Government of Nepal
Ministry of Federal Affairs and Local Development
Local Governance and Community Development Programme
Technical Assistance Steering Committee (TASC)
16th TASC meeting

DATE: 11 JULY 2016
LOCATION: LGCDP MEETING HALL
TIME START: 10:40 AM **END:** 12: 00 PM
COORDINATOR: MR. CHHABI RIJAL, UNDER SECRETARY/NPM

INTRODUCTION:

Mr. Chhabi Rijal, National Programme Manager, LGCDP II welcomed representatives from development partners, MoFALD officials and PCU experts in the 16th TASC meeting. The agenda and proceedings of the meeting are as follows:

AGENDA	DISCUSSIONS
Main highlights of the presentation	
Status on action taken on the 15th TASC meeting	- Actions and recommendations under outcome 1, 2 and 3 complied as per previous decision. - Nelson consulting firm extremely delayed submission of the final report. Thus, decision taken to not make the final payments.
Update on PRF	- 20% recruitment of programme officers and 22 % of SDOs completed in DDCs. - 15% recruitment of programme officers and 46% of engineers completed in Municipalities.
Achievements under PPSF in 2nd Quarter	- Provided technical support to respective section to prepare ASIP 2016/2017. - At the local level, over 80% local bodies have completed 14 step planning process in time. - 80% of WCFs categorization completed of which 70% WCF are under category A&B - Technical support provided to develop approach paper Comprehensive Urban Development Plan for Municipalities. - MoU has been signed with Tribhuvan University department of Rural Development for initiating social accountability as course content. - Provided technical assistance to Local Level Restructuring Commission (LLRC) in the area of GIS and facilitated internal discussion on functional analysis of local level. - Assisted MoFALD for drafting bills regarding local level governance

	- The study on grant equalization formula for local bodies completed - Monitoring and analysis of last 3 years audit report of 15 DDCs on going in line with local PEFA recommendation - Ensured all the JAF obligation are met during the reporting period (output group meeting, Sub NAC meeting and Fiduciary Risk Mitigation meeting , NAC meeting) - Update was provided on the MCPM indicators being revised and that the final report would be shared with DPs.
PPSF expenditure status of second quarter and 3rd quarter budget plan	The budget vs expenditure of second quarter is 39.88 %. Proposed budget for the third quarter work plan is 1.08 million USD.
Revision of Annual work plan 2016	A PPSF work plan amendment proposed whereby activities are changed based on re-prioritized ASIP.
Issues and challenges	- The transition from DGE/UGE to POs will pose some challenges which will have impact on timely reporting. - Shifting to the federal transitioning process and maintaining coordination among different sectoral ministries / department in the process. - The program has succeeded to create and mobilize a huge number of citizen institutions at the local level. However, in order to ensure effective and sustainable results of LGCDP, these grass root institutions need to be fully capacitated, which could not happen due to lack of resources. Hence, rigorous exercise is needed to arrange the resources and bridging the resources from other possible stakeholders. - Enabling National Service Providers for delivering effective training. NSP have been found weak in designing and & timely delivery of quality training, which has resulted delay in accomplishing the timely results. In this context, intensive TA support is needed to LDTA.

Key discussions and responses by the management

DFID:

- Mr. Gareth Rannamets questioned the background of the study on fiscal decentralization as the Prime Minister's Office has also asked the World Bank to conduct a study on the same. He enquired how it will support the federal context.
- He also asked the status of the comprehensive town development plan?

UNCDF: Ms. Pragyan Joshi clarified that the fiscal decentralization study was initiated at end of last year, before the constitution was promulgated, and that the study was conducted foreseeing the establishment of a National Fiscal Commission. With the promulgation of the new constitution, a National Natural Resource Fiscal Commission has been mandated to be established. It was noted that the Ministry of Finance have now taken the lead on focusing on the Natural Resource element and that the study conducted through LBFC focusing on the establishment of the national fiscal commission would add value to the engagement of Ministry of Finance. It was shared that there had been budget allocated for training in country on fiscal decentralization.

UNDP: Mr. Yam Nath Sharma, UNDP added that LBFC is working in coordination with Ministry of Finance and that while MoF is taking the lead while MoFALD / LBFC would continue providing technical support/inputs. Mr. Sharma also mentioned given the changed context, activities of Output 8 and 9 have been reprioritized and that many of the activities in Output 9 has been planned keeping in mind activities of the constitution.

DP Cell: It was further noted that MoFALD has wide expertise through LBFC. Thus, it is working closely with Ministry of Finance and is also the part of high level committee. LBFC provides formula based grant which is not provided elsewhere. Thus, this kind of expertise is sourced and being utilized by the Ministry of Finance.

DP Cell: Regarding the comprehensive town development plan, it was informed that it has been done in consultation with Municipal division of MoFALD. There is a high level committee at the Ministry and the Municipal division is also a part. It provides technical support that feeds into the national policy making body. Thus, there is a continuous coordination mechanism.

DFID: Mr. Bishnu Adhikari made a comment on the following:

- Recruitment of PFM cum Accountability expert at RCU and enquired on the current situation and requested for the recommendation from the government side. He also questioned whether the positions still of relevance and whether further consultation with the RCU would be required.

UNDP: Ms. Sachchi Karki informed that in total 96 candidates had applied, 19 were shortlisted for the written tests and 8 passed. Out of the eight candidates that appeared for the written tests, only one meets the ToR and is eligible. Should the process be scraped and restarted or, recruit the one eligible candidate and headhunt other PFM experts on a short term basis?

UNDP: Mr. Sharma further added that having combined the two positions of PFM and Accountability possibly hindered the selection of expertise. Potential candidates were found to be good in accountability but less so on PFM. He noted that, If there is still a demand, head hunting can be another option.

DP Cell: Mr. Anil Chandrika stated that PFM is a core priority area. He informed that the local PEFA recommendations have already been sent to PEFA secretariat. In terms of priority, PFM needs to be continued. At the Sub National level, he stated that there is no PFM related support except through the

current programme and flagged that the programme has not been able to strengthen PFM. Thus, he noted that it will be a core issue in forming the next sub national level government.

DFID: It was noted if the PRF taskforce can take the discussion further.

NPM: The issue shall be further discussed with the NPD and communicated to the TASC team.

UNDP: Mr. Sharma reiterated that PFM is a key priority area in the reprioritized ASIP. In addition, whereby D/UGE will no longer be assisting at the local level, having PFM specialist at the RCU level is essential.

DFID: Going forward, whereby D/UGEs are leaving and focal programme officers are onboard, it was suggested that it would be good to capture the learnings and lesson learnt. It was enquired whether there had been any consideration and discussion about it - at least an opportunity to meet with these people to share their experience?

DP cell:

- Indeed, D/UGE should have a detailed exit interview at the RCU level which should be documented. Provisions should be made for a detailed handover both at the RCU level and local bodies. Maybe have an experience sharing during the Programme Officers' orientation.
- Funds available under flexible policy. Prepare ToR and identify national consultants in order to start the process for documenting the D/UGE's learning.

DFID: It was suggested and agreed that PPSF could initiate the design of questionnaire on issues, challenges, best practices amongst others for capturing lessons from UGE/DGE through a consultancy based assignment.

UNDP: Mr. Sharma made note of the following:

- Developing questionnaire and documentation of D/UGE learning will be a good lesson for the future programme. Exit interview can be administered by RCU. A short format has to be developed. In the upcoming orientation meeting of programme officers, some of the D/UGEs should be invited to share their experience. Request for DPs participation too. PPSF has enough budget to do that.

DFID: Mr. Adhikari queried on the following part of the presentation:

- The study on LED/PPP: Since the programme is in the last year and while the whole mandate of municipality and VDC is being discussed, even if the study comes up with recommendations, will there be enough time to prioritize and implement it?
- Revenue of local bodies: Similarly, he enquired whether there would be enough time to execute the RIAP study. Come up with recommendation?
- Likewise, relevance of developing act/laws on the basis of federal context regarding the above.

UNCDF: It was clarified that for LED it is not a study but initiation of the pilot based on a stock taking study that had been completed. Mr. Bishnu Puri noted that a series of discussion with MoFALD was held in order to pilot LED/PPP. It was noted that the restructuring will not have substantial changes at the municipal level. Therefore, it is being piloted in specific municipalities. Similarly, on the issue of RIAP preparation, it

was clarified that it is already designed to provide ownership to the municipalities in supporting to raise their revenue which would still be relevant in the current and future context.

It was clarified by Mr. Hem Raj Lamichhane that GiZ has been working on RIAAP and that the implementation would be in coordination with GiZ. Through the intervention, it was noted that the selected municipality will have a baseline on the areas of taxes, following which they will be able to forecast revenue mobilization and assess the capacity, gaps and challenges on the efforts of tax collection. In terms of timing, revenue collection is already ongoing and would be of relevance both in the current and future context.

DP Cell: Reiterated that the revenue collection will be ongoing even during the restructuring process. Tax assessment is a continuous process and RIAP further strengthens the process.

DP Cell: Regarding the LED piloting, Mr. Chandrika shared that NPC was going to prioritize a large amount of budget to upscale LED. The question was in terms of technical aspect, how the design shall be prepared. Initially, it was supposed to be piloted in two municipalities but NPC requested for 8-10 covering at least one in each development region.

DFID: Mr. Rannamets queried if the piloting will be similar to other works of UNCDF internationally and based on different lesson learnt.

UNCDF: Ms. Joshi remarked that the design is based on a stocktaking exercise which reviewed the LED models in the context of Nepal where recommendations have been based on best practices in Nepal. It was noted that national experts are being recruited and that UNCDF would provide the backstopping.

UNDP:

- Mr. Sharma remarked that the mandate of LLRC is also to look into the area of LED. From this exercise, it should support in understanding how the municipalities will function or operate in their new role as mandated by the constitution. Thus, linking of work between LLRC and MoFALD would be vital.

Mr. Parshuram Upadhaya: He appraised the board on the status of act/laws. MoFALD has drafted six priorities bill on constitutional commissions and submitted to the cabinet (legislation committee). Similarly, Federal legislation relating to local bodies elections are the priority. Local Bodies election procedure Act has already been submitted to the parliament. Drafting Laws related to local level has been initiated.

DP Cell: In terms of activity 9.7.2 regarding tax base system, it was informed that LBFC is working closely with MoF which is depending on LBFC for its technical expertise while LBFC is depending on PPSF for the technical support and resources.

DFID: It was remarked that expectation regarding LDTA is unrealistic, it was questioned under the risk and challenges in terms of whether intensive TA support to LDTA would be the best option.

DP Cell:

- By the end of the year, there may be elected bodies who would be needing substantial trainings and it is going to be MOFALD's mandate. LDTA is the only National Service Provider available to conduct such mass trainings.

DFID:

- Thus far, it is clear that without restructuring of LDTA functioning, there is no effectiveness of adding further resources-it has not worked thus far.
- It was noted that not all local bodies will require a blanket approach in terms of trainings. It would depend on their capacities that can only be determined when they are on board.

Hemraj Lamichhane: Stated that an alternative of LDTA should be brainstormed and also suggested an option to promote local bodies associations noting that these institutions will be more strengthened and would be an authoritative body when there will be elected representative.

UNDP:

- LDTA needs to be separated from the role of a National Service Provider. It will never be autonomous if it is treated as an NSP.
- NASC, on the other hand, is a frame working institution. But the capacity of local governance is not possible at the level of the institutions.
- The issues and challenges outlined in TASC should be within the broad scope of the programme rather than beyond it. We should develop a risk matrix and mitigation measures.
- Once the local elections happen, local bodies associations could be promoted as future NSP.

Decisions

Decisions:

1) Approve third quarter work plan
2) Approve revision of AWP 2016
3) PFM cum Accountability expert hiring at RCU: NPM to discuss with NPD, if needed, arrange another PRF meeting
4) Hiring national consultant on documenting experience and learning of D/UGE.
5) Handover of seven used LGCDP vehicles to MoFALD with all liabilities including fuel, drivers and maintenance is in process. As the process of transfer into white number plates is ongoing, bring on board, two drivers from the UN roster for a short term.

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Local Governance and Community Development Program
Program Co-ordination Unit

ATTENDANCE LOG

S.N	Name	Designation	Organization
1.	Mr. Chhabi Rijal	National Programme Manager	LGCDP
2.	Mr. Ramesh Sharma	Admin. Officer	LGCDP
3.	Mr. Gareth Rannamets	Governance Advisor	DFID
4.	Mr. Bishnu Adhikari	Governance Advisor	DFID
5.	Mr. Yam Nath Sharma	ACD	UNDP
6.	Ms. Vibeke Sorum	First Secretary	Norwegian Embassy
7.	Ms. Sachchi Karki	Programme Analyst	UNDP
8.	Ms. Pragyan Joshi	Programme Officer	UNCDF
9.	Mr. Surendra Bhandari	AFO	LGCDP
10.	Ms. Martina Voss	PO	UNV
11.	Mr. Yam Nath Nyaupane	PFM Specialist	LGCDP
12.	Mr. Shiv Raj Pokhrel	Governance Specialist	LGCDP
13.	Mr. Anil Chandrika	DP Coordinator	DP Cell
14.	Mr. Raghu Shrestha	CM Specialist	DP Cell
15.	Mr. Parsuram Upadhaya	FG Specialist	LGCDP
16.	Ms. Reshu Karki	Communication and Documentation Officer	LGCDP
17.	Mr. Keshav K Acharaya	CD Specialist	LGCDP
18.	Mr. Mohan P Dhakal	PFM Specialist	LGCDP/DP Cell
19.	Mr. Bishnu Puri	Consultant	UNCDF
20.	Mr. Apurwa Singh	ICT Coordinator	LGCDP
21.	Mr. Nagesh Badu	ICT Coordinator	LGCDP
22.	Ms. Nirmala Thapa	GESI Specialist	LGCDP
23.	Mr. Niyam Maharjan	LIBC specialist	LGCDP
24.	Mr. Jagannath Adhikari	Planning specialist	LGCDP