



Government of Nepal
Ministry of Federal Affairs and Local Development
Local Governance and Community Development Programme
Technical Assistance Steering Committee (TASC)
20th TASC meeting

DATE: 28TH APRIL 2017
LOCATION: LGCDP MEETING HALL
TIME START: 10:30PM **END:** 1: 00 PM
COORDINATOR: MR. RESHAM LAL KANDEL, UNDER SECRETARY/NPM

INTRODUCTION:

MR. RESHAM LAL KANDEL, National Programme Manager, MoFALD welcomed representatives from development partners, MoFALD officials and PCU experts in the 20th TASC meeting. He highlighted on the agenda of the meeting, provided updates on implementation of 19th TASC meeting decisions, shared the achievements of 1st quarter of 2017 and corresponding expenditure status of 1st quarter. He further, highlighted on revision of work plan 2017, and t on proposed budget for 2nd quarter work plan 2017, which was followed by discussions.

AGENDA	DISCUSSIONS
Main highlights of the presentation	
Update on implementation of 19th TASC meeting decisions	<ul style="list-style-type: none"> • Established provincial support office in Surkhet and Hetauda- this is in process • ToR for training manual has been developed • Reallocation of Denmark funds in work plan 2017 , detail activities is being shared in the current TASC meeting
Achievements of 1st quarter	<ul style="list-style-type: none"> • Human Resources from PCU and RCU mobilized to establish Provincial Support Office in province no.6 Surkhet from the existing structures • MToT provided to 60 MoFALD personnel on "Orientation and Management of LGs" • Organized training in 7 provinces whereby 733 Executive Officers of the Rural Municipalities, Municipalities and 73 LDOs participated. • GIS support to Local Level Restructuring Commission through 13 ICT Volunteers and a GIS Expert • Online database established with basic Information of Local Governments. It can be accessed at below links: <ul style="list-style-type: none"> ○ Link: lgcdp.gov.np/lgbasicinfo, ○ Local Level Details.xlsx • Completed study on 'Projection and collection of taxes for provinces and local governments in the changed federal context' in Nepali

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	<ul style="list-style-type: none"> Completed study on 'Designing a Framework for Sub-National Government Financing through Borrowing in the context of Fiscal Federalism in Nepal' Completed the draft business development approach manual and the operational strategy for LED
Expenditure status of 1st quarter	The total budget expenditure during the first quarter of 2017: 53.89%
Highlight on revision of work plan 2017	<p>1-Reduced DFID fund USD 88,200.00</p> <p>2-Transfer DANIDA fund USD 88,200.00 to output 1</p> <p>4-Add additional Activity: Develop Resource person and materials namely LG handbook and LG ToT manual: amount USD 34,000.00</p> <p>5. <u>Reduced Budget on following activities:</u></p> <ul style="list-style-type: none"> Review and update MCPM System: USD 22,500.00 Strengthen capacity on revenue systems in LB: USD 15,000.00 Implement LED development activities in municipalities: USD 25,000.00 <p>6-Increased USD 84,000.00 on training cost to Local government staff</p>
Proposed Budget for April- June 2017	The proposed budget for April-June 2017 is USD 1,093,015.08
Major activities of Pillar 2	<ul style="list-style-type: none"> Develop an approach paper with road map for functional federal system; sharing and learning on comparative knowledge and expertise Prepare and disseminate IEC materials on newly established Gaunpalika and Municipality and other contemporary issue of local governance Develop Resource person and materials namely LG handbook and LG ToT manual Prepare model work division rules for LGs Prepare model laws for sub-national functioning in coordination with FAS Implement LED development activities in municipalities VDCs Organize trainings/workshops and exchange programme for LB's staff for knowledge sharing and in strengthening its capacity to achieve performance indicators
Issues and challenges	<ul style="list-style-type: none"> Due to the changing political context, the implementation of activities in ASIP has been affected. The need to establishing proper linkage and coordination with Sectoral Ministries including NPC and MoF for effective implementation of Federalism was raised. Ensuring LGCDP reporting mechanisms at local level in the transition phase in absence of LGCDP focal persons.




Way forward	<ul style="list-style-type: none"> • Capacitate 7 provincial support units to better facilitate local government at changed context. • Design training modules for local government officials and organize ToT to develop resource persons. • Support to prepare transitional phase implementation plan and designing of the new sub national program. • PCU to establish generic roster of experts to support the capacity development initiatives at the sub-national level.
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Key discussions and responses by the management

Mr. Gareth Rannamets, DFID noted that in the view of the expenditure status of the 1st quarter, the proposed budget for the second quarter which is nearly USD 1.1 million seems very ambitious. On top of the remaining balance, if the proposed budget is not spent, there will be surplus amount of 1-2 million USD. Thus, the plan does not seem realistic. He also noted on the study of the revenue improvement plan. If that is completed, it should be shared with development partners.

Regarding LED, he mentioned that there is unfamiliarity with the approach and the rationale behind it. An understanding was made at the last TASC to organize a workshop to discuss rationale and its approach within the restructuring process, which has not taken place yet.


With regards to using DANIDA funds to organize training for newly appointed account officers at local governments, he noted that it may be too early considering there is no rules, regulations, legislations in place at the province level that would be the guiding document for these account officers.

Mr. Anil Chandrika, DP Cell, informed that as an interim strategy, the newly graduated Account Officers need to be oriented on basic know/how's of accounting and system at the local level. By 16th July 2017, MoF will hand over authority and account details to local units. Thus, he shared that the idea is to have short modules of basic trainings for these account officers to equip them during the transition, to make them functional when authority is assigned to them.

Mr. Yam Nath Sharma, UNDP further added that the accountants are from various ministries but may in some cases be new to the local governance system. He agreed on the need for arranging orientations in functionalizing government's funding and accounts at *Gaunpalika* and *Nagarpalika*.

Ms. Manju Lama, Government of Denmark, mentioned that utilizing DANIDA funds to organize training for the new account officers is justified and approved of it. However, with regards to the other proposal of international trainings, she noted that it is not well justified, especially given the fact that most government officials are busy until the Mid-June that is until the second round of local election. Ms. Lama suggested that it would be more realistic to bring in international resource persons, customize the courses based on local context- which would benefit more participants. She noted that perhaps a separate discussion is required on this aspect.

Mr. Chandrika emphasized that instead of returning DANIDA resources, it is a proposal to fully utilise the remaining fund; equip local government officials on relevant trainings. Mr. Sharma added that in the present context, there is a definite need of training and orienting officials on local government issues and agreed that


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bringing in resource person to hold these trainings is also a good idea. He acknowledged that further discussion is required.

Mr. Rajkumar Dhungana, Government of Norway, queried on the likelihood of the budget being spent- given the two local elections. He also mentioned that there is more clarity needed in terms of Norwegian budget disbursement for the next quarter. He emphasized that having a provincial unit at the province 2 is very crucial and should be expedited. Regarding LED, he questioned on what would be the added value at current time. He also noted that the proposed training of account officers is relevant and justified. He underlined that in addition to developing a roster of resource persons at the center, having roster of 10-12 resource person at each province would be an added advantage in the forefront of many trainings to be organized.

Mr. Shiv Raj Pokhrel, Governance Advisor clarified that a lot of the proposed budget is ready to be expended; payment pending for resource persons of recently held orientations for local government officials, planned activities of printing IEC materials: handbook, training modules, GIS maps.

Mr. Resham Kandel, NPM added that following the local elections, a ToT will be organized for resource persons. Mr. Kandel clarified that the proposal to continue with the LED activities came after rigorous discussion with various stakeholders. The delay happened because the consultant could not finish this assignment on time. The Municipal section has proposed to implement the pilot. The project is working parallelly to identify feasible projects for municipalities-while keeping the timeline in mind, one or two projects will be selected from Hetauda/Tikapur. He noted that the proposed budget is also very small and there are other stakeholders involved as well.

Ms. Pragyan Joshi, UNCDF informed that Taxation report which is in Nepali has already been shared in January by NPM and that the translated version would be shared as soon as it is received. Likewise, it was noted that the study on sub-national borrowing system has been shared with DP Cell, and that the RIAP report would be shared once it is received from the consultants.

In terms of the delay in organizing a sharing sessions for LED, as pointed out by the National Programme Manager, it was noted that there have been ongoing discussions parallelly initiated by the municipal division on the feasibility of concept with various stakeholders. It was mentioned that the pilot is to test a proof of concept bringing the different actors together, the municipality, town development fund, and the FNCCI. She noted that even in the current change in political context, LED is important given that there is attempt to make local governments economically viable. Hence, she underlined the importance of the roles municipalities/local governments need to play in terms of creating that enabling environment and investing into revenue generating initiatives, and clarified that the financing of LED is not a new concept for Nepal as such. Ms. Lama also suggested that perhaps through email the LED plan sand process could be highlighted.

It was also pointed out an over expenditure in one of the columns of the presentation under the progress, the fiscal federalism took place in December 2016 but in terms of reporting it in the financial system, it only got reflected in January 2017.

On a separate note, Mr. Rannamets mentioned that MoFALD should coordinate with other ministries so that resources of TASC can be utilized. Many ministries are working on sectoral devolution plan. Mr. Sharma also shared that the Ministry of Education is struggling to manage the transition whereby teachers are quitting to run for local election. He acknowledged that it is one area that can be coordinated and the resources could



be utilized to address challenges. Mr. Khadel acknowledged that sharing resources is good idea and that stated that he would hold discussions with MoFALD Secretary in this regard.

Mr. Sharma acknowledged that the orientation training for government officials were timely. The database of local government units is also appreciated. He enquired on the Government's plan to finalize the roadmap, given that it has been long pending.

He also urged to organize a discussion on the Handbook for DPs and incorporate their comments. Likewise, having potential provincial trainers is a very good idea and should be identified. Regarding presentation, he noted that there should be a brief highlight on the overall MoFALD activities and changes during the quarter so that the technically committee is well informed on MoFALD direction and would support in making decisions. Likewise, there is no linkages between issues and way forward.

AoB:

Update on new National Implementation Modality (NIM) Guidelines: Mr. Sharma gave a brief highlight on the NIM modality that has been effective since 1 April 2017. It will have an impact on hiring of human resources, on procurement and programme management. He informed that the new guidelines allows for authority to be delegated from National Programme Director to National Programme Managers on signing, approving and executing day to day operations of TA including approval of all financial transaction, vouchers, procurement of goods and services , approval of travel authorization of all project personal (excluding Government contract holders), approval of requisition form of maintenance of equipment and vehicles and signing contracts of contracts valued below US\$ 30,000.

Decisions

- Approved revise AWP 2017
- Approved 2nd quarter work plan (April – June 2017)
- Utilize DANIDA fund to hold trainings for account officers
- Agreed in principle to utilize DANIDA fund to conduct trainings for local government officials. Come up with training proposals and options within two weeks



S.N	Name	Designation	Organization
	Mr. Resham Lal Kandel	National Programme Manager	LGCDP
	Mr. Gareth Rannamets	Governance Advisor	DFID
	Mr. Yam Nath Sharma	ACD	UNDP
	Mr. Raj Kumar Dhungana	Governance Advisor	Royal Norwegian Embassy
	Ms. Archana Aryal	Programme Analyst	UNDP
	Ms. Pragyan Joshi	Programme Officer	UNCDF
	Mr. Mohan P Dhakal	PFM Specialist	LGCDP/DP Cell
	Mr. Anil Chandrika	DP Cell coordinator	DP Cell
	Mr. Surendra Bhandari	AFO	LGCDP
	Ms. Martina Voss	PO	UNV
	Ms. Manju Lama	Resident Advisor	DANIDA
	Mr. Yam Nath Nyeupane	PFM Specialist	LGCDP
	Mr. Shiv Raj Pokharel	Governance Specialist	LGCDP
	Mr. Raghu Shrestha	CM Specialist	DP Cell
	Ms. Reshu Karki	Communication and Documentation Officer	LGCDP
	Mr. Cp Sigdel	SM Specialist	LGCDP
	Mr. Ek Raj Sigdel	Environment Specialist	LGCDP
	Ms. Nirmala Thapa	GESI Specialist	LGCDP
	Mr. Birendra Parajuli	Accountability Specialist	LGDP
	Mr. Jagannath Adhikari	Planning Specialist	LGCDP

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