



Aide Memoire

NATIONAL ADVISORY COMMITTEE MEETING

29 August 2013

**I. Introduction**

Local Governance and Community Development Programme- II (LGCDP-II) is a national programme executed by the Ministry of Federal Affairs and Local Development through local bodies (DDCs, Municipalities and VDCs). The goal of the Programme is to contribute towards poverty reduction with better local governance and community development support. LGCDP-II is supported by a wide range of multilateral and bi-lateral development partners (DPs) to the Government of Nepal's (GoN) development and decentralized reform agenda.

The tenth National Advisory Committee meeting of LGCDP was held under the chairpersonship of Mr. Shanta Bahadur Shrestha, Secretary, Ministry of Federal Affairs and Local Development (MoFALD) and attended by Secretaries of sector ministries, Head of the Missions and representatives from different agencies. The chief guest, Hon'able Minister, Mr. Vidya Dhar Mallik mentioned in his key note address that: i) LGCDP – II programme document (ProDoc) is flexible and can be adjusted as per need during the course of implementation; ii) GoN is fully committed for implementation of the Program Results Matrix; iii) budget allocation has been made to hold local election in April 2014 and amendment of LSGA is being prepared; iv) fiduciary risk reduction is a prioritized action plan for MoFALD, and v) coordination with other sector ministries is a key for MoFALD for the successful implementation of LGCDP as an umbrella programme. Hence, endorsing the LGCDP-II ProDoc and signing of Joint Financing Arrangement (JFA) will ease us to make our commitment into reality without any delay.

Mr. Bodh Raj Niroula, Joint Secretary/ National Programme Director welcomed the participants and mentioned that LGCDP-II ProDoc was prepared through participatory approach by organizing a series of meetings and workshops with concerned stakeholders and experts. He



mentioned that it took more than a year to prepare LGCDP-II ProDoc. He highlighted the objectives and agenda of the meeting.

Secretaries of sector ministries viz. Dr. Prabin Mishra (MoHP), Mr. Lalmani Joshi (MoCPA), Mr. Som Lal Subedi (MoSTE) and Mr. Janak Raj Gautam (OAG) expressed their happiness on successful completion of the first phase LGCDP and wished for smooth implementation of LGCDP-II in which they have shown their full commitment to LGCDP II.


Mr. Purusottam Nepal, National Programme Manager, presented a summary of the ProDoc, the Strategic Implementation Plan (SIP), Annual Strategic Implementation Plan (ASIP), Technical Assistance Framework (TAF) and progress status of LGCDP. Mr. Babu Ram Shrestha, Under Secretary, highlighted audited (FY 2011/12) and unaudited (FY 2012/13) financial management reports of LGCDP.

All the development partners that participated in the discussion congratulating the Ministry for high quality ProDoc and mentioned their support in principle to LGCDP phase II. Most of the development partners mentioned that they need head office clearance for signing the JFA and bilateral agreement. SDC has already received authorization from head office to proceed with signing JFA and bilateral agreement. In case of Norway, DFID and Denmark, approval for signing the JFA agreement is expected by October 2013, November 2013 and January 2014 respectively. In case of Germany, the cooperation in local governance sector will discontinue after July 2014 and its priorities will be health, economic promotion and renewable energy sector. ADB's support is channeled through the Strengthening Public Management Programme (SPMP) and its legal department is reviewing whether it can sign JFA document.

UNDP stressed that UNDP and UNCDF are also contributing to the JFA in LGCDP II, and UNDP and UNCDF have already frontloaded their committed contributions to the joint financed technical assistance to help smoothen transition into the II phase.

All the development partners and other stakeholders noted their appreciation to the Hon'able Minister's pledge to hold local election during the fiscal 2013/14 and emphasized that local election is very important to establish genuine accountability. Nevertheless, civil society is expected to continue performing an essential role to enhance accountability before and after local election.

The government was commended on the results achieved in the first phase, especially in social mobilization. The role of local service providers (LSPs) in achieving these results were emphasized and the Ministry was urged by development partners to complete the planned social mobilization study as soon as possible to resolve the temporary arrangement of direct hiring of Social Mobilisers by local bodies and to get direction on long-term sustainability by ensuring greater role of LSPs in line with LGCDP II ProDoc without compromising the fundamental of transformational social mobilization approach (i.e separating voice and accountability) .



The donors stressed that JFADP funds form a minor component of the total programme financing it should be primarily targeted towards critical and reform-oriented activities across all outputs of the programme and some funds from the total DP funds should be used to co-finance the flexible block grants to local bodies. Furthermore, it was noted that UNICEF and UNFPA will be unable to contribute any fund to the block grant due to the nature of their support.

Transparency and publication of audit reports were also stressed. Introduction of the Programme Result Matrix in ProDoc was praised and hoped that it will improve the quality of results.

Timely transfer of funds was identified as possibly the biggest hindrance for effective and efficient use of the block grant in delivery of services by the local bodies. Likewise, improved capacity development in local bodies, better TA support (e.g. Urban/District Government Advisors), and closer coordination with other line agencies and other government offices (e.g. DoLIDAR, LDTA) are other factors that will strengthen quality outputs.

The effort by the Ministry to establish a NGO Facility is to strengthen service delivery in the most difficult districts. It was emphasized this facility is understood to be a coordinating body and the concept note for this arrangement was requested to be developed as soon as possible.

It was clarified that UNV will also contribute to the programme through the UNJP TA arrangement together with UNDP and UNCDF. It was noted that TA Framework document can be endorsed in principle, but further clarity is needed on implementation modality, e.g. ToR of the TA Sub-Committee.

It was mentioned that GoN commitment to refund unspent fund from the first phase is a procedural requirement for Norway before any new funding can be disbursed for phase II.

Representatives from local bodies associations shared the happiness on successful completion of LGCDP phase I and wished successful implementation of LGCDP phase II. Representatives also reinforced urgency of election for local bodies within this Nepali calendar year.

Representative from the National Planning Commission mentioned that it has already approved the LGCDP –II ProDoc and wished for successful implementation of the programme.

Representative from the Ministry of Finance mentioned that JFA document is ready for signing and MoF will be happy to receive response from development partners as soon as possible.

The meeting was closed with closing remarks from Mr. Shanta Bahadur Shrestha, Secretary, MoFALD. Mr. Shrestha thanked the distinguished participants for commendable remarks and assured his full commitment for effective implementation of the LGCDP II in a transparent and coordinated manner.



## II Decisions Taken at the Meeting

1. The Committee reviewed the LGCDP II ProDoc and decided to endorse it in principle.
2. The Committee discussed the Joint Financing Arrangement (JFA) of LGCDP II and decided to endorse it in principle and recommended to forward to the Ministry of Finance and concerned DPs for necessary action.
3. The Committee decided to request all the DPs and GoN to finalize bilateral agreements, if needed, based on JFA at the earliest and activate the Program without further delay.
4. The Committee reviewed the Strategy Implementation Plan (SIP) and approved the document in principle.
5. The Committee discussed the main features of Technical Assistance Framework (TAF) especially the pillar I, pillar II and pillar III of technical assistance and approved the TAF in principle. The committee decided to request UNDP to prepare UNJP programme document for implementation and recommended PCU to initiate a study on future modality of TA, focusing on Program Recruitment Facility (PRF) as soon as possible. The Committee also decided to authorize Sub-NAC to review and approve the Annual Technical Assistance Plan (ATAP).
6. The Committee discussed in detail Annual Strategic Implementation Plan (ASIP) 2013/14 of LGCDP-II and decided to approve it.
7. The committee reviewed the progress status of LGCDP I and expressed satisfaction on achievements.
8. The Committee was briefed on the final audit report of fiscal year 2011/12 of LGCDP I and unaudited report of the fiscal year 2012/13. The Committee advised MoFALD to submit the audited financial report of the fiscal year 2012/13 in Sub-NAC meeting for further discussions and necessary actions.
9. The Committee thanked all the personnel involved in preparation of LGCDP-II programme document, SIP, ASIP, ATAP, AMEP and TAF and especially to the LGCDP team in the MoFALD.
10. The Committee authorized sub-NAC to further elaborate the operational modality of TAF.
11. The Committee expressed sincere appreciation to Hon'able Minister, Mr. Vidya Dhar Mallik for the commitment to hold local election within this Nepali calendar year and reinforced the common understanding.
12. Indicative financial contribution from development partners for LGCDP phase II are as follows:

Funding Source	Total in budgeted currency			Approximate total in USD		
	JFA	JFTA	PAA	JFA	JFTA	PAA
DFID	GBP 35 million	GBP 5 million	CSP (GBP 25 million)	USD 54 million	USD 8 million	CSP (USD 37.5 million)
Norway	NOK 54 million	NOK 6 million	CFLG (NOK 40 million) LDTA (NOK 4.5 million)	USD 9 million	USD 1 million	CFLG (USD 7 million) LDTA (USD 0.8 million)
SDC	USD 10 million		SBLI (USD 3.8 million) SALG (USD 4.9 million)	USD 10 million		SBLI (USD 3.8 million) SALG USD 4.9 million
Denmark	DKK 29.5 million	DKK 5.5 million	Growth and Employment (DKK 190 million)	USD 5 million	USD 1 million	Growth and Employment (USD 33 million)
UNDP	USD 0.2 million	USD 1.8 million		USD 0.2 million	USD 1.8 million	





	USD 0.1 million	USD 1.5 million		USD 0.1 million	USD 1.5 million	
UNCDF	USD 0.1 million		CFLG (USD 3.35 million)	USD 1.85 million		CFLG (USD 3.35 million)
UNICEF	USD 1.85 million		SP (USD 0.14 million)			SP (USD 0.14 million)
UNFPA	USD 0.4 million		Direct to 18 DDFs (USD 1.08 million)	USD 0.4 million		Direct to 18 DDFs (USD 1.08 million)
UN Women	USD 0.1 million	USD 0.3 million		USD 0.1 million	USD 0.3 million	
ADB			SPMP (USD 28 million)			SPMP (USD 28 million)
USAID			Sajhedari (USD 25 million)			Sajhedari (USD 25 million)
GIZ			Direct LGCDP II TA (USD 1 million)			Direct LGCDP II TA (USD 1 million)
JICA			GeMSIP (USD 1.54 million)			GeMSIP (USD 1.54 million)
			COMCAP (USD 1.2 million)			COMCAP (USD 1.2 million)
			SMES II (NRP15.6 million)			SMES II (USD 0.18 million)
<b>TOTAL</b>				<b>USD 80.7 million</b>	<b>USD 13.6 million</b>	<b>USD 143.6 million</b>

### Appendix 1 – Agenda of the Meeting

Time	Topic	Presenter
14:00 -14:10	Welcome remarks	Mr. Bodh Raj Niroula Joint Secretary/ National Programme Director
14:10- 14 :20	Key note remarks	Chief guest, Hon'able Minister Mr. Vidya Dhar Mallik
14:20- 14:40	Highlights on LGCDP-II Programme Document, JFA, SIP,	Mr. Bodh Raj Niroula Joint Secretary/ National Programme Director
14:40 – 14: 45	Remarks LGCDP-II Programme Document, JFA and SIP	DP Focal Point
14:45 – 14: 55	Highlights on audited annual FMR and cash forecast for 2013/14	Mr. Babu Ram Shrestha, Under Secretary
14:55 – 15:05	Progress review	Mr. Bodh Raj Niroula Joint Secretary/ National Programme Director
15:05- 15:20	Discussion	
15:20 – 15: 30	Endorsement of LGCDP-II Programme Document, JFA and SIP Approval of ASIP, TAF and AMEP Authorize NACSC to approve ATAP Commitment of development partners for financial contribution for 2013/14	
15:30- 15:50	Remarks : Financial Controller General National Planning Commission Ministry of Finance Sector Ministries Office of the Auditor General ADDCN/MUAN/NAVIN DP's representative	
15:50- 16:00	Closing remarks: Mr. Shanta Bahadur Shrestha, Secretary, MoFALD	



S.NO	NAME	DESIGNATION	ORGANIZATION
1	Mr. Vidya Dhar Malik	Hon'able Minister	MoFALD
2	Mr. Shanta Bahadur Shrestha	Secretary	MoFALD
3	Mr. Lalmani Joshi	Secretary	MoCPA
4	Mr. Prabin Mishra	Secretary	MoHP
5	Mr. Som Lal Subedi	Secretary	MoSTE
6	Mr. Janak Raj Gautam	Secretary	OAG
7	Ms.Shoko Noda	Country Director	UNDP
8	Mr.Reshmi Raj Pandey	Joint Secretary	MoFALD
9	Mr. Dinesh K. Thapaliya	Joint Secretary	MoFALD
10	Mr.Gobinda Bdr Karki	Under Secretary	MoFALD
11	Mr. Bodh Raj Niroula	Joint Secretary/ NPD	MoFALD/LGCDP
12	Mr. Mukti Narayan Poudel	Joint Secretary	FCGO
13	Mr. Nabaraj Bhandari	Joint Secretary	MoF
14	Mr. Krishna Pd. Aryal	Joint Secretary	Ministry Forest and Soil Conservation
15	Mr. Rajendra Pd. Adhikari	Joint Secretary	Ministry of Agriculture Development
16	Dr. Govinda Pd. Guragai	Exe. Director	LDTA
17	Mr. Parshuram Upadhyay	Exe. Director	NAVIN
18	Mr. Kalanidhi Devkota	Exe. Secretary	MuAN
19	Mr. Prahalad K. Karki	Director	Public Procurement Monitoring Office
20	Ms. Anjali Pradhan	CFLG Unit Chief	UNICEF
21	Mr. Bandhu Pd. Bastola	Under Secretary	MoFALD
22	Ms. Laxmi Pande	Under Secretary	MoFALD
23	Mr. Babu Ram Shrestha	Under Secretary	MoFALD
24	Mr. ShyamRaj Adhikari	Under Secretary	MoFALD
25	Mr. Jagannath Adhikari	Programme Director	NPCS
26	Mr. Chandra Bahadur Sivakoti	Under Secretary	Women, Children and Social Welfare
27	Mr. Ek Raj Sigdel	Environment Specialist	LGCDP
28	Mr. KhimLal Devkota	FD & PF Specialist	LGCDP
29	Mr. Deepak Neupane	GIS Specialist	LGCDP
30	Mr. S.P. Shrestha	SM Specialist	LGCDP
31	Mr. Trilochan Acharya	Director	OAG
32	Ms. Nirjala Thapa	GESI Specialist	LGCDP
33	Mr. Chakrakpani Sharma	Under Secretary	MoFALD
34	Mr. Lal Bahadur Khatri	Under Secretary	MoF



35	Mr. Shyam Raj Khanal	Joint Secretary	MoFALD
36	Mr. Gopi Krishna Khanal	Joint Secretary	MoFALD
37	Ms. Indu Ghimire	Under Secretary	MoFALD
38	Mr. Ramesh Kumar K.C	Under Secretary	MoFALD
39	Mr. C.P. Sigdel	Cluster Coordinator	LGCDP
40	Mr. Rune Qvale	DP Coordinator	LGCDP
41	Mr. Yam Nath Sharma	Asst. Country Director	UNDP
42	Mr. Rafeeqe Siddiqui	Prog. Officer	UNDP
43	Mr. Asbjorn Lovbraek	Counselor	Embassy of Norway
44	Mr. Saroj Nepal	Sr. Prog. Officer	Danish Embassy
45	Mr. Animu Hageuan	Denmark Embassy	First Secretary
46	Mr. Bholu Pd. Dahal	Governance Advisor	Embassy of Norway
47	Mr. Hari Phuyal	Section Officer	Legal Advisory Section
48	Mr. Prakash Regmi	P. O	SDC
49	Mr. Chris Hobbs	Deputy Governance Officer	USAID
50	Mr. Ramesh Adhikari	Political & Election Specialist	USAID Nepal
51	Mr. Bijaya Thapa	Asst. Representative	UNFPA
52	Mr. Tatiama Prokhorova	Programme Officer	UNV
53	Ms. Pragyan Joshi	Programme Officer	UNCDF
54	Mr. Hiramani Ghimire	Gov. Specialist	World Bank
55	Mr. Tsutomu Shimizu	Chief Representative	JICA
56	Mr. Tahseen Sayed	Country Manager	World Bank
57	Dr. William Parks	Deputy Representative	UNICEF
58	Mr. Giulia Vallese	Representative	UNFPA
59	Ms. Any Fawcett	A/Dep. Mission Director	USAID
60	Mr. Ziad Sheikh	Representative	UN-Women
61	Dr. Horst Mathaus	Programme Coordinator	GiZ
62	Ms. Rachana Shrestha	Sr. Public Mgmt. Officer	ADB
63	Mr. Jean Francois Cuenod	Head of Cooperation	SDC
64	Mr. Jon Miller Hansen	DCM	Embassy of Denmark
65	Mr. Hakon Gulbrandsen	Deputy Chief of Mission	Embassy of Norway
66	Mr. Cherlotte Duncan	Gov. Security Team Leader	DFID
67	Mr. Jaydeep Biswas	Governance Advisor	DFID/Donor Focal Point-LGCDP
68	Mr. Purusottam Nepal	Under Secretary/Programme Manager	MoFALD/LGCDP
69	Mr. Narahari Bhandari	Under Secretary	MoFALD
70	Mr. Suresh Prakash Acharya	Joint Secretary	MoUD
71	Dr. Raghu Shrestha	M& E Specialist	LGCDP
72	Mr. Kamal Jnawali	Admin Officer	MoFALD
73	Mr. Sujit Man Raj Bahandari	MRO	CCU, Hetauda