LOCAL GOVERNANCE AND COMMUNITY DEVELOPMENT PROGRAMME-II
TRANSITION TO SUBNATIONAL GOVERNANCE PROGRAM

ANNUAL PROGRESS REPORT

(16 July 2017 – 15 JULY 2018)

A glimpse of training event on good governance provided to LGs of province no. 4, Pokhara.

Government of Nepal
Ministry of Federal Affairs and General Administration
Singhadurbar, Kathmandu

ABBREVIATIONS

ADB	Asian Development Bank
AO	Account Officer
ASIP	Annual Strategic Implementation Plan
AWP	Annual Work Plan
CAC	Citizen Awareness Centre
CAO	Chief Administrative Officer
CERD	Convention on Elimination of all forms of Racial Discriminations
CD	Capacity Development
CFLG	Child-Friendly Local Governance
CoA	Chart of Account
DCC	District Coordination Committee
DFID	Department for International Development
DoCR	Department of Civil Registration
DP	Development Partners
DRR	Disaster Risk Reduction
EFLG	Environment-Friendly Local Governance
FAD/S	Foreign Aid Division Section
FAQ	Frequently Asked Questions
FCGO	Financial Comptroller General Office
FMR	Financial Management Report
FRR	Fiduciary Risk Reduction
FRRAP	Fiduciary Risk Reduction Action Plan
GESI	Gender Equality and Social Inclusion
GIS	Geographic Information System
GIZ	German Technical Cooperation
GoN	Government of Nepal
ICT	Information and Communication Technology
IEC	Information and Electronic Communication
IEGS	Information and e-governance Section
INGO	International Non-Government Organization
IPT	Integrated Property Tax
IT	Information Technology
ITO	Information technology Officer
JFA	Joint Financial Arrangement
JFTA	Joint Fund for Technical Assistance
JICA	Japan International Cooperation Agency
LDTA	Local Development Training Academy
LG	Local Government
LGCDP	Local Governance and Community Development Programme
MARS	Municipal Administration and Revenue System
MIS	Management Information System

MoE	Ministry of Education
MoF	Ministry of Finance
MoFAGA	Ministry of Federal Affairs and General Administration
MoFALD	Ministry of Federal Affairs and Local Development
MoGA	Ministry of General Administration
MoLJPA	Ministry of Law, Justice and Parliamentary Affairs
MoPH	Ministry of Population and Health
M-ToT	Master-Training of Trainers
NAC	National Advisory Committee
NGO	Non-Governmental Organization
NFY	Nepalese Fiscal Year
NNRFC	National Natural Resource and Fiscal Commission
NPC	National Planning Commission
NPD	National Program Director
NPM	National Programme Manager
NPR	Nepalese Rupee
NSC	National Steering Committee
OAGN	Office of Auditor-General Nepal
OPMCM	Office of the Prime Minister and Council of Ministers
PCU	Programme Coordination Unit
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PLGSP	Provincial and Local Governance Support Programme
PPSF	Policy and Programme Support Facility
PSA	Public Service Announcement
PSU	Provincial Support Unit
RAIP	Revenue Improvement Action Plan
RP	Resource Person
RTI	Right to Information
SDG	Sustainable Development Goal
SDC	Swiss Development Cooperation
SM	Social Mobilization
SNG	Sub-national Governments
SNGP	Sub National Governance Programme
SPMP	Strengthening Public Management Programme
TA	Technical Assistance
TASC	Technical Assistance Sub-Committee
ToC	Theory of Change
TOR	Terms of Reference
TOT	Training of Trainers
TSNGP	Transition to Sub-national Governance Programme
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations International Children Emergency Fund

UNSCR	United Nations Security Council Resolution
UNV	United Nations Volunteers
UNVFU	United Nations Volunteers Field Unit
USAID	United States Agency for International Development
USD	US Dollar
VERSS	Vital Event Registration and Social Security
WBRS	Web-based Reporting System
WCF	Ward Citizen Forum

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LGCDP II-TSNGP BRIEF PROFILE

Programme Period	16 July 2017 - 15 July 2018
Implementing Agencies	o Ministry of Federal Affairs and General Administration o Sub-national Governments o Supporting Agencies o Civil Society Organizations
Geographic Coverage	7 Provinces, 77 DCCs and 753 Local Governments
JFA Partners	DfID, Norway, SDC, UNICEF, UNFPA, UN Women
TA Partners	DfID, Norway, UNDP, UNCDF, UNV
Financial Contribution	Government of Nepal: US$ 2.1 mil Development Partners: US$ 16 mil (JFA US$ 13.5 mil, TA US$ 2.5 mil) Total financing: US$ 18.1 mil
Financing Modality	Joint Financing Arrangement (JFA): US$ 13.5 mil GON: US$ 2.1 mil Joint Financing for Technical Assistance (JFTA): US$ 2.5 mil
Overall Goal of the Programme	To contribute towards poverty reduction through better local governance and community development.

1. EXECUTIVE SUMMARY

The Local Governance and Community Development Programme II (LGCDP II)-Transition to Sub National Governance Programme (TSNGP) was designed for one year, 16 July 2017 to 15 July 2018. Due to delay in finalizing anticipated Provincial and Local Governance Support Programme (PLGSP), LGCDP II-TSNGP is extended till 31st December 2018.

Output 1 Institutionalization of sub-national governments: The Ministry of Federal Affairs and General Administration (MoFAGA) with the support of LGCDP II has drafted more than 35 model local laws and made available to local governments as a part of fostering ongoing institutionalization process of local governments (LGs). LGCDP II-TSNGP has developed, published and disseminated various resource materials toward helping LGs in executing various constitutional provisions on federalism. Some examples of such resources include- LG resource book; bunch of model local laws; hand book on frequently asked question (FAQ); introductory book on Gaunpalika & Nagarpalika; model good governance strategy; service delivery provisions in LGs; interim organizational structure and staffing framework of LG; integrated property tax management procedures; users committee formation and mobilization procedures; local planning directive; budget and accounts directives etc.

The programme puts utmost focus on the use of information communication technology (ICT) tools by federal, provincial and local governments with the aim to improve institutional capacity to deliver government services and enhance exchange of information across level of governments. This year, the programme supported LGs to recruit information technology (IT) officers and provided funds to purchase needful hardware. These IT officers were capacitated in various e-governance related subject matters including website development and LG operation. Five different IT products were developed and made functional at federal level in the reporting year. They are- interactive map with local level details, mobile application for local governance, knowledge management blog, volunteer management system and content management system. Similarly, 3 video documentaries were also developed focusing on success and good practices that were resulted through LGCDP II efforts. With the objective to establish model e-Governance units, 14 LGs (2 in each province) were provided NPR 12, 95,000 each on cost sharing basis. Further, the ICT team had significantly contributed to develop and maintain websites of provincial ministries and associated institutions (except in province 4).

Output 2 Capacity development of sub-national governments: A series of orientation programs to build capacity of newly elected LG representatives and staff was organized, in which a total of 1,270 elected representatives (Chief & Deputy Chief of *Nagarpalika* and Chairs and Vice Chairs of *Gaunpalika*), 753 Chief Administrative Officers (CAO) and 77 District Coordination Officers (DCO) took part. Moreover, an orientation on 'practices of good governance and corruption control' was also organized for this group, benefiting 1,136 people.

As another major capacity building effort, MoFAGA provided budgetary support (with guideline) to all 77 District Coordination Committees (DCCs) to organize 5 different training to local elected representative (mostly ward chairs and members) and relevant LG staff. A total of 51,465 people were trained, of them, 30% were female participants and 30% local staff. Selected topics for the training were- judicial committee, planning and budgeting, LG operation, procurement and integrated property tax (IPT). In addition, one-day orientation on 'federalism' was also organized for 25 high level officials, they were invited from different ministries. These activities have significantly supported to increase the institutional capacity of LGs and confidence of local elected representatives at the early stage of LG institutionalization process after the local election.

A roster, comprising of 268 experts in 12 thematic areas, has been created and maintained with the aim to easily obtain external professional services to conduct capacity development activities by province and local governments in future. A total of 57 master trainers (24 on judicial committees and 33 on local governance) and 109 trainers on IPT have been developed as resource persons who will be mobilized by LGs in future. With the aim to foster a deeper understanding of functional federal system and structure of sub-national governance, a 10-member team (one joint secretary, 2 under secretaries, 2 section officers, 4 Mayor and one computer officer) visited Australia and Indonesia in the reporting year. A joint monitoring team of MoFAGA and development partners (DPs) also visited selected LGs of Province number 7, and shared monitoring findings in the NEC meeting. Support was also provided to provincial governments to formulate respective annual plan and MTEF.

Output 3 Policy support to restructuring of the federal level: The Provincial and Local Governance Support Programme (PLGSP) document is prepared through wider consultations with stakeholders and discussions are underway to finalize the document.

Output 4 Continuity of Community mobilization: As an effort to give continuity of community mobilization and social development, the tenure of Social Mobilizers was extended from July to December 2017 and further extended up to mid July 2018 from GoN resource. Social mobilization exit strategy document was drafted that mainly suggests to localizing social mobilization through local governments.

Output 5 Public Finance management: A risk based internal audit guideline, local level procurement guideline; budgeting and accounting guideline and internal control system have been prepared. As of 15 July 2018, a total of 39% audit arrears have been settled. Of the total settlement, 91% is related to LGCDP II/PCU, 89% LGAF related and 16% is DCC related. These achievements have contributed to further strengthen LG's public finance management.

Financial Progress: LGCDP II-TSNGP budget for the fiscal year 2074/75 was NPR 2.39 billion and total expenditure was NPR 1.58 billion (66%).

2. PROGRAMME INTRODUCTION

2.1 BACKGROUND

Local Governance and Community Development Program (LGCDP II) was successfully implemented to address the commitment of GoN towards ensuring quality and transparent services, strengthening downward accountability, and economic and social transformation of marginalized groups. The programme remained instrumental in strengthening linkage between local government and citizens through social mobilization process. Local Governance and Community Development Programme was effective in promoting good governance practices, quick and efficient service delivery, enhanced transparency and accountability of local governments. The programme successfully bridged the gap between the government and citizens, especially at the local level in absence of elected local representatives.

The programme period of LGCDP II ended on 15 July 2017. A new programme LGCDP-Transition to Sub-national Governance Program (TSNGP) was in effect from 16 July 2017 to 15 July 2018. Following are LGCDP II-TSNGP's major priority areas:

o Support to restructuring of SNGs and stabilization of transition process through institutionalization;
o Continue and sustain the social capital formed by earlier engagements at the community level through social mobilization/formation of CACs and WCFs;
o Support continuity of best practices and lessons learnt from earlier programmes including those on GESI, EFLG, CFLG, DRR, community mediation;
o Support policy evolvement process and knowledge management needed for smooth federalization at the national and sub-national level;
o Support capacity building of elected officials of the SNGs and their staff/also support capacity building of central level agencies for managing devolution and federalization;
o Support in the area of planning, budgeting, office management, reporting through development of tools/formats/templates and training/coaching;
o Early focus on use of ICT in newly created SNGs for e-governance and better/efficient monitoring of service delivery and governance indicators;
o Support information management, education of the stakeholders and advocacy in the areas of devolution and federalism;
o Ensure continuity of achievements of various outcome and output areas of LGCDP II in the restructured bridging programme TSNGP which will later transition into new programme "SNGP".
o Use the one year experience of this bridging programme for preparations and evolution of larger SNGP programme from next fiscal year.

Local bodies have now transformed into 'local governments' as per the arrangements of the constitution. The Government of Nepal (GoN) has established 7 provinces and 753 local government units with 6 Metropolitan cities, 11 Sub metropolitan cities, 276 Municipalities and 460 rural municipalities. The GoN has already completed local, provincial and federal elections as historic achievements toward implementing constitutional provisions. Consequently, three-sphere governments have already assumed office and have started carrying out government functions despite many transitional challenges. The LGCDP II-TSNGP has been fully internalized into new federal structure with having provincial support units in each 7 province.

2.2 PROGRAM RESULTS AND INSTITUTIONAL MECHANISM

Overall Goal: To contribute towards poverty reduction through better local governance and community development.

Purpose: To improve local governance for effective service delivery and citizen empowerment.

Programme Components:
- o Support to implement federalism
- o Public financial management support
- o Continuity of present social mobilization and social development

Programme Objective: Support institutionalization of Sub-national Governance (SNG) for smoother and efficient transition management

Outcomes:
- o SNGs institutionalized and capacity built to serve their citizens as per the spirit of the constitution
- o Community mobilization sustained within SNGs
- o Strengthened Public Financial Management (PFM)

Programme Outputs:
1. Institutionalization of SNGs
2. Capacity building of SNGs
3. Policy support to restructuring of central level agencies
4. Continuity of social mobilization and social development
5. PFM at SNG level sustained and strengthened

3. OVERALL PROGRESS

3.1 OUTCOME 1: SNGs INSTITUTIONALIZED AND CAPACITY BUILT

OUTPUT 1: Institutionalization of sub-national governments

A significant progress has been achieved in getting ASIP activities implemented. Following table gives the progress status against annual planned activities.

A. Review of Annual Progress:

Table 1

ASIP Code	Planned Activities	Progress
1.1.1	Define integrated new structures, process and procedures of LGs	o Interim organizational structure of LGs developed based on model business allocation rules, o Staff adjustment proposal (including organizational structures of LGs and interim staffing requirement) prepared o Interim Management Action Plan, 2017 formulated for federal implementation and administration reform, o MoFAGA formed a sub-national level federal roll out facilitation committee under the chair of Joint Secretary/ FAD with representatives from MoGA, MoF, OPMCM, MoLJPA, NPC, o Sector ministries designated focal points for sub-national roll out.
1.1.2	Further detailing of unbundled functions, functionaries and funds (detailing of 360 responsibility of LG)	o Organizational & Management Survey Committee formed and the MoFAGA coordinating the whole process, o Interim Organizational and Management structure has been defined for local government and implemented.
1.1.3	Develop innovative ways (urban area) of service delivery (mobile service in remote area)	o No specific progress made.

ASIP Code	Planned Activities	Progress
1..1.4	Prepare blue-prints for integrated organizational structures at LGs and provincial level with accountability framework	o ToR developed for stock taking and white paper formulation. No further progress made.
1.2.1	Identify gaps/challenges in adopting sectoral functions by LGs and prepare plan with cost	o ToR developed for stock taking and white paper formulation. No further progress made.
1.2.2	Coordinate with relevant agencies viz. MoE, MoPH, MoA etc. for setoral devolution to take place	o MoFAGA formed a sub-national level federal roll out facilitation committee under the chair of Joint Secretary/ FAD with representatives from MoGA, MoF, OPMCM, MoLPA, NPC.
1.3.1	Support to District Coordination Committee (DCC)	o A draft document has been prepared highlighting the role of DCC on monitoring, supervision and coordination.
1.4.1	Develop financial manuals for LGs	o Budget and accounts directives 2074 for Local Governments are finalized that is now under review by the secretary.
1.4.2	Develop SDG localization strategy & working manual and M & E procedures for LG	o ToR prepared. No further progress made.
	Develop participatory planning manual and M & E procedures for SNGs	o Draft Participatory Planning Guideline has been developed, o Draft M&E indicators for SNGs has been developed,
1.4.3	Develop accountability mechanism for SNGs	o Model good governance strategy for LGs has been developed and disseminated to LGs and stakeholders.
1.4.4	Develop English version of LG Resource book	o Resource book translated in English language. It is now at the stage of printing.
1.4.5	Develop English version of LG Information book	o Prepared English version of Introductory Book on local government (*Gaunpalika and Nagarpalika*)
1.4.5	Prepare Frequently Asked Questions (FAQ)	o Prepared Frequently Asked Questions (FAQ) related to contemporary issues of federalism and local governance.
1.4.6	Support to Federal Resource Center	o Books purchased related to federalism, local governance and public administration

ASIP Code	Planned Activities	Progress
1.4.7	Prepare law drafting manual	o No Specific progress made.
1.4.8	Develop TV programme on best practices of LGCDP and disseminate (YouTube)	o Visual documentaries are being finalized on a) e-governance b) LGCDP achievements and c) Federalism.
1.4.9	Print and disseminate local governance related reports (Report on LG restructuring, Collection of model laws, regulations, guidelines, English version of Information book)	o Various documents printed and disseminate to all local governments and stakeholders- - 5,000 copies of Model Local Laws (compiled version), - 3,000 copies of Local Governance Resource Book, - 10,000 copies of Local Government Operation Act, 2074, - 1,500 copies of the brief introductory book of details of *Gaunpalika and Nagarpalika* - 500 copies of LGCDP II: Synopsis of Progress
1.5.1	Develop LG profile format (model) and guidelines	o LG profile format developed and shared with LGs.
1.5.2	Initiate preparation of profile of 753 LGs	o Preparation of LG profile is in progress.
1.6.1	Recruit ICT officers in LGs	o 691 LGs have recruited IT officers
1.6.3	Provide hardware and software support to LGs as per the demand	o All LGs are provided funds to purchase hardware.
1.7.1	Develop IEC materials on constitutional provisions on federalism, decentralization and service delivery, citizen's rights and duties	o Various reference documents were developed in the reporting year. Some of examples include: - LG Resource Book prepared, - Prepared Hand Book on Frequently Asked Question (FAQ) prepared, - Prepared Introductory Book on Gaunpalika & Nagarpalika, - Prepared Model good governance strategy, - Prepared Service Delivery Provisions in LGs 2074. - Prepared Interim Organizational Structure and Staffing Framework of LG.

ASIP Code	Planned Activities	Progress
		- Developed Integrated Property Tax Management Procedures,
		- Developed Users Committee Formation and Mobilization, procedures 2074,
		- Developed Local Planning Directives
1.7.3	Develop integrated information system for LGs	o ToR for development of integrated system (LG profile and reporting system) prepared.

B. Key Highlights:

Innovative IT products: With objective to initiate innovative ideas to improve service delivery and information dissemination, ICT team at MoFAGA developed following four ICT products:

- o Content Management System based websites for all local units (www.mofald.gov.np/website)
- o Interactive map with local level details (www.mofald.gov.np/gis)
- o Android based Mobile application for local governance (available at play store as "local governance Nepal" app)
- o Knowledge Management Blog with its android based mobile application (www.ict4lb.org.np)
- o Volunteer management system have been developed (http://volunteer.ddns.net/)

These products are handed over to IEG Section, MoFAGA, formally inaugurated and are open for public use.

Designing Innovative Service Delivery Mechanisms: With the aim to design an innovative service delivery model for LGs, the LGCDP supported to develop conceptual framework for of introducing Nepal's Public Service Delivery Model through outsourcing. A detailed report has been prepared that is currently under discussion at MoFAGA.

ICT supports: Significant ICT support was provided by ICT team to ministry, provinces and local governments. As a capacity development support to the ministry, an online form was developed for the development of resource person roster. The roster list is now available at the ministry's website. Provincial governments have also been benefiting from LGCDP II-TSNGP's ICT support. As a part of it, one provincial e-Governance and Reporting Expert was mobilized in province-3 whereas provincial ICT experts were mobilized in other 6 provincial governments. Besides providing continual support at respective PSUs, these experts are also supporting provincial government to developing and maintaining provincial websites, managing ICT infrastructures and formulating long term ICT plans.

IT support to MoFAGA remained crucial, particularly in digitizing local level restructuring report submitted by Local Level Restructuring Commission (LLRC) and by Ministerial Management Committee, and in supporting digitization and publication of 'local level introductory book'.

Media products: Since the 4 year LGCDP-II program had come to an end, ministry felt a need to document the achievements made by the program in various thematic area. With this objective, 3 video documentaries were developed through technical supports of LGCDP II-TSNGP namely- a) Achievements of LGCDP in making ICT friendly local governance, b) Achievement in community empowerment and development and c) Role of LGCDP II in implementation of federalism. These documentaries have been uploaded in MoFALD/LGCDP's *Youtube* account for public use.

IT Officers (ITOs): A total of 80% LGs (out of 753) have recruited IT Officers (ITOs) in the FY 20174/75 for which PCU provided needful technical supports. A two and half days' orientation and technical training was provided with the objective to orient these ITOs in various topics such as local governance, e-governance, their duties and responsibilities. On the technical aspect, the ITOs were provided training on website operation (Drupal Framework), and Geographic Information System, resource map development using ArcGIS tool. Training was conducted in 5 different training events, training were conducted in 4 venues. Altogether 631 IT Officers participated from all 7 provinces. National UNV ICT Experts were major resource person for this orientation and training program.

Model e-Governance unit: With the objective to establish model e-Governance unit, 14 LGs (2 in each province) were provided fund (NPR 12, 95,000 each) from LGCDP II-TSNGP on cost sharing basis, where rest 20% of fund was contributed by respective LGs. The PCU had provided technical supports required to prepare all sort of preparatory works. This fund has been well utilized by LGs by implementing digital service center, computer network, e-attendance, CCTV, Queue Management System, Group SMS, Digital Boards etc.

Workshop on Website: A three-day workshop was conducted on development of Website for rural municipalities in support of Information and e-Governance section in Pokhara, where UNVs developed new website template for all newly established municipalities and rural municipalities. These website are also accessible by visually-impaired. Most of the LGs have now functional website.

OUTPUT 2: Capacity development of sub-national governments

A. Review of annual progress:

A significant progress has been achieved in getting ASIP activities implemented. Following table gives the progress status against annual planned activities.

Table 2

ASIP Code	Planned Activities	Progress
2.1.1	Conduct gap analyses and need assessment of sub national training centers	o No specific progress made
2.2.1	Conduct capacity assessment and model CD plans of LGs	o No specific progress made
2.3.1	Develop training manual and modules	o Developed five additional training manuals related to: a) Judicial Committee b) Planning and Budgeting c) Local government operation and cross cutting issues d) Procurement and public finance management e) Integrated property Tax o Finalized draft version of 3 additional manuals on Public Finance Management: a) Accounting and budgeting manual b) Risk based internal audit guideline and c) Internal control system
2.4.1	Prepare training curriculum for LGs with different components	o No specific progress made
2.5.1	Organize MToT/ToT for resource persons	o Prepared a roster of experts (# 268) in 12 thematic areas; o Developed Master Trainers (Judicial committees #24, General local governance #33) and Trainers on IPT (#109); o Organized one-day high level training on federalism to 25 officials to senior officers of different ministries. o 109 Resource Persons have been developed through conduction of 3 ToTs in order to create resource person for IPT training at local level.
2.6.1	Organize orientations & training for LGs' elected representatives and officials	o All 5 training conducted through DCCs. A total of 51,465 people were trained, of them, 30% were female participants and 30% local staff.

ASIP Code	Planned Activities	Progress
2.7.1	Organize training for Mayor, Deputy Mayor, Chair, Vice-chair and EOs of LGs	o A total of 1,470 elected representatives (Mayor, Deputy Mayor, Chair, Vice Chair), CAOs of all LGs and all DCOs received orientation on LG operational issues, o A total of 1,136 elected people's representatives such as Mayors, Deputy Mayors, Chairs and Vice-Chairs of LGs, DCC Chairs and Vice-Chairs and 546 civil servants (CAOs and DCOs) of all the seven provinces were provided a one-day orientation training on practices of good governance and corruption control. o Interaction programme was organized to take feedback from elected representatives of LGs who had participated in training programme organized by MoFALD in order to improve course contents of training programme for Mayor, Deputy Mayor, Chair and Vice Chair of LGs.
2.7.2	Experience sharing and knowledge transfer for LGs' elected representatives and officials	o No specific progress made.
2.7.3	Organize IPT/RIAP training for Mayors and senior officials	o Supported to prepare Revenue Improvement Action Plan (RIAP) of entire LGs of Sindhuli district (9 LGs) and 12 LGs (out of 13 LGs) of Kavre district.
2.8.3	Orient LG staff on integrated property tax (IPT)	o A one-day orientation/training was provided to Mayor, Deputy Mayor, Chairs, Vice- Chairs, CAO and other relevant officers responsible for Tax/Revenue collection of Kavre and Sindhuli districts.
2.8.4	Orient DCC staff on monitoring and reporting.	o The MoFAGA has prepared monitoring procedures for LGs.
2.10.1	Orientation on CoA, and use of local level accounting guideline and general orientation on financial management of LG staff to	o No progress made.

ASIP Code	Planned Activities	Progress
	link MARS	
2.10.2	Orient LGs' staff on local level e- procurement system	o This activity was covered in procurement management training conducted through DCCs.
2.10.3	Orient LGs staff (finance staff and internal auditor) on risks based and internal audit system in all LGs	o Risk Based Internal Audit Manual is finalized.
2.10.4	Orient MoFALD staff on financial monitoring, reporting, FMR, disbursement system (DP supported projects/programmes) etc.	o Training provided to MoFALD account staff on Project accounting.
2.10.5	Orient OAGN, FCGO and MoFALD staff on audit issues	o No specific progress made.
2.11.1	IT and other support to Department of Civil Registration (DoCR)	o IT support is continuous as per need.

B. **Key Highlights:**

Orientation to newly elected representative: The MoFAGA, with the technical support from LGCDP II-TSNGP, organized various orientation programme to build capacities of newly elected chiefs, deputy chiefs, and chairs and vice chairs of local governments covering all seven provinces. A three-day orientation package (with the focus on local governance systems and key roles of elected representative) was developed by MoFAGA and sessions were facilitated by prominent thematic experts. More than 2,300 people took part in these orientation programs including 1,470 elected representatives, 753 CAOs and 77 DCOs. Chief Administrative Officers, District Coordination Officers and Account officers were among the government staff. Following table depicts province wise number of chiefs, deputy chiefs, and chairs and vice chairs who managed to attend orientation programs.

Table 3

Position	Participants							
	P.N. 1	P.N. 2	P.N. 3	P.N. 4	P.N. 5	P.N. 6	P.N. 7	Total
Mun. Chief	45	76	44	27	34	25	30	281
Mun. Deputy Chief	49	73	44	27	35	25	32	285
R.Mun. Chairperson	82	58	72	58	74	54	52	450
R.Mun. Vice	87	58	74	58	73	54	50	454

Chairperson								
Total	**263**	**265**	**234**	**170**	**216**	**158**	**164**	**1,470**

These training programs greatly contributed to increase understanding, knowledge and skills of elected representatives and local staff in various local governance aspects. The key areas of capacity development include:

- o Federalism and local government legislations and legal aspects of local government;
- o Public finance management including knowledge in preparing comprehensive financial accounts, use of accounting software, existing procurement Acts, Rules and Regulations etc.
- o Participatory/decentralized planning and budgeting approaches and principles; result based monitoring and evaluation and e-governance systems;
- o various cross cutting issues like accountability, GESI, DRR, building code and standards etc.

Development of master trainers: As the newly elected public representatives and civil servants serving the local governments formed under the new political structure provided by the Constitution of Nepal will understandably not have all the necessary capacities to smoothly operate the local governments, the LGCDP II-TSNGP aims to orient and train them to build their capacities. Continuing its past efforts, the PCU had provided technical and facilitation supports to MoFAGA for conducting an M-ToT from 22nd to 25th March 2018 and has developed 24 Master Trainers (19 government officials and 5 from non-government sector) on 'operation of judicial committee' and 33 Master Trainers (23 government officials and 10 from non-government sector) on 'general local governance'. These Master Trainers were mobilized to develop local Trainers at all provinces in the respective thematic areas.

Five different training conducted through DCCs: As another major effort to enhance capacity of LG's elected representative and relevant local staff, MoFAGA provided budgetary support with guideline to all 77 DCCs to conduct training on 5 different thematic areas. The majority DCCs successfully conducted these training by mobilizing local resource persons who were developed by MoFAGA through ToTs or enlisted in the roster. Ward chairs and members were the main beneficiaries of these training programs including local staff. Following table gives a brief scenario of training implementation status. For province, district and LG wise detail, please visit the link below.

Table 4

Particulars	Judicial Committee	Planning and Budgeting	LG Operation and Cross Cutting Issues	Procurement Management	Integrated Property Tax (IPT)	Total
Number of DCCs received training budget	77	77	77	77	77	Total events to be conducted =385
Number of DCCs conducted training	66 (86%)	68 (88%)	69 (90%)	45 (58%)	38 (49%)	Total events conducted = 286 (74%)
Total no. of participants	2,404	14,301	28,115	2,370	4,277	51,465
Female	*41%*	*26%*	*34%*	*13%*	*26%*	*30%*
LG staff	*28%*	*36%*	*22%*	*73%*	*37%*	*30%*
Total Budget Released (NPR)	28,420,710	25,286,560	244,724,410	33,379,560	35,233,810	367,045,050
**Reported Expenditure (NPR)	21,448,260 (75%)	*48,512,993 (>100%)	135,793,025 (55%)	17,021,576 (51%)	35,233,810 (48%)	241,084,437 (66%)

*Includes contributions of LGs
** Few DCCs have yet to report the expenditure status. Reported expenditures are not the verified figures.

https://docs.google.com/spreadsheets/d/1k0OP7DfvTdYjz7lwB0cWXjY7mLSYKxnTMQ2GPesBbHs/edit#gid=2010319539

These 5 training programs have greatly contributed to increase understanding, knowledge and skills of local level elected representatives (mostly ward chairs and members) and local staff. Further, this initiative has helped to better understand and implement the federalization process at local levels and also increased the coordination capacity of DCCs.

OUTPUT 3: Policy support to restructuring of the federal level

A. Review of annual progress:

A significant progress has been achieved in getting ASIP activities implemented. Following table gives the progress status till the end of Trimester II against planned activities.

<div align="right">Table 5</div>

ASIP Code	Planned Activities	Progress
3.1.1	Carry out stock taking and prepare a white paper on the transfer of 3 Fs (functions, functionaries and funds)	o Interim organizational structure of LGs developed based on model business allocation rules, o Staff adjustment proposal (including organizational structures of LGs and interim staffing requirement) prepared.
3.2.1	Develop transition management plan with focus on sectoral devolution plan and process of 3 Fs Preparatory works on legal aspects, organizational restructuring, human resources requirements, work –process clarities, other logistic requirements and institutionalization	o MoFAGA formed a sub-national level federal roll out facilitation committee under the chair of Joint Secretary/ FAD with representatives from MoGA, MoF, OPMCM, MoLJPA, NPC. o Sector ministries designated focal point for sub-national roll out.
3.3.1	Develop SNGP programme document	o PLGSP programme document (draft) prepared. Discussion is underway to finalize the programme document.
3.4.1	Drafting model laws/regulations/ guidelines/ model framework	o More than 35 model local laws drafted, o Compiled version of model local laws prepared, printed and provided to LGs,
3.4.2	Support for communication and dissemination of LG and other related bills/Acts	o List of publication provided under 1.4.9 heading above.
3.5.1	Support NNRFC to conduct study on sub-national grant and revenue	o Provided data and information (including population, size) related to local governments to NNRFC.

ASIP Code	Planned Activities	Progress
3.5.1	Support OPMCM, MOF and line ministries to develop policy framework and sectoral management plan	o MoFAGA formed a sub-national level federal roll out facilitation committee under the chair of Joint Secretary/ FAD with representatives from MoGA, MoF, OPMCM, MoLPA, NPC.
3.6.1	Studies on federalism, experience sharing and knowledge transfer	o ToR developed but no further progress made
3.7.1	Translate and disseminate CERD report	o CERD report translated in English,
3.8.1	Carry out completion report of LGCDP II	o ToR for LGCDP II completion report is prepared. Discussion is underway to finalize the ToR
3.8.2	Translate LGCDP II completion report in Nepali language,	o In progress

B. Key highlights:

Support to prepare policy documents: LGCDP II-TSNGP provided technical supports to respective parliamentary committee of the Legislature-Parliament to finalize Local Government Operation bill (Acts promulgated). Further, support was also extended to prepare document for enactment of the bill a) regarding six constitutional commissions, b) drafting a bill regarding Facilities of local level officials and c) drafting a bill on local service. More than 35 essential model local laws were prepared with the support of LGCDP II-TSNGP.

LGs reference documents: The LGCDP II supported to prepare and disseminate various reference documents useful to LGs. Some of these key documents include: LG Resource Book, Introductory Book on *Gaunpalika* & *Nagarpalika*, Model good governance strategy, Service Delivery Provisions in LGs 2074, Interim Organizational Structure and Staffing Framework of LG, Integrated Property Tax Management Procedures, Users Committee Formation and Mobilization procedures 2074, Local Planning Directives etc.

3.2 OUTCOME 2: COMMUNITY MOBILIZATION SUSTAINED WITHIN NEW SNGS

OUTPUT 4: Continuity of community mobilization and social development

A. Review of annual progress:

A significant progress has been achieved in getting ASIP activities implemented. Following table gives the progress status against annual planned activities.

Table 6

ASIP Activities	Planned Activities	Progress
4.1.1	Study and develop exit/handover strategy for social mobilization activities	o Exit strategy of social mobilization prepared (draft).
4.1.2	Continue social mobilization activities	o Tenure of Social Mobilizers extended up to December 2017 and further extended up to mid July 2018 from GoN resource.
4.1.3	Organize orientation on social mobilization and cross cutting issues for elected women ward members, Dalit and women executive members of LG	o A training manual being developed to provide training on cross cutting issues to elected women and Dalit member of LG's.
4.2.1	Support to sustain demand based social mobilization in rural municipalities based on demand of LGs / Cost Sharing Basis in backward rural municipalities	o This activity has been dropped.

B. Key Highlights:

Continuity of Social Mobilization: The LGCDP II-TSNGP took the policy decision to extend the Social mobilization for 3.5 months starting from May to mid July 2018.

Orientation on social mobilization: LGCDP II-TSNGP provided a country wide orientation programme on cross cutting issues for LG staff and elected representatives of all 753 LGs especially to women and Dalit members. Data shows that a total of 28,115 people participated in the training related to cross cutting issue of which 34% participants were female and 22% were LG staff. The GESI section and Social Mobilization & NGO-CC section of MoFAGA jointly developed training manual for the training.

3.3 OUTCOME-3: PUBLIC FINANCIAL MANAGEMENT STREGTHNED

OUTPUT 5: PFM at Sub-national government level sustained and strengthened

A. Review of Annual Progress:

Table 7

SN	Planned Activities	Progress
5.1.1	Initiate to roll out of MARS in pilot metropolitan and sub-metropolitans and with selected modules	○ No progress made.
5.2.1	Prepare local level procurement guidelines	○ Local Level Procurement guideline book has been developed.
5.3.1	Monitoring and facilitation on rural municipality accounting system based on MARS	○ No any progress made.
5.3.2	Prepare property management guideline	○ Consultant has been hired to prepare the guideline.
5.4.1	Orient LGs staff on risks based and recent internal audit system in all LGs	○ Risk Based Internal Audit Guideline has been developed.
5.5.1	Conduct risks based internal audit of LGs in pilot scale	-
5.5.2	Develop risks based internal audit guidelines	○ Risk based internal audit guideline has been developed.
5.5.3	Develop internal control framework	○ Internal Control System of LGs developed.
5.5.4	Assess capacity of LG account section staff	○ ToR is prepared but no progress made.
5.5.5	Organize province level audit workshop on LGCDP related audit arrears	○ Preparation of training outline and presentation slides for 'training on procurement and PFM' that was conducted through DCCs for 753 LGs.
5.5.6	Support to DCCs and other entity for LGCDP audit clearance	○ As of 15 July 2018, a total of 39% outstanding audit arrears has been settled through continuous efforts of PCU and PSUs. Of the total settlement, 91% is related to of LGCDP II/PCU, 89% LGAF related and 16% is DCC related.
5.5.7	Monitoring and facilitation for	○ Continuously followed up

SN	Planned Activities	Progress
	outstanding audit arrears of LGCDP	implementation of audit action plan by visiting DCCs particularly in the areas of situation analysis, progress monitoring and needful facilitations for the settlement of audit arrears.
5.6.1	Support to prepare revenue improvement action plan of LGs of Kavre and Sindhuli districts	o Explained under 2.7.3 section.
5.6.2	Procure software for accounts, audit arrears and planning	o Procured software of account and store.

B. Key Highlights:

Audit arrears follow up: Technical support was provided for the implementation of audit follow up action plan by visiting DCCs particularly in the areas of situation analysis, progress monitoring and needful facilitations for the settlement of audit arrears. There is more than 39 % settlement till the end of June, of the total amount NPR 1.2 billion. LGCDP II-TSNGP is expecting more progress soon as the necessary supporting documents have already been submitted to OAG/N for the clearance.

PFM manuals/guidelines: LGCDP II- TSNGP supported to develop various model manual and guidelines for LG's reference. They include: risk based internal audit guideline; model budgeting and accounting manual; model internal control system; model procurement training material etc. These manuals are under approval process in the MoFAGA.

4. FINANCIAL REPORT

4.1 BUDGET ALLOCATION AND EXPENDITURE

The below table gives the financial status as of end of fiscal year 2074/75.

Table 8

Budget Head		Budget (Revised Final)	Expenses (NPR)	Progress
3658193 LGCDP (Recurrent)		1,613,978,000	1,149,332,129	71%
Salary	21111	2,728,000	2,253,183	83%
Dearness Allowance	21113	72,000	60,000	83%
Other Allowance	21119	680,000	680,000	100%
Clothing	21121	45,000	45,000	100%
Water and Electricity	22111	1,440,000	928,711	64%
Communication	22112	2,372,000	1,682,089	71%
House Rent	22121	6,480,000	3,858,484	60%
Fuel and Oil - Vehicles	22211	2,615,000	1,713,016	66%
Operation & Maintenance	22212	3,000,000	2,998,010	100%
Insurance	22213	1,004,000	500,000	50%
General Office Expenses	22311	8,560,000	8,003,853	94%
Consultancy and Services Expenses	22411	929,498,000	759,000,749	82%
Other Services fees	22412	4,309,000	2,741,212	64%
Skill Development and Awareness Training Program	22512	532,935,000	313,695,482	59%
Programme Expenses	22522	109,400,000	46,135,618	42%
Monitoring and Evaluation	22611	4,580,000	2,581,326	56%
Miscellaneous Expenses	22711	2,760,000	2,455,396	89%
Conditional Recurrent Grant to Gov. entities	26412	1,500,000	0	0%
3658193 LGCDP (Capital)		778,700,000	431,745,662	55%
Furniture and Fixtures	29311	2,380,000	1,954,146	82%
Machinery tools	29511	772,320,000	427,524,164	55%
Public Construction	29611	2,000,000	1,967,902	98%
Software purchase	29712	2,000,000	299,450	15%
Total LGCDP (Recurrent and Capital)	NPR.	2,392,678,000	1,581,077,791	66%

4.2 DP's COMMITMENT, DEPOSIT AND BALANCE AMOUNT

The following table gives a position statement of donor commitment and balance as of 15 July 2018.

Table 9

S No.	DPs	Commitment		Total Commitment	Total Deposited for LGCDP II		Deposited in FY 2017-18		Outstanding Commitment as of 15 July 2018	
		FY 2013/14 to FY 2016/17	for LGCDP II-TSNGP (FY 2017-18)		in Native Currency	in USD (actual)	in Native Currency	in USD (actual)	in Native Currency	in USD
1	DFID	GBP 25 mil	GBP 2 mil	GBP 27 mil	GBP 25 mil.	38,478,600	-	-	GBP 2 mil	2.6 mil
2	Norway	NOK 82 mil	NOK 17 mil	NOK 99 mil	NOK 82 mil.	10,060,050	-	-	NOK 17 mil	2.0 mil
3	SDC	CHF 17.5 mil	CHF 2 mil	CHF 19.5 mil	CHF 17.5mil	18,071,380	CHF 2 mil	2,016,739	-	-
4	Denmark	DKK 49.5 mil	0	DKK 49.5 mil	DKK 49.5 mil.	7,993,876	-	-	-	-
5	UNDP	USD 0.2 mil	0	USD 0.2 mil		200,000	-	-	-	-
6	UNCDF	USD 0.1 mil	0	USD 0.1 mil		100,000	-	-	-	-
7	UNICEF	USD 1.2 mil	USD 20,000	USD 1.2 mil		1,200,000	-	20,000	-	-
8	UNFPA	USD 0.4 mil	USD 10,000	USD 0.4 mil		399,440	-	10,000	-	-
9	UN Women	USD 0.1 mil	USD 10,000	USD 0.1 mil		99,960	-	10,000	-	-
10	ADB (SPMP)	USD 25 Mil	0	USD 25 Mil		24,343,764	-	-	-	-
	Total					**100,947,070**		**2,056,739**		**4.6 mil**

5. ISSUES/CHALLENGES AND NEC DECISIONS

5.1 ISSUES AND CHALLENGES:

Following are some of the emerging challenges of LGCDP II-TSNGP to be addressed in the near future.

- o Weak reporting and feedback channels across local, province and federal levels of governments;
- o Lack of IT specific human resources and required ambiances in majority rural municipalities,
- o Slow progress of LG audit arrear settlement due to time taken to collect various documents like: bills, receipts, project completion report from user's committees for the audit arrears that are outstanding since NFY 2065/66 (2009/10),
- o Challenge to institutionalizing achievements and best practices of Social Mobilization, downward accountability and cross cutting issues into the new governance working modality. etc.

5.2 DECISIONS OF 10TH NEC MEETING:

The 10th National Executive (NEC) Meeting was held on 25th June 2018 in THE chairmanship of MoFAGA secretary. The meeting made discussions on various agenda including a) Status on action taken on the 9th NAC Meeting b) achievements of LGCDP II-TSNGP c) financial status of FY 20174/75 d) progress status on audit arrears e) joint monitoring field visit f) draft PLGSP document and g) extension of DLGSP-TSNGP till 31 December 2018.

Following decisions were made:

1. The Committee expressed satisfaction on progress made by LGCDP- II-TSNGP in FY 2017/18 and acknowledged the receipt of relevant documents as defined in the TPA for its discussions and deliberations including: LGCDP-IT-TSNGP Progress Report (APR), audited FMR for 2016-17 and approved all these reports.
2. The NEC appreciated MoFAGA especially LGCDP II-TSNGP for successfully implementing the ASIP 2017/18 and thanked, MoFAGA and concerned stakeholders for their efforts to carry out LGCDP-II-TSNGP activities smoothly despite all the challenges.
3. The NEC took note of the Provincial and Local Governance Support Programme (PLGSP) document and agreed in principle the programme document for further consideration of the Government of Nepal. The NEC recommended for elaborating the trigger results and Strategic Implementation Plan and submits along with ProDoc by September 2018 to endorse by NEC in the next meeting.

4. The NEC endorsed the recommendation made by the Joint Task Force on 7th May 2018 and to elaborate the trigger results and, to be achieved by 31" Dec 2018 in the revised ProDoc of Provincial and Local Governance Support Programme (PLGSP). The NEC recommended finalizing the PLGSP ProDoc by incorporating the comments and suggestions received from officials of provincial government, local government and LG Association.

5. The NEC agreed for extension of the LGCDP-II TSNGP for six month (July 2018 to December 2018) to meet the trigger results and support activities that will formally close down LGCDP-II-TSNGP and to facilitate in meeting the trigger results that will enable in declaring PLGSP effective.

6. The NEC recommended LGCDP-II-TSNGP management to submit the LGCDP-II programme completion report with focus on key lesson learn and achievement that has contributed towards federalization in Nepal.

7. The NEC recommended to extend the duration of the current Joint Task Force until November 2018 with additional mandate to review the trigger results and present it in the next NEC meeting

8. The NEC approved the Annual Strategic Implementation Plan of LGCDP-II TSNGP covering a period July — December 2018 but the expenditure related to PCGG can be used only after the formal decision to establish the center is taken and the approval of the capacity needs assessment report by the Joint Task force.

9. The NEC recommended MoFAGA to resolve all the audit arrears/Issues related to LGCDP and prepare detail audit report addressing audit issues raised by OAGN audit report by the end of next fiscal year (2075/76).

10. The NEC recommended the extension of the current Joint Financing Arrangement and the Technical Assistance (UNJP/PPSF) for additional six month (16 July 2018- 31 December 2018) to facilitate the transition period from LGCDP II- TSNGP to the new Provincial and Local Governance Support Programme.

11. The NEC expressed its deep appreciation to Mr. Tom Wingfield, Team Leader, Governance DFID Nepal and Ms. Sophie Kemkhadze, Deputy Country Director, UNDP Nepal for their impeccable commitment and support toward strengthening local government through LGCDP-II. The committee expressed best wishes to both of them for success in future endeavors as they are leaving Nepal after successfully completing their tenure.

6. ANNEXES

6.1 AUDIT ARREARS SETTLEMENT STATUS (FY 2074/75)

Overall Progress Scenario:

Central Level	Total Audit arrears	Total Corrected Audit arrears	Settled Amount	Outstanding Amount	%
PCU	311,122,147	311,122,147	283,337,282	27,784,865	91%
LGAF	77,571,477	77,571,477	68,961,195	8,610,282	89%
Sub Total	388,693,624	388,693,624	352,298,477	36,395,147	91%
DCC	878,176,023	874,975,418	139,476,972	738,699,051	16%
Grant Total	1,266,869,647	1,263,669,042	491,775,449	775,094,198	39%

Province/District wise Progress Scenario:

Province/ Districts	Total Audit arrears	Total Corrected Audit arrears	Settled Amount	Outstanding Amount	%
Province no 1:					
Okhaldhunga	32,016,344	32,016,344	-	32,016,344	0%
khotang	17,105,367	17,105,367	6,450	17,098,917	0%
Morang	10,752,476	10,752,476	-	10,752,476	0%
Taplejung	10,054,999	10,054,999	-	10,054,999	0%
Solukhumbu	7,436,405	7,436,405	56,112	7,380,293	1%
Jhapa	7,378,980	7,378,980	945,000	6,433,980	13%
Ilam	6,214,356	6,214,356	-	6,214,356	0%
Dhankuta	3,753,959	3,753,959	-	3,753,959	0%
Sunsari	3,606,132	3,606,132	-	3,606,132	0%
Bhojpur	3,542,702	3,542,702	-	3,542,702	0%
Sankhuwasabha	2,357,760	2,357,760	-	2,357,760	0%
Udayapur	1,587,635	1,587,635	-	1,587,635	0%
Terathum	358,871	358,871	-	358,871	0%
Panchthar	-	-	-	-	
Sub Total	106,165,986	106,165,986	1,007,562	105,158,424	0.95%
Province no 2:					
Bara	83,391,618	83,391,618	-	83,391,618	0%
Dhanusha	48,013,716	48,013,716	-	48,013,716	0%
Mahottari	35,870,513	35,870,513	-	35,870,513	0%
Sarlahi	29,497,795	29,497,795	9,923,690	19,574,105	34%

Province/ Districts	Total Audit arrears	Total Corrected Audit arrears	Settled Amount	Outstanding Amount	%
Saptari	18,720,125	18,720,125	14,994,546	3,725,579	80%
Rautahat	37,712,449	37,712,449	21,956,815	15,755,634	58%
Siraha	14,261,652	14,261,652	1,017,000	13,244,652	7%
Parsa	27,334,692	27,334,692	15,700,000	11,634,692	57%
Sub Total	294,802,560	294,802,560	63,592,051	231,210,509	22%
Province no 3					
Sindhupalch.	86,923,710	86,923,710	38,117,208	48,806,502	44%
Ramechhap	16,421,095	16,421,095	3,022,400	13,398,695	18%
Dolakha	11,591,444	11,591,444	-	11,591,444	0%
Dhading	11,238,178	11,238,178	-	11,238,178	0%
Chitwan	9,895,973	9,895,973	15,468	9,880,505	0%
Lalitpur	5,123,300	5,123,300	-	5,123,300	0%
Rasuwa	4,915,175	4,915,175	-	4,915,175	0%
Kavrepalanc.	4,641,891	1,441,286	-	4,641,891	0%
Sindhuli	4,158,872	4,158,872	-	4,158,872	0%
Makawanpur	2,636,295	2,636,295	515,000	2,121,295	20%
Kathmandu	1,034,367	1,034,367	200,100	834,267	19%
Nuwakot	419,988	419,988	-	419,988	0%
Bhaktapur	73,020	73,020	-	73,020	0%
Sub Total	159,073,308	155,872,703	41,870,176	117,203,132	27%
Province no 4					
Parbat	7,673,118	7,673,118	-	7,673,118	0%
Tanahun	7,440,519	7,440,519	-	7,440,519	0%
Gorkha	4,881,795	4,881,795	-	4,881,795	0%
Kaski	3,298,738	3,298,738	-	3,298,738	0%
Myagdi	1,802,400	1,802,400	500,000	1,302,400	28%
Manang	4,979,555	4,979,555	3,720,000	1,259,555	75%
Lamjung	927,560	927,560	13,761	913,799	1%
Mustang	801,575	801,575	-	801,575	0%
Baglung	418,132	418,132	-	418,132	0%
Syangja	258,053	258,053	-	258,053	0%
Sub Total	32,481,445	32,481,445	4,233,761	28,247,684	13%
Province no 5					
Kavilvastu	26,715,070	26,715,070	3,160,000	23,555,070	12%
Dang	15,645,579	15,645,579	-	15,645,579	0%
Nawalparasi	13,155,912	13,155,912	3,599,308	9,556,604	27%
Rolpa	19,029,784	19,029,784	7,270,995	11,758,789	38%

| Province/ Districts	Total Audit arrears	Total Corrected Audit arrears	Settled Amount	Outstanding Amount	%
Rupandehi	9,092,698	9,092,698	1,304,000	7,788,698	14%
Palpa	4,090,117	4,090,117	671,000	3,419,117	16%
Bardia	3,100,024	3,100,024	-	3,100,024	0%
Banke	2,073,051	2,073,051	124,000	1,949,051	6%
Arghakhanc.	1,594,182	1,594,182	44,000	1,550,182	3%
Gulmi	749,461	749,461	-	749,461	0%
Pyuthan	169,303	169,303	-	169,303	0%
Sub Total	95,415,181	95,415,181	16,173,303	79,241,878	17%
Province no 6:					
Surkhet	33,801,347	33,801,347	-	33,801,347	0%
Salyan	15,846,852	15,846,852	-	15,846,852	0%
Jumla	18,824,680	18,824,680	7,034,412	11,790,268	37%
Rukum	13,300,129	13,300,129	4,100,000	9,200,129	31%
Mugu	6,857,648	6,857,648	-	6,857,648	0%
Dolpa	6,510,932	6,510,932	-	6,510,932	0%
Dailekh	4,700,544	4,700,544	-	4,700,544	0%
Humla	4,243,928	4,243,928	12,500	4,231,428	0%
Jajarkot	589,921	589,921	-	589,921	0%
Kalikot	566,084	566,084	-	566,084	0%
Sub Total	105,242,065	105,242,065	11,146,912	94,095,153	11%
Province no 7:					
Baitadi	19,844,403	19,844,403		19,844,403	0%
Bajura	13,675,034	13,675,034	-	13,675,034	0%
Achham	13,064,897	13,064,897	801,147	12,263,750	6%
Kailali	10,921,586	10,921,586	525,800	10,395,786	5%
Darchula	9,751,202	9,751,202	-	9,751,202	0%
Doti	7,521,664	7,521,664	-	7,521,664	0%
Bajhang	6,026,199	6,026,199	-	6,026,199	0%
Dadeldhura	2,335,415	2,335,415	125,660	2,209,755	5%
Kanchanpur	1,855,078	1,855,078	600	1,854,478	0%
Sub Total	84,995,478	84,995,478	1,453,207	83,542,271	2%
DCC Total	**878,176,023**	**874,975,418**	**139,476,972**	**738,699,051**	**16%**

6.2 SUCCESS STORIES

IT Friendly Local Governance

Information and Technology (IT) is the study, design, development, implementation, support or management of computer-based information systems, particularly software applications and computer hardware." IT deals with the use of electronic computers and computer software to convert, store, protect, process, transmit and retrieve information, securely.

Kapilvastu municipality of Kapilvastu district has applied computerized billing systems in all its 12 wards. The Municipality has applied CMS software for the registration and other services out via computer. Ward chairperson Om Prakash Pandey expressed happiness upon establishment of paperless office that has eased the delivery system smooth and prompt. All kinds of authentications are being issued via computer.
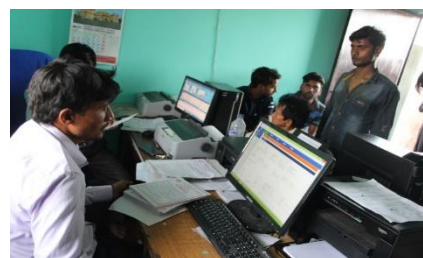
Municipality has started to provide computerized certificate of vital registration to public. All records of ward have been digitized. Ward has also provisioned digitized certificate cancellation. The office has very well back-up systems and they are aware in protection and safety of all kinds of official data/records. Ward office also provides digitized application forms to service seekers. Ward office has also replaced hand written documents so as to minimize potential hand written errors/mistakes. One of the beneficiaries Mr. Nagendra Kahar said- he has received ward level services and information promptly as a result of IT friendly local governance system adopted by the ward office.

"Women's day"

108 International women's day celebrated in all over the country. In accordance, Local Government (LGs) of the Karnali province also celebrated women's day with enthusiasm. LGs have conducted various public events like rally, speech, slogan, dance, song etc. As per the report, most of the LGs have celebrated the day through innovative way.

Tripurasundari Municipality, Dolpa thought to celebrate it differently for changing social perception towards women together with enhancing the economic opportunity to the women. The Tripurasundari Municipality conducted Horse riding competition among rural women. Dominantly, men make use of horses for the business and transportation purposes in the hill

and mountain areas. And, women just take care of the horse but don't involve in horse-use business or horse riding adventures. In order to promote women's involvement in the productive and bravery activities, the Municipality organized a horse riding competition. The programme was chaired by the Municipal Mayor Mr.Om Bahadur Budha. On this occasion, he expressed that we need to change the traditional mind set to venture into prosperous and equitable development of the society. The programme was successful, and helped to change the attitude of the people towards women through this innovative way of celebrating Women's day!

Horse riding competition
Tri-Purasundary Mun,Dolpa

"Moving to Economic Empowerment"

"We are moving to self-economic empowerment" CAC coordinator Ram Bhadur Gurung has sharing the story of CAC excitingly to us. This Rijalthok CAC was established in 2070 BS at Nilkantha Mun Ward no 4, Dhading. They have learnt a lot from the CAC and have brought about the social changes through the CAC. All the adults have citizenship and newborn child have birth registration. There is no problem of social security allowance, no violence against the women and caste-based discrimination, no need finger print signature. Moreover, not a single child has dropout from school recently and the trend of delivering baby at home has been minimized to zero due to awareness among the members and community.

With a target of economic empowerment, they are engaging in different types of income generation activities. Goat and poultry farming, vegetable production and ginger production are the major sources of income generation. Last year, more than 10 quintal ginger was produced and exported to Kathmandu for marketing. CAC coordinator, Ram Bahadur Gurung himself was able to earn 30 to 50 thousand from ginger production. Similarly, Punam Hamal, a CAC member, earned 20,000 from ginger sales this year. Juna Ale Magar, CAC member has earned 30000 from selling goats. So, all CAC members are actively involved in self-economic empowerment through income generation activities for better livelihood. Vice coordinator Dhana Kumari Bishokarka said that "we have mobilized more than 3 lakh amount to CAC member to improve economic status through investment on income generation activities". In average, CAC member have been earning yearly 20 thousand to 50 thousand from income generation activities individually.

CAC Coordinator explained that they have got LIP grant from LGCDP, their own saving and interest of loan by CAC member as resource of investment for income generation activities. Similarly, agriculture section of government office as well as Veterinary office has been providing technical support to CAC members to promote commercial production.

Bhagbati Singh, a CAC member shared that, they had built CAC building but earthquake damaged it completely. Now they are conducting meeting and other CAC activities in a temporary building. In this fiscal year, ward office have allocated 2 lakhs to build CAC building. They plan to provide their voluntary service to build CAC building very soon. They have developed volunteer CAC facilitator within the CAC member and are conducting regular meeting after discontinuation of SM too.

6.3 JOINT MONITORING VISIT TO PROVINCE NO. 7

The PCU organized a joint monitoring visit of MOFAGA officials and DP officials during 26-31st March in Dadeldhura, Achham, Bajura, Doti and Bajhang districts. Following are major findings and recommendations.

Main issues raised by the DCCs:
- In absence of monitoring guidelines monitoring by the DCCs has not been effective
- The municipalities have not shared their annual budget and programmes with them which has negatively hampered the monitoring and coordinating roles of DCC
- Since the LGs do not seriously regard the monitoring reports of the DCCs, there is a concern by the DCC about the legitimacy of their monitoring

Main issues of Nagarpalika and Gaupalika:
- Inadequacy of human resources (from Chief Administrative Officer to technical experts)
- Need of capacity development programmes for planning budgeting, profile construction, revenue generation, and mid and long-term planning vision
- Need for training on the functioning of Judicial committee

Recommendations made to address above issues:
- An orientation programme on budget and plan formulation (based on seven steps planning process) needs to be organized for elected officials and staff as early as possible in order to make them capable to prepare annual plan 2075/76

- An orientation on social inclusion, integrated property tax and public financial management need to be organized to address social issues, revenue generation and fiduciary risks.
- Efforts should be made by the concerned agency to provide the minimum number of staff to Rural Municipalities and Municipalities of Achham, Bajhang, Bajura, and Doti districts as soon as possible.
- Clear and concise monitoring guidelines should be provided to DCC as early as possible.
- Since the Rural Municipalities and Municipalities are at different levels in terms of capacity and resources, a blanket approach to support them is not appropriate. Hence, need assessment of municipalities is to be carried out before providing capacity development support.

6.4 EXPOSURE VISIT OF MOFAGA OFFICIALS:

A high level team of 10 members (comprising one Joint secretary, 2 under secretary, 2 section officers, 4 Mayor and One Computer officer) visited Australia and Indonesia during 24 July to 4 August 2017. Main objective of the exposure was to foster a deeper understanding of functional federal system and structure of sub-national governance in Australia and Indonesia. A detailed learning report has been prepared however following learning list is presented below in summary.
   o Local government in Australia have strong partnership with private sector,
   o Office lay out of the municipalities in Australia is client friendly in terms of gender, disability, children etc,
   o The municipalities in Australia have wonderfully applied the clean & green city concept,
   o Local governments in Australia receive only 40% fund of their annual budget through intergovernmental fund transfers,
   o Most of the services are online in Australia which has saved the time & money for both service seekers & service providers,
   o There are so many local governance issues in Indonesian context. They include- overlapping authority between levels of governments, differential human resource capacity, big responsibility with small fiscal capacity, difficulties in integrating natural resource management between regions, most of the major functions of local government had been recaptured by the central government etc.