

Government of Nepal
Ministry of Federal Affairs and Local Development
Local Governance and Community Development Programme

SUB-NAC
Meeting Minutes

Date: 17 November 2014

Location: MoFALD Meeting Hall

Start Time: 2:00pm. End Time: 5:30pm

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

DP Co-Focal Person: Mr Jean Francois Cuenod, Head of Development Cooperation, Embassy of Switzerland in Nepal

LGCDP II stakeholders met to discuss programme priorities, policy recommendations from output groups and programme reporting for NAC. The presentation has been shared and key discussion points included:

General Remarks

- All stakeholders appreciated improvements in reporting and several representatives highlighted the output groups under leadership of MoFALD Output Managers with support of DP Output leads have been instrumental in enabling these enhancements. However, there are always room for further improvements and it was suggested to include a summary slide at the end of each output to capture impact from the results reporting and analytical conclusions. The introduction of DP co-chair in sub-NAC was also appreciated as a gesture of the partnership approach in LGCDP II.
- Implementation progress has been determined as moderate satisfactory for most outputs and improvements therefore need to be targeted. This was further underlined by the low expenditure rate in the financial management report. The transitional circumstances in the first year with late signing of Joint Financial Agreements and delays in recruiting programme support staff were factors explaining the implementation delays.
- SDC was thanked for their additional CHF 7.5m financial contribution to the programme to enable further expansion of Citizens' Awareness Centres and additional support to new municipalities. MoFALD requested donors for additional financial contributions to

fund the plans outlined in the Strategic Implementation Plan (SIP). It was noted achieving programme targets is essential for future funding support and that until the SIP assumption of holding local elections is met the programme will remain underfunded.

- Mr. Purushottam Nepal, National Programme Manager also informed of new appointments at DP Cell. Mr. Anil Chandrika is the new DP Coordinator replacing outgoing DP Coordinator Mr. Rune Qvale. Mr. Chandrika will be work out of LGCDP/MoFALD three days in a week and rest at DP Cell. Likewise, Mr. Raghu Shrestha, has been hired as the new M & E Specialist at DP cell.

Opening Remarks by National Programme Director and Joint Secretary Mr. Reshmi Raj Pandey

- In his opening remarks the NPD mentioned that the last Sub NAC was held on 14th June 2014 and this will be the last Sub NAC meeting of this Gregorian calendar. He also expressed his heartfelt thanks to Mr. Rune Qvale the outgoing DP cell coordinator who have supported tirelessly past 10 months towards the smooth transition from LGCDP-I to II, especially helping to government responding to the concerns of various development partners. I would like to put on record the gratitude and thanks on behalf of Government of Nepal for his fabulous job and dedicate services to make LGCDP-II a reality. We also take this opportunity to welcome Mr. Anil Chandrika the new DP cell Coordinator, who is not new to Nepal as he has past experience working in Nepal with ICIMOD and he will be quick to learn and support the implementation of LGCDP.
- NPD informed that Joint Secretary and spokesperson of MoFALD Mr. Purna Chandra Bhattarai replaced earlier JS Mr. Dinesh Thapaliya. Likewise, NPD introduced Joint Secretary Mr. Krishna Sapkota heading the newly established Infrastructure Development Division (IDD) that has been fully operationalized and functional.
- Informed of new divisions and sections of the Ministry; New divisions- Federal Affairs Division, Monitoring and Evaluation, LBFC Secretariat –Full-fledged headed by Joint Secretary, Municipality and Environment Division; New Department: Vital Registration and Social Security; New Sections: Federal Affairs, Local Resource Mobilization, Social Mobilization and NGO Coordination, Good Governance and Promotion, Academy and Development Committee Coordination, Fire Control and Disaster Management. NPD informed that a study is being conducted for a separate fire fighting department.
- It was stated that the SUB-NAC would present the findings of joint field visit.
- The ICAI report has caused some challenges, which we will need to, discussed and come up with ways to improve our systems for which we will need all your support and suggestions.



Opening Remarks by Co Chair and DP Co-Focal person Mr. Jean-Francois Cuenod from SDC

- This was followed by the opening remarks by the Jean-François the DP co-focal person, who in his remarks commended and appreciated the hard work put by the NPM, Output Managers, PCU and the DP Cell for excellent preparation and helping all of us to prepare for the NAC meeting in December. He stressed that from the past Sub NAC meeting we have improved considerably

and now we are focusing on output based implementation management, which helps towards having a more structured focus and help in improving the quality of implementation and responding to the needs and opportunities within each outputs. All these will help towards contributing towards the final outcome of the programme.

- The Joint field visit was very good effort for us to see how the programme activities and intervention are making small changes on ground and how it will ultimately help in addressing poverty and support development. LGCDP is a big and ambitious programme and in spite of the current political uncertainties in Nepal, still the programme is able to meaningfully contribute towards strengthening local governance and contributing to community development.
- The Co-Chair clarified that ICAI is an independent firm and is not UK Government entity. The UK government has not endorsed the ICAI report and the findings and views expressed in the report are not the UK Government's views either. Never the less there are some issues raised in that report which will need to be collectively addressed, to improve the programme implementation in the future.
- In terms of the LGCDP progress, from all the output level reports available it is moderately satisfactory, which means there are considerable room for improvement and we are confident that with all the active participation of both the government and the DPs we can together achieve greater heights. We also recognize there are funding gaps in LGCDP-II which we will need to address over time and also for possible LGCDP-III.
- This was followed by Output wise Presentations by the each of the respective Output Managers

Agenda	Discussions	Actions
ICAI Report	The ICAI report includes factual errors, but it nevertheless highlights fiduciary risks in Nepal that must be addressed by LGCDP II. It was recommended to speed up the PEFA-FRRAP implementation and MoFALD was asked to publish all investigation reports of corruption allegations.	Action: Recommendation to publish all completed investigation reports of corruption allegations on MoFALD web-site for NAC approval. Action: A copy of the OAG audit report in DDCs including performance audits was also requested in English.
Procurement Monitoring	The procurement monitoring report was welcomed, but gaps were noted in the reporting from SPMP TA and PPSF	Action: TASC to fine-tune reporting template and ensure all LGCDP II TA activities are captured in the report and forward to NAC for approval



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Output-1 Discussion, comments and actions		
<p>Output-1</p>	<p>Progress on implementation of revised social mobilisation guidelines were appreciated, but urgency was requested in signing the National Service Provider (NSP) and Local Service Provider (LSP) contracts.</p> <p>It was noted that LDTA does not have sufficient human resources to backup the workload. Hence, restructuring of LDTA to be addressed before NAC by the Ministry.</p> <p>The CAC graduation concept note was prepared and has been shared with all the partners, there are still gaps in the concept note as it does not clarify the clear mechanism as to how these CACs will be supported during the transition period and what kind of support they might need in order to sustain their presence and continue to provide services to the marginalised and DAGs</p>	<p>Action:</p> <ul style="list-style-type: none"> • It was recommended to consider alternative options if LDTA has not signed NSP contract before the NAC meeting on 5th December. • The output sub group to work on the strategy for the transition phase of the CAC, which is envisaged to be about two years. Endorsed CAC graduation concept note and requested output group to review and fine-tune implementation approach.
Output-2 discussion, comments and actions		
	<p>Progress on contracting of Civil Society Organisations were appreciated, but it was underlined this is only the first step and monitoring is yet to start, e.g. to document compliance with public audits/hearings and capture quality indicators from these events.</p> <p>in the LGCDP-i CSO had multiyear contracting modality, which in this phase is an annual contract extension procedure is now recommended to have multi-year or two years contract</p>	<p>Action:</p> <ul style="list-style-type: none"> • NPM informed that CSO contract to be renewed up to July 2015 (multi-year contract propositions proposal conceptualised) once the funding assured. • It was requested to introduce qualitative indicators in grievance reporting including actions taken and total arrears. • Reinforcement to make grievance handling public

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	<p>extension based on performance.</p> <p>Capacity constraints in the LGAF Secretariat were emphasised and additional short-term consultant support with TA support from PPSF will be required for timely implementation.</p>	<ul style="list-style-type: none"> Quality assessment on both Social and Public audit and public hearing need to be conducted to improve the overall performance of the LBs in terms of down ward accountability.
	<p>Denmark remarked that the progress reported are still very much process driven and not result oriented which need to improve considerably. In terms of grievance handling by the Good Governance section of the Ministry, they will need support and this has to be done in a systematic manner. The Public Audit is not conducted in the manner it should be and to make this more effective the ministry should organise national campaign to encourage more participation and to strengthen this mechanism at the LB levels.</p>	
	<p>UN women commented that where ever Gender Responsive Budgeting is conducted public audit is integral part of the GRB and in those LBs the quality of public audit has greatly improved.</p>	

Output 3 discussion, comments and actions

	<p>The planned assessment to identify factors that prevents timely implementation of capital budget focused on VDCs was clarified to be a joint initiative between output 3 and 4.</p> <p>It was recommended to move all activities in output 3 and 5 related to expand capacity in LBFC towards the capacity expected from a National Fiscal Commission to be consolidated in output 9 given the dependency on policy provisions in the new Constitution.</p>	<p>Action:</p> <ul style="list-style-type: none"> Move all funded activities related to LBFC restructuring to output 9 in the revised ASIP. LBFC requested urgent programme support from the vacant Fiscal Decentralisation Specialist in the PCU and PPSF announced an experienced short-term consultant will be hired shortly. It was recommended to use MCPM assessments to make LDOs/EOs/VDC Secretaries more
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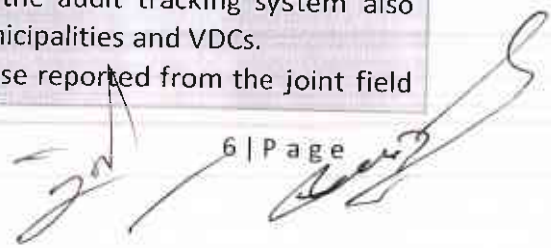
	<p>It was noted that transfer of funds to LBs were satisfactory. However, same cannot be said of VDC.</p> <p>It was also noted that TORs for Local Body Fiscal Commission on progress and moved from output 3.</p> <p>UNCDF mentioned that in terms of progress reporting it will be useful to have actual budget numbers rather than % which do not help in measuring the real progress.</p> <p>UNCDF clarified that the issues concerning the late transfer of funds from DDC to VDC level will be studies. They are currently working on a short term policy study to identify the challenges and gaps related to late transfer of funds at the sub national level. This will also directly contribute to output 4 results.</p>	<p>accountable on service delivery.</p> <ul style="list-style-type: none"> • UNCDF to commission policy recommendation study on late transfer of funds at the sub national level.
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Output 4: Discussion, comments and actions

	<p>PEFA-FRRAP will be updated to reflect findings from the current local PEFA assessment that will be completed in December.</p> <p>It was clarified 450 VDCs have installed the VDC accounting system, but many of these have been converted to new municipalities resulting in the reported 250 VDCs that have this system installed. The largest 750 VDCs with accounting support staff are targeted for the VDC accounting software expansion and 1300 additional VDCs will be provided accounting and bookkeeping training. VDCs report to DDCs and compliance is not tracked at the central level.</p> <p>Representative from ADB noted that procurement plan compliance is perhaps low at LBs, and queried Ministry's</p>	<p>Action:</p> <ul style="list-style-type: none"> • It was recommended to include VDC reporting tracking and procurement plan monitoring in the ToR for the new compliance unit in the Financial Administration Section and to share this ToR with stakeholders. • It was clarified the audit tracking system will be piloted initially in two districts first to help fine-tune the design of this system, but that nationwide roll-out is planned as soon as possible. It was suggested the audit tracking system also need to cover Municipalities and VDCs. • The overcharge case reported from the joint field
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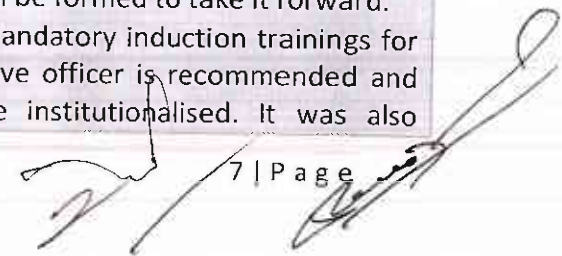


	<p>initiative to address this. The issue of improving the accountability at the VDC were also discussed, especially with regards to complains, how to ensure complains at the VDCs level and the current mechanism.</p> <p>There are plenty of plans, from periodic plans to Annual plans to national plans, strategic plans etc., how are these plans linked and how are they implemented.</p> <p>Likewise, it was noted that audit report has not been received yet in English. It was also discussed that greater clarity is needed on TOR of the new established financial compliance unit and audit observation and record tracking system (AORTS) needs to be implemented nationally.</p> <p>The representative appreciated and welcomed the ministries initiative to establish the new complains and audit unit at the ministry. However, it was noted to provide role clarity, TOR, its standards and leadership.</p>	<p>visit for birth registration was said to be a compliance issue, not corruption.</p> <ul style="list-style-type: none"> • The recommendation for PPSF to hire a PFM Specialist for the PCU and PFM Expert and programme associate in the DP Cell was noted. • The ToR of the newly established complains and audit unit to be shared with DPs.
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Output 5: Discussion, comments and Actions:

	<p>The policy actions in the presentation were discussed and recommended by the output group.</p> <p>MoFALD announced performance contracts on result indicators have been agreed with Executive Officers (EOs) of Kathmandu Valley, Kavre district, and Ratnanagar municipality and a copy of this was shared with stakeholders by Mr GopiKhanal the previous week. There are 62 indicators, including one that the municipality has to take the policy of zero tolerance on corruption related to different outputs.</p> <p>PPSF announced 13 District Governance Expert roles have been re-advertised and expected to be recruited by end of December and that implementation of PRF has top priority. It was recommended to consider the exit strategy of RCUs to</p>	<p>Action:</p> <ul style="list-style-type: none"> • Civil Engineers to support in the new 72 municipalities • It was informed that Programme Recruitment Facility (PRF) to be established within the Ministry. TOR and sub-committee established to take this forward. Policy decision to be made in this regard at NAC. • CD strategy finalized with immediate, medium and long term strategy and action to implement this Sub-group will be formed to take it forward. • The concept of mandatory induction trainings for LDOs and Executive officer is recommended and this needs to be institutionalised. It was also
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	<p>ensure investments in infrastructure provides value of money.</p> <p>It was clarified the priorities for new municipalities are targeted their service delivery responsibilities in LSGA and that a focused discussion on this and other concept notes will be arranged by the output group.</p> <p>The NPM announced that the ministry under the leadership of the honourable secretary has entered into performance agreement with 6 municipalities. This will ensure individual accountability in term of overall results.</p> <p>UNDP informed that the vacant position of District Governance advisor will be filled by end of the year, this will provide continued capacity development opportunities at the sub national level. It was also mentioned that PRF is a temporary set up and will need to be streamlined within the ministry within two years</p>	<p>recommended to develop a standard handover template to be introduced for continuity and retaining institutional memory when LDOs and Executive officer are transferred.</p>
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Output 6: Discussion, comments and actions

	<p>The Joint-Secretary of the newly established Infrastructure Development Division (IDD) clarified improving quality of local infrastructure projects will be targeted by introducing basic level testing at district level and first priority is to make existing labs functional before expanding to new districts. IDD is coordinating LGCDP II implementation activities with DoLIDAR and other parallel programmes.</p> <p>Quality is everyone responsibility and also everyone concern and hence the ministry have given due importance and hence the ministry have taken initiative to create standards on quality and procedure to administer quality control at the LBs level. There are also standards established for local transport infrastructures to measure basic quality standards at the Local levels. Ministry is also monitoring if basic test have been</p>	<p>Action:</p> <p>Criteria for identification of priority activities of new municipalities to be defined and additional resources to be sourced??</p> <p>Performance assessment of the quality lab needs to be conducted to address the challenges and gaps in providing quality services by these Labs.</p> <p>There are 3 concept notes that will need immediate action plan from the output group. This need to be finalised before NAC as this will be part of the TA</p>
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conducted or not and if the results are matching with the agreed standards of the ministry.

In order to ensure quality standards under output 6 the programme need to ensure that the Quality labs are fully functional and we are also planning to conduct an assessment on the performance of these quality labs.

It was emphasised this output has made substantial progress improvements in the last five months, including sharing three concept notes for sub-NAC and plans for two stocktaking studies on Local Economic Development and Social Protection. This is addressing previously concerns in July sub-NAC and NAC meetings for moderately dissatisfactory progress rating for the first year of implementation.

DFID noted the considerable progress made compared to last Sub NAC. Also reiterated on the improving the quality of the labs is a positive step and appreciate the ministry effort. In the new municipalities all the activities mentioned are relevant, but will need to involve the municipalities themselves in order to proprieties and creating ownership.

UNCDF brought the issues regarding number of concept note floating around, but without clear time line, hence we need to have clear time line to implement these new concepts into concrete action plans. There are currently three concept note that will need implementation plan from the output groups apart from that two more short studies on social Protection and Banking systems need to be endorsed by Sub NAC.

The government would like to express its gratitude and thanks to GiZ for providing an experience governance advisor to LGCDP. Mr. Arun Regmi will provide technical support to LGCDP and will spent 3 days at the Ministry.

procurement and monitoring report.

Two new studies, one social protection and one on banking system need to be approved by Sub NAC



Output 7: Discussion, comments and actions

It was announced USAID has taken responsibility to support development of District Periodic Plans (DPP) in 3 districts. It was recommended to consider the role of Medium Term Budgeting Framework (MTBF) that is currently being developed in the DPPs. Sector convergence is critical for making district plans effective and linkages to annual plans are major challenges.

The Web-based Reporting System is operational and used by MoFALD M&E system, but current reporting is limited to DDCs and Municipalities and will be expanded to track performance indicators in VDCs. UNICEF's role was also acknowledged for providing technical support for web based reporting. From 2015, LGCDP TA will take over this responsibility.

Improvement in DPMAS reporting compliance is also sought. It was noted this output goes beyond MoFALD control by also targeting coordination with line agencies and cross-cutting issues.

UNICEF mentioned integrated planning is beyond the mandate of MoFALD and hence this is posing a big challenge both at the sub national and national level. We need to stress on Result based Planning. The current effort made for creating convergence of services by different sectors is a good step forward and is very encouraging.

Action:

RBM be rolled out in all districts and municipalities

Output-8 and 9: Discussion, comments and actions

Upon recommendation by output group 8 & 9 the logical

Actions:



	<p>framework for outcome 4 has been revamped to make it consistent with current national priorities. It was clarified these changes require NAC approval.</p> <p>MoFALD continued effort in organising Decentralization Implementation and Monitoring Committee (DIMC) meeting (chaired by Prime Minister) and reviewing and updating the Decentralization Implementation Plan (DIP) was emphasized as key components.</p> <p>UNDP stressed that these two outputs need to be revised and need to reflect the current changes at MoFALD and it should be aligned to these new changes. He also mentioned that the secretary had organised a special retreat to identify the gaps and challenges that will need policy review. It was clarified that output 8 deals with current policy gaps and output 9 for the new federal structure.</p> <p>Currently LSGA is under discussion in the parliament and once it is approved there will be changes in the modalities which will need to be addressed though this output.</p>	<p>It was noted that LSGA under discussion in the parliament and regular follow up is done.</p>
	<p>Plenary session</p>	
	<p>ADB appreciated the overall comprehensive reporting, but in terms of the statistic mentioned on the progress, there is not baseline to compare, hence reporting should be made against the set targets or some reference baseline for assessing progress</p> <p>It was also reported that 70% of the Local Governance and Municipal advisors have been hired and are in place, but it is unclear as to what they are doing and how are their</p>	



performance assessed.

Public hearing is mentioned as 58% but no mention made on public audit? Is this replace with public hearing?

In terms of the quality lab, it is reported that 35 labs are established and functional, while we recognise that ideally there should be one lab per district covering all 75 districts, but can we also explore if the existing 35 labs can provide service to rest of the districts as well.

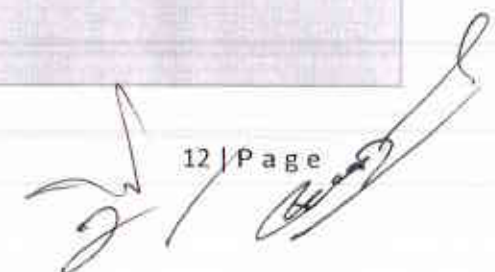
ADB wanted more clarification about the linkage between annual plans or medium terms plans.

UN Women stressed that it is the ministry's overall responsibility to ensure that both LDOs and Executive officers have the necessary knowledge and commitment towards LGCDP. It is also important to introduce detailed handover note to ensure continuity in these offices. We also need to focus on socially marginalised, DAGs, women and children and engage them more proactively, through this programme.

UNDP need clarification on the timeline and period of support that will be needed for RCU. If this is short term then there need to be a clear transition plan in place to ensure that the RCU capacities are streamlined within LGs

Two new PFM positions have been created, one for MoFALD and one for the DP cell based on the recommendation made by MoFALD and TASC. These two positions are critical towards strengthening the implementation of output 4 related to PFM. This needs the endorsement and approval of the Sub NAC.

On the issue related to Quality Labs decision need to be made by the Sub NAC, should LGCDP take necessary actions to improving and strengthening the existing labs to provide services to rest of the districts or should the programme



support creation of new Labs for the remaining Districts.

TASC has been authorized by Sub NAC to act as the management and policy guidance body to oversee the implementation of all the TA assistance and procurements. The current term of TASC need to be further extended by the Sub NAC.

The DP co-focal person in his remarks suggested having more analytical presentation rather the current format of presenting output based details that are already available in all the documents provided to the members. Hence to better manage the Sub NAC time, more concise synthesis of the key progress and challenges will give enough time for members to deliberate and provide guidance and recommendations.

VDC Association in Nepal clarified that DPP has created a big momentum and is appreciated by the district level local bodies, but the big challenge is non-cooperation of the line departments. Their support is critical for developing and implementing a meaningful plan.

In terms of integrated planning perhaps we need to engage NPC to lead the planning process rather than MoFALD trying to develop these plans, where the supports of other ministries are mostly missing.

There is still about 12% VDC secretaries position vacant, this need to be addressed urgently and on priority. We are still unable to understand why these crucial positions are still vacant and the fact that almost 300 VDC have now been reclassified as municipalities.

In the last Sub NAC meeting it was agreed and decision was made that VDC association and Municipal association will be invited to participate in the relevant output group meetings. But we were not informed of the output groups meetings.

Norway mentioned that ICAI report is a wakeup call for all of us to further strengthen the FRM system and also it reinforces the urgency towards taking concrete steps by the MoFALD to address the fiduciary related programme activities.

AROTS will be implemented in all 75 districts, but still need to be piloted for improvements. In terms of the PEFA the delays was due to holidays, but will be completed by mid-December.

Closing remarks by DP co-focal person

Thank you all for the hard work and we have improved generally in terms of our progress that is well presented, still there is rooms for improvements. We have seen many progresses and also have identified many challenges that will need to be address and overcome to bring more tangible results.


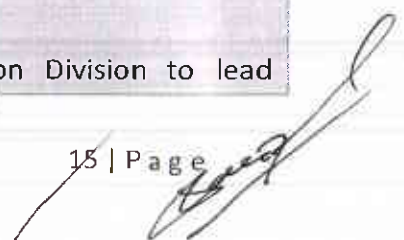
The LSP and SM are working well at the VDC level to ensure quality participation of the LBs and support the implementation of LGCDP. The capacity development of the LDO and executive officers are good, the idea of having a standard template for handover is a great step forward and definitely is a workable suggestion. Institutionalizing of MCPM and the monitoring is the key and both LDOs and VDC secretaries should take more ownership in order to see tangible and sustained results.

PEFA FARRAP implementation of FRM is the key and we need to establish a system urgently.

District Periodic plans are greatly improved; this is a good step forward. We need to implement and monitor these plans which is key in terms of strengthen local ownership and active participation. Decentralization committee is important and need to be re-activated; this will need more support and new energy.



	<p>Chair</p> <p>The Sub NAC has endorsed and approved creation of two PFM position one each at PCU and DP Cells and also approve the position of one associate at DP Cell. This Sub NAC also approves the short term position at LGAF.</p> <p>Thank you all for your participation and formally close the Sub NAC meeting.</p>	
	<p>Major Policy Decisions</p>	
<p>Policy decisions</p> <ol style="list-style-type: none"> 1. Approved plans to undertake stock take of CAC and LIP to capture results and lessons learned and help design strategy for future interventions. 2. Endorsed CAC graduation concept note and requested output group to review and fine-tune implementation approach. 3. Approved plans for graduated CACs to be provided transition support for up to two years with introduction of Community Volunteers. 4. Endorsed plans for CSOs contract to be renewed in July 2015 based on performance assessment. Two-year contract extension requires funding assurances. 5. Approved additional short-term support for the LGAF Secretariat and TA modality delegated to TASC for implementation. 6. Endorsed moving grievance handling from output 6 to output 2 for NAC approval. 7. Approved output recommendation of assessment to identify factors that prevents timely implementation of capital budget, focused on VDCs. 8. Appreciated and approved establishment of new financial compliance unit in the Financial Administration Section and requested ToR to be shared with stakeholders. 9. Endorsed recommendation to minimise delivery risks from frequent LDOs and EOs transfers by making it compulsory for new staff to be given statutory training for NAC approval. 10. Approved recommendations for a comprehensive assessment of VDCs capacities (e.g. staff) and to categorise VDC by their needs. 11. Approved forming CD Taskforce headed by Joint Secretary General Administration Division to lead implementation of Capacity Development Strategy. 12. Approved forming PRF Taskforce headed by Joint Secretary Planning and Foreign Aid Coordination Division to lead 		

- implementation of Programme Recruitment Facility.
13. Approved social protection stocktake survey for mapping and assessing payment systems to overcome issues related to cash delivery.
 14. Endorsed concept paper on improving the quality of local infrastructure and requested output group to review and fine-tune implementation approach.
 15. Endorsed concept paper on priorities for new (72) municipalities and requested output group to review and fine-tune implementation approach. Endorse the scheme of providing new engineers in these municipalities for capacity support.
 16. Endorsed concept paper community mediation and requested output group to review and fine-tune implementation approach.
 17. Approved stocktaking exercise on Local Economic Development (LED) to identify best practices and recommending LGCDP II interventions.
 18. Agreed LBs are being overburden by required number of committees and this reduces operational effectiveness. Recommended policy review for NAC.
 19. Endorsed readjust of SIP target in output 7 EMP to 80% districts and 75% Municipalities adopt EMP by 2016/2017(previous SIP target: 30% of projects of LB projects) for NAC approval.
 20. Agreed sector plans are created before districts plan, creating disconnect in the planning process. Recommended policy review for NAC.
 21. Approved plans to strengthen Web-based Reporting System (WBRS) and to integrate RCU result-based monitoring reporting in this system and tie it up with LGCDP TA.
 22. Endorsed proposed revised log frame for outcome 4. Requested output groups to finalise activity level indicators and targets and to forward log frame changes for NAC approval.
 23. Approved revised ASIP and AWP for 2014/15 and delegated responsibility to TASC for adjustments to TA implementations within existing budget limits.
 24. Endorsed the recommendation to conduct the quality assessment of both social and public audit and public hearing to improve the overall performance of the LBs in terms of down ward accountability.
 25. Taken note of the suggestion to share the ToR of the newly established complains and audit unit with DPs.
 26. Recommended to establish a sub group to develop strategy and action plan to implement the new CD strategy.
 27. Taken note on the recommendation and proposal for LDOs and Executive officer to undergo mandatory training on LGCDP and MoFALD to develop a standard handover template to be introduced for continuity and retaining institutional memory when LDOs and Executive officer are transferred.
 28. Approved the recommendation to conduct performance assessments of the Quality Labs to address the challenges and gaps in

providing quality services and to explore the possibility of extending the coverage to all municipalities through the exiting Quality Labs.

29. Approved the proposal to implement the 3-concept notes prepared by Output group 6 and to commission two new studies, identified on social protection and banking system.

30. Directs PCU to ensure that the Sub NAC decisions are complied with to ensure the active participation of VDC and Municipal Association in all the output groups.

Participants List:

<i>s.n</i>	<i>name</i>	<i>designation</i>	<i>organization</i>
1.	Mr. Reshmi Raj Pandey	Joint Secretary	MoFALD
2.	Mr. Purna Chandra Bhattarai	Joint Secretary	MoFALD
3.	Mr. Ram K. Sapkota	Joint Secretary	MoFALD
4.	Mr. Purusottam Nepal	Programme Manager	MoFALD/LGCDP
5.	Mr. Ramesh K. Adhikari	Under Secretary	LGCDP
6.	Mr. Shankar Nepal	Under Secretary	LGCDP
7.	Mr. Ramesh Kumar K.C	Under Secretary	MoFALD
8.	Mr. Chakrakpani Sharma	Under Secretary	MoFALD
9.	Ms. Lila Adhikari	Under Secretary	MoFALD
10.	Mr. Suman Ghimire	Under Secretary	MoFALD
11.	Mr. Ishwar Raj Poudel	Under Secretary	MoFALD
12.	Ms. Indu Ghimire	Under Secretary	MoFALD
13.	Mr. Narahari Bhandari	Under Secretary	MoFALD

14.	Mr. Prem Raj Joshi	Under Secretary	MoFALD
15.	Mr. Rajesh Gautam	Under Secretary	MoFALD
16.	Mr. Prakash Dahal	Under Secretary	MoFALD
17.	Ms. Laxmi Pandey	Under Secretary	MoFALD
18.	Mr. Shaligram Rijal	Under Secretary	MoFALD
19.	Mr. Subas Chandra Shiwakoti	Under Secretary	MoFALD
20.	Mr. Shyam Raj Adhikari	Under Secretary	MoFALD
21.	Mr. Kamal Jnawali	Admin Officer	MoFALD
22.	Mr. Ram Krishna Lamichhane	Admin. Officer	LGCDP
23.	Mr. Anil Chandrika	Programme Specialist	DPCell
24.	Ms. Reshu Karki	Communication Officer	LGCDP
25.	Mr. Parshuram Upadhyay	Exe. Director	NAVIN
26.	Mr. Hem Raj Lamichhane	GSG	ADDCN
27.	Mr. Bhol Pd Dahal	Governance Advisor	Norwegian Embassy
28.	Mr. Vibeke sorun	First Secretary	Norwegian Embassy
29.	Mr. Parakram Sharma	DTL	SPMP/ADB
30.	Mr. Jean Francois Cuenod	Head of Cooperation	SDC
31.	Mr. Prakash Regmi	P. O	SDC
32.	Mr. Yam Nath Sharma	Asst. Country Director	UNDP
33.	Mr. Nama Raj Adhikari	SPO	JICA

34.	Mr. Maki Tsumagari	Project Formulation Advisor, Governance	JICA
35.	Mr. Saroj Nepal	Sr. Prog. Officer	Danish Embassy
36.	Ms. Kristina Scttock	Counsellor	Danish Embassy
37.	Ms. Tatiana Prokhorova	Programme Officer	UNV
38.	Ms. Pragyan Joshi	Programme Officer	UNCDF
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40.	Mr. Govinda Neupane	Local Governance Coordinator	DFID
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48.	Mr. Rudra Sapkota	R&M/S	LGCDP
49.	Mr. Ek Raj Sigdel	Environment Specialist	LGCDP
50.	Mr. Mahesh Pokharel	Procurement Specialist	LGCDP
51.	Mr. Nagesh Badu	Program Coordinator	LGCDP
52.	Mr. Deepak Neupane	GIS Specialist	LGCDP
53.	Mr. S.P. Shrestha	SM Specialist	LGCDP

54.	Ms. Nirjala Thapa	GESI Specialist	LGCDP
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57.	Ms. Sangita Bhattarai	Training Coordinator	LGCDP
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62.	Mr. Mahesh Aryal	SDE	IDD/MoFALD
63.	Mr. Bishu Adhikari	Governance Adviser	DFID
64.	Mr. Krishna Bahadur Katwal	SDE	IDD/MoFALD
65.	Ms. Laura Leyser	Governance Adviser	DFID
66.	Mr. Siddhartha Vikram	PFMSP	ADB
67.	Mr. Mahesh Maharjan	MIS Specialist	LGCDP