Finally, Mr. Pandey thanked Ms. Sophie Kemkhadze, UNDP Deputy Country Director, Dr. Horst Matthews and Mr. Rune Qvale and his team for brief presentation in respective area.

## Decisions:

- A. **Taskforce/Technical Team:** It was agreed to form a taskforce/technical team under the chair of Mr. Reshmi Raj Pandey, NPD with representatives from DPs, PCU and MoFALD officials to discuss and resolve on the following key issues before the 6 July NAC meeting: The taskforce/ technical team member are as follows

1. Mr. Reshmi Raj Pandey, Joint Secretary MoFALD and NPD of LGCDP





2. Mr. Purushottam Nepal, Undersecretary MoFALD and NPM of LGCDP
3. Dr. Bhola Prasad Dahal, Embassy of Norway
4. Mr. Bishnu Adhakari, Governance Advisor, DFID Nepal
5. Mr. Prakash Regmi, Senior Programme officer, SDC Nepal
6. Mr. Purushottam Paudel, MRO LGCDP
7. Mr. Anil Chandrika, DP coordinator

B. Agreement on budget for 2015/16

C. Key priorities for 2015/16

D. Capacity building of local officials in earthquake affected areas.

E. Accountability of fund in earthquake affected areas.

F. **PRF:** Considering the time constraints, discussion on Programme Recruitment Facility (PRF) could not be held. Thus, proposed that the taskforce/technical team formed to review the ASIP 2015/16 will also discuss the PRF report as well. The taskforce/technical team will submit suggestions on PRF report

The Task Team members are as follows

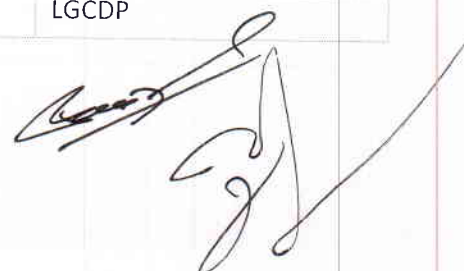
1. Mr. Reshmi Raj Pandey, Joint Secretary MoFALD and NPD of LGCDP
2. Mr. Purushottam Nepal, Undersecretary MoFALD and NPM of LGCDP
3. Ramesh Dhungel, Undersecretary, Human Resource Division, MoFLAD
4. Mr. Bala Sagar Giri, Undersecretary Legal, MoFALD
5. Dr. Bhola Prasad Dahal, Embassy of Norway
6. Mr. Bishnu Adhakari, Governance Advisor, DFID Nepal
7. Mr. Yam Nath Sharma, Assistant Country Director, UNDP
8. Mr. Anil Chandrika, DP coordinator

G. **AQAA report:** DP cell to prepare a matrix of AQAA report suggesting which of the recommendations can be taken up.

**Participants List:**

S.NO	NAME	DESIGNATION	ORGANIZATION
1.	Mr.Reshmi Raj Pandey	JS	MoFALD
2.	Mr.Purna C. Bhattarai	JS	MoFALD
3.	Mr.Basant Raj Gautam	Director General	Department of Civil Registration
4.	Mr. Raja Karmacharya	Deputy Director General	DoLIDAR
5.	Mr.DhanaBahadurShrestha	JS	MoFALD
6.	Mr. Tom Wingfield	Team Leader	DFID
7.	Mr. BishnuAdhikari	Governance Advisor	DFID
8.	Mr.BijayaThapa	AR	UNFPA
9.	Mr.ParshuramUpadhyay	ED	NAVIN
10.	Mr.Prem Sharma	ESG	ADDCN
11.	Mr. Rajesh Gautam	US	LBFC
12.	Mr.Khim B. Rayamajchi	US	LBFC

13.	Mr.KalpanaShrestha	US	LBFC
14.	Ms.SangitaYadav	Program Officer	SDC
15.	Mr. Saroj Nepal	SPO	Denmark
16.	Ms.Manju Lama	Pro. Officer	Denmark
17.	Mr.Durga Prasad Khatiwada	Programme Specialist	UN Women
18.	Mr.Chakrapani Sharma	Us	MoFALD
19.	Mr. Vibekesorum	First Secretary	Norwegian Embassy
20.	Dr. BholaPdDahal	Governance Advisor	Norwegian Embassy
21.	Mr. Paul Degenholbe	APM	GIZ
22.	Mr. BishnuSapkota	ED	LDTA
23.	Mr. Krishna Chandra Dhakal	Deputy Director	LDTA
24.	Mr. Raj Kumar Dhungana	CD Specialist	LGCDP
25.	Mr. ArunRegmi	Governance Advisor	LGCDP
26.	Mr. Mark O'Donnell	Team Leader PFMA	PFMA
27.	Dr. Raghu Shrestha	CMS	DP Cell
28.	Dr. PurushottamPoudel	RBM Specialist	LGCDP
29.	Mr. PrakashDahal	Under Secretary	MoFALD
30.	Mr.JagannathAdhikari	Programme Director	<b>NPC</b>
31.	Mr. Shyam Raj Adhikari	Under Secretary	MoFALD
32.	Mr ShaligramRijal	Director	DoCL/MoFALD
33.	Mr. SubashSiwakoti	Finance Chief	MoFALD
34.	Mr.HimlalAdhikari	Account Officer	MoFALD
35.	Ms. Sophie Kemkhadze	CD a.i	UNDP
36.	Mr. PragyaBashyal	Program Analyst	UNDP
37.	Ms. Anjali Pradhan	Chief CFLG Unit	UNICEF
38.	Mr. BalSagarGiri	Under Secretary (Law)	MoFALD
39.	Mr. SumanGhimire	Under Secretary	MoFALD
40.	Mr.RajendraDevPandey	Under Secretary	MoFALD
41.	Ms.LaxmiPandey	US	MoFALD
42.	Mr. Mahesh Raj Timsina	Under Secretary	MoFALD
43.	Ms.SangitaBhattarai	TC	LGCDP
44.	Ms. NirmalaThapa	GESI Specialist	LGCDP
45.	Mr. Deepak Neupane	GIS Specialist	LGCDP
46.	Mr. CP Sigdel	RGCDE	LGCDP
47.	Dr. Horst Matthaesus	Consultant	LGCDP





48.	Mr.Parakram Sharma	DTL	SPMP
49.	Mr. B.R. Basaula	Consultant	AQAA
50.	Ms.Kanta Singh	Consultant	AQAA
51.	Mr. Ek Raj Sigdel	Environment Specialist	LGCDP
52.	Mr. Mahesh Pokharel	Procurement Specialist	LGCDP
53.	Mr. NiyamMaharjan	LIBC Specialist	LGCDP
54.	Mr. Rune Qvale	Consultant	<b>AQAA</b>
55.	Mr. Hem Raj Lamichhane	FDS	MoFALD
56.	Ms. Reshu Karki	CO	LGCDP
57.	Mr. Ram Krishna Bhetuwal	ICTV	<b>LGCDP</b>
58.	Mr. Ramesh Dhakal	YS	<b>MoFALD</b>
59.	Mr.NarahariBhandari	JS	<b>MoFALD</b>
60.	Mr. BirendraParajuli	Accountability & Civil Oversight Specialist	LGCDP
61.	Mr. Anil Chandrika	Programme Specialist	DPCell
62.	Mr.Purusottam Nepal	Programme Manager	<b>LGCDP</b>
63.	Mr.GopiKhanal	JS	<b>MoFALD</b>
64.	Mr. RanjitTamang	Reporter	Karobar Daily
65.	Ms. SitaPariyar	Under Secretary	MoFALD
66.	Ram Prasad Pandey	Under Secretary	MoFALD
67.	Mr. Ram DattaPandey	Under Secretary	MoFALD
68.	Mr. Shankar Nepal	Diretor	DOCR
69.	Mr. Narayan Pd. Pandey	Under Secretary	MoFALD
70.	Mr. KalanidhiDevkota	ES	MuAN
71.	Mr. ChhabiRijal	Under Secretary	MoFALD
72.	Ms. Lila Adhikari	Under Secretary	MoFALD
73.	Mr. Ramesh K. KC	Under Secretary	MoFALD
74.	Mr. Ishwar Raj Poudel	Under Secretary	MoFALD
75.	Mr. BishnuPdRegmi	Under Secretary	MoFALD
76.	Mr. Rishi Raj Acharya	Under Secretary	MoFALD
77.	Mr. Ramesh Neupane	Under Secretary	MoFALD
78.	Mr. Gokarna Mani Duwadee	Joint Secretary	MoFALD
79.	Mr. PrakashRegmi	SPO	SDC
80.	Mr. Ram Chandra Dhakal	Joint Secretary	LBFC
81.	Mr. Krishna BdrKatwal	SDE	IDD/MoFALD

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82. Mr. Mahesh Aryal

SDE

IDD/MoFALD

