



**Government of Nepal**  
**Ministry of Federal Affairs and Local Development**  
**Local Governance and Community Development Programme**  
**Technical Assistance Steering Committee (TASC)**  
**17<sup>th</sup> TASC meeting**

<p>DATE: 07/10/2016          LOCATION: DDC MEETING HALL          TIME START: 11:00 AM : 2: 00 PM          COORDINATOR: MR. CHHABI RIJAL, UNDER SECRETARY/NPM</p>
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**INTRODUCTION:**

Mr. Chhabi Rijal, National Programme Manager, MoFALD welcomed representatives from development partners, MoFALD officials and PCU experts in the 17<sup>th</sup> TASC meeting. The list of participants of the meeting are attached in Annex 1. The main discussions and decisions are detailed below:

AGENDA	DISCUSSIONS
<b>Main highlights</b>	
<b>Status on action taken on the 16<sup>th</sup> TASC meeting</b>	<p>The status of action points of the TASC meeting held on 11 July 2016 was reviewed and the following progress was noted:</p> <ul style="list-style-type: none"> <li>- The TOR has been prepared for the recruitment of National Consultant to document the experience and learning of D/UGE.</li> <li>- Two vehicles along with a driver have been provided to LLRC as per the previous decision. Regarding the transfer of vehicles, it was noted that the process of transferring all seven vehicles into white number plate is ongoing.</li> </ul>
<b>Achievements under PPSF in 3<sup>rd</sup> Quarter</b>	<p>Mr. Rijal presented the progress achieved during the third quarter of 2016. The highlights of achievements are elaborated below against the respective outcomes:</p> <p><b>Under Outcome 1</b>, technical support was provided to implement ASIP 2016/17, to issue budget authorization on time; and for the preparation of a three-year action plan of MoFALD on UNSCR 1325 and 1820. Support was also provided to develop the GESI Audit indicators for MoFALD</p> <p>Under various capacity development initiatives, 292 LGCDP focal persons were oriented on their roles and responsibilities through a 3-day induction</p>



training. Similarly, 29 persons were trained as Master Trainers on social audit, and public hearing facilitation techniques and the PCU and RCU staff were trained on basis of 'Appreciative Inquiry and Theory of Change. '

Strategic Planning Guidance was also provided to conceptualize New Governance Programme and preparatory support provided to organize LGCDP DP's consultation meeting.

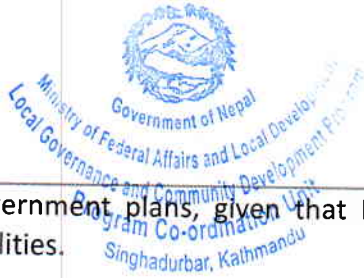
**Under outcome 2**, the consultancy assignment to revise the MCPM indicators was completed, and it was noted that the proposed indicators are being discussed internally within MoFALD.

Additionally, during the reporting period, a study on "projection and collection of taxes of provinces and local level" was initiated and is ongoing. Similarly, the procurement process was initiated to conduct a study on borrowing system at the local level and to initiate the Local Economic Development pilot.

Furthermore, during the third quarter, support was provided to draft Bills of Six Constitutional Commissions tabled in Legislature Parliament where the following activities were completed:

- preparation of the justification note and presentation of the Bill in Legislation Committee of Council of Minister and Legislature Parliament;
- drafting of the Bill on Local Level/Government Operation
- Preparation of a ToR on drafting of federal and provincial Bills on local level operation
- MoFALD selected the service provider with required expertise for the assignment
- a preliminary draft of the Bill prepared
- Technical support was also provided in constitution implementation process
- ToR prepared for the study on required standards and criteria for provincial capital
- Technical committee constituted under the chair of joint Secretary to prepare local level transitional operational plan
- Draft devolution plan of MoFALD was also prepared

Mr. Gareth Rannamets of DFID queried on the support provided with regards to the local level transitional operational plan and other plans under LLRC. He enquired whether it would be possible to share some of these documents to DPs or discuss on it to better understand how these plans are working. He mentioned that it would also be good to understand how these plans fit into



other Government plans, given that MoF, LBFC, and MoGA have similar responsibilities.

Mr. Gopal Aryal, Output Manager 8 & 9 remarked that MoFALD had formed a Committee to prepare a transitional plan with regards to adjusting current administrative structures following restructuring. He shared that two approaches have been developed (for which the reports are not yet ready for circulation). Regarding MoFALD's devolution plan, he clarified that it is a functional unbundling plan by the Prime Minister's Office regarding size, shapes, major roles of ministries and departments. He shared that different working groups have been formed in which MoFALD is associated with one of the working group.

Mr. Aryal appraised the board on the status of the local level bill. He also informed that the Nepal law society has submitted a preliminary draft in this regard and informed that it would be shared for broader consultation once reviewed and commented internally. He noted that the revised version in which comments have been provided would be received following Dashain holidays.

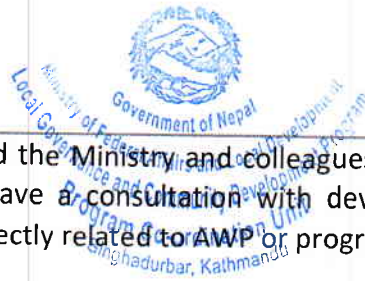
Mr. Rannamets queried whether there is a plan to hold consultation with members of the public or international partners regarding the draft bill as done with the drafting of LSGA. He further enquired whether the feedback expected will be for minor changes or whether there would be room for major adjustments following wider consultation. Mr. Aryal noted that efforts would be made to ensure wider consultation as far as possible and that MoFALD will share the draft with development partners.

Mr. Yam Nath Sharma, UNDP acknowledged the recent MoFALD Minister's address to development partners during the DPs and Government consultation meeting as a remarkable achievement of the programme. Similarly, he noted that it is a good progress now that the designated focal persons have been trained, and authorization reached on time.

On the other hand, he also expressed some concerns. He requested on behalf of the development partners TOR of various commissions to be shared soon and have a wider consultation for relevant inputs.

Regarding the Government's decision to partner with the Nepal Law Society for the local level bill, Mr. Sharma commented that although it is government's prerogative to assign responsibility based on comparative advantage- that the activity was also included in the LGCDP work plan, and substantial budget had been allocated for the same. It was further noted that the decision only came to light much later. Thus, in the spirit of partnership,



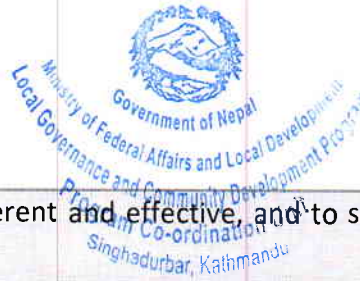


	<p>he requested the Ministry and colleagues in the programme to honor that spirit, and have a consultation with development partners before taking decisions directly related to AWP or programme activities.</p> <p>Mr. Aryal informed that considering the comparative advantage in addition to the timeframe and priority, the responsibility was given to Nepal law's society. He noted that it did not imply that the government is less focused about the partnership with development partners under the LGCDP framework.</p> <p><b>Under Outcome 3</b>, support was provided for facilitating and organizing two thematic joint DP Missions: one of the PFM and other on GESI. Additional activities completed include:</p> <ul style="list-style-type: none"> <li>-Preparation of a concept note on the New Governance Programme and facilitated to organize joint task team meeting</li> <li>-Facilitation of LGCDP DP's consultation as well as organizing regular DP meetings under the direction of the DP chair.</li> <li>-Timely preparation of monthly Review reports which have been shared with all the DPs.</li> <li>-Provision of technical support to the finance unit for the reconciliation of LGCDP-I and II funds.</li> <li>- Support provided in preparing the T3FMR</li> <li>-Provided technical support to PCU in preparing ToRs, concept notes and briefing notes</li> </ul>
<p><b>PPSF expenditure status of third quarter and 4<sup>th</sup> quarter budget plan</b></p>	<p>The budget vs. expenditure report of the third quarter was presented, and it was indicated that there has been 56.51 % delivery.</p> <p>Mr. Rannamets inquired on the reason for low delivery in Q3 across the various outputs, and questioned whether it was due to the gap in the experts in the districts and municipalities not in place or due to external factors?</p> <p>Mr. Rijal, NPM, stated that one of the reasons for the low delivery in the 3<sup>rd</sup> quarter is because some of the activities under output 5 and output nine could not be initiated as planned.</p> <p>Under output 5, Mr. Keshav Acharaya added that the budget was requested to implement appreciative inquiry, focal person training, and national retreat programme, and to hold an interaction between MoFALD and DPs staff. Out of which, first, two activities were conducted while the latter could not take place. One of the reasons being that it was the end of FY. Also, the national retreat was envisioned with LDOs participation which could not materialize owing to various reasons.</p>

	<p>Mr. Aryal, Output Manager 8 &amp; 9 also highlighted on the reasons for low delivery in relating to Output 9 activities. He informed that since last two months engagement with LLRC ha been a high priority. Although limited, there has been some activities initiated under Output 9. Such as, ToR for the study of the provincial headquarters have been prepared. Likewise, preparation of ToRs for various studies is ongoing.</p> <p>Ms. Pragyam Joshi, UNCDF also added that similarly, in Output 4, processing of consultant is taking longer time than expected, thus leading to delays in completing activities as planned.</p>
<p><b>Revision of Annual work plan 2016</b></p>	<p><b>The following budget additions were made:</b></p> <ul style="list-style-type: none"> <li>- Equipment support to LBFC amounting to USD 10,000</li> <li>- Exposure visit to Norway amounting to USD 25,000</li> <li>- Additional changes were reflected in the work plan under LED and DP Cell operational activities.</li> </ul> <p><b>The following downward revisions were made:</b></p> <ul style="list-style-type: none"> <li>- Budget allocated for the payment of Baseline Survey USD 40, 000 and been revised downward.</li> </ul>
<p><b>Issues and challenges</b></p>	<p>The following issues and challenges were presented:</p> <ul style="list-style-type: none"> <li>- Recruitment/hiring process of consultant taking a long time</li> <li>- Potential high workload in 4<sup>th</sup> quarter, due to relatively less financial delivery till 3<sup>rd</sup> quarter</li> <li>- Quality and timely reporting from LGCDP focal person</li> </ul> <p><b>On the delays in recruitment of consultants,</b> Mr. Anil Chandrika suggested preparing a MoFALD express roster to fast track the procurement process. Mr. Yam Nath Sharma, UNDP added that the Ministry of General Administration used to have a similar roster of professionals in various thematic areas and suggested a similar approach can be taken at MoFALD- regarding identify areas of expertise and clustered in relevant areas.</p> <p><b>Regarding fourth quarter activities,</b> Mr. Raj Kumar Dhungana, Norway, underlined that in the next quarter activities are mainly on hiring local consultants- Ensure ownership from the section and division itself. General challenge is how to streamline these activities instead of hiring numbers of a consultant. What roles of PCU and RCU can be shared instead of hiring a local consultant for each activity?</p> <p>He also highlighted on avoiding duplication and strengthening inter-ministerial role with regards to implementation of the Constitution. He also emphasized for a collective action for better utilization of LGCDP to make it</p>







	<p>more coherent and effective, and to support LLRC proactively in its critical functions.</p> <p>Mr. Gopal Aryal informed that GoN is providing ample support to LLRC. LGCDP has given technical support in this regard-GIS technical expertise. Also, LGCDP support is being utilized to hire a consultant to prepare a report on Special Protected and Autonomous Region. GoN has taken this process seriously.</p> <p><b>On the reporting</b>, Mr. Dhungana raised concerns on the quality of the progress reports whereby the results are not well connected and activities not elaborated.</p> <p><b>Regarding the capacity of focal persons</b>, Mr. Sharma noted that given that the assigned focal persons replacing D/UGEs are of varied quality, in such a scenario, the workload at RCU will be much higher. He questioned how to address this issue so that the quality at the national level is not comprised. Mr. Keshav Acharya suggested that a small training package could be designed for next year to increase the capacity of focal persons. He noted that in the interim, a small consultative meeting should be conducted at the regional level.</p>
<b>AOB</b>	<ol style="list-style-type: none"><li><b>1. Feedback on field visit:</b> Mr. Rannamets remarked on the experience from the recent field visit; where there were feedbacks on strengthening the role of RCU Coordinators. He noted that the RCU did not seem to have a plan on the monitoring visit and some other functions and given the importance of the issue, he suggested that it be thought through on how these basic functions are ensured and stated that if it a question of being overburdened, support should be provided by prioritizing activities. Mr. Shiv Raj Pokhrel, Governance Specialist, informed that RCUs regularly submit their individual work and monitoring plan. Mr. Sharma underlined the need to coordinate PCU work plan with RCU's plan better</li><li><b>2. Transfer of LDOs:</b> Mr. Sharma also made a note of the recent LDOs transfer although the release of these officials have been postponed for a while. He questioned on how these issues should be tackled and emphasized the need to orient new staffs at the local level- especially considering the programme has very limited time. Mr. Gopal Aryal informed that the Ministry is planning to organize orientations to the transferred staffs where issues relating to LGCDP can also be included.</li><li><b>3. Additional short-term consultant required for LBFC for 4-6 months.</b></li></ol>

Mr. Hemraj Lamichhane, Output 3 Specialist, noted that it would be an additional burden to increase the RCU Coordinators' ToR. Hence, advised that hiring of short-term consultants would be a better alternative.

4. **A high level visit to Norway:** It was informed that a high-level visit to Norway is planned from 17<sup>th</sup> to 21<sup>st</sup> October. The main objective of the visit is to learn from Norway- the reduction in the number of municipalities. This experience from Norway will be useful to current Nepalese context. This will be seven members' visit. The visit is led by chairman of legislative parliament, Mr. Ram Chandra Pokhrel. Other parliamentarian includes Ms. Tulasa Rana and Mr. Rabindra Adhikari. Four higher officials from MOFALD-Secretary-Mr. Kedar Bahadur Adhikari, Joint Secretary- Mr. Charka Bahadur Buda, Joint Secretary- Mr. Purusottam Nepal, and Mr. Chabbi Rijal -National Programme Manager, LGCDP.
5. **The audit arrears:** PFM expert-DP Cell shared that it is reported that the audit arrears is almost one billion. The target this year is addressing at least 40% of it. The larger plan is to have a regional workshop involving account officers and LDOs, and provide technical support to address audit arrears. The idea is to also bring in OAG officials to better understand how the arrears can be avoided and addressed. The plan is also to visit local bodies while OAG conducts audit. For this, a concept note is under preparation. Mr. Rannamets also added that there has not been any progress made in this regard (audit arrears). It likely affects future investments. Mr. Sharma reiterated that there are two aspects to it. i) Settling audit arrears that has been identified by OAG, ii) Managing audit arrears: LGCDP audit arrears will be not addressed by the GoN once the programme is completed. It is the obligation of the program and also a mandatory JFA requirement. Thus, it has to be prioritized and immediately address those issues.

Mr. Dhungana re-emphasized the need to address the critical concerns raised by the OAG in the June report. He queried as to who is managing and responding to those concerns as there has been repeated concerns expressed in these reports over time. Mr. Rannamets also added that there ha not been any progress made in this regard (audit arrears). It likely affects future investments. Thus, should be prioritized accordingly.

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	<p><b>6. On the hiring of PFM experts in the RCU:</b> Mr. Rijal informed that appropriate candidate was not available regarding PFM cum accountability expert. In the scenario of only nine months remaining of the program and reduction of the substantial budget for following year (size of grant reduced from 30,000 to 20,000 from 6000 to 4000 for CAC), it was thought to be not very appropriate to hire again. He noted that an alternative could be offering intensive training for cluster coordinators with regards to PFM to fill the gap.</p> <p>Mr. Chandrika suggested not to take hiring of PFM cum Accountability expert completely off the agenda. The programme Audit arrears is not government's responsibility. There is no technical support to look into audit arrears at the RCU level which is a high Priority of the programme. Thus, requested the government to reconsider it. An alternative should be explored, maybe have a PFM an expert on a contract basis to address the audit arrears.</p> <p>Mr. Sharma also emphasized that if the PFM hiring process is scraped completely, fulfillment of relevant gaps at the RCU level will be a big challenge, especially when D/UGE are no longer available at the local level. He acknowledged that reducing fiduciary risks is a high priority of the Government.</p> <p><b>7. Regarding handover of 7 used vehicles-</b> It was noted that only one vehicle had been handed over and that this process should not be kept in limbo. It was noted that as long as it the blue plated number plates is not handed over, it becomes accountability of UNDP and that a decision has to be made in this regard.</p>
<p><b>Decisions Made</b></p>	<ol style="list-style-type: none"> <li>1. Approval of the 3rd quarter expenditure and 4th quarter work plan.</li> <li>2. Approval of the revised PPSF UNJP AWP 2016.</li> <li>3. Agreement on having a high-level Norway visit funded from PPSF AWP under activity 6.0.1- to be reimbursed later by Norway.</li> <li>4. Hiring process of Six RCUs Accountability cum PFM experts to be stopped/canceled.</li> <li>5. Approval on recruiting a short term consultant for LBFC (NPPP 1)- based on the ToR to be shared as discussed during the output three meeting.</li> <li>6. Audit arrears- PFM experts {Mr. Hari Pangyani (Account Officer-GoN)} and Mr. Yam Nath Neupane to work together to address the issues identified by OAG. It was noted that if external support is required, a consultant can be hired.</li> </ol>







**LIST OF PARTICIPANTS**

S.N	Name	Designation	Organization
1.	Mr. Chhabi Rijal	National Programme Manager	LGCDP
2.	Mr. Gareth Rannamets	Governance Advisor	DFID
3.	Mr. Yam Nath Sharma	ACD	UNDP
4.	Ms. Vibeke Sorum	First Secretary	Norwegian Embassy
5.	Mr. Raj Kumar Dhungana	Governance Advisor	Norwegian Embassy
6.	Ms. Pragyan Joshi	Programme Officer	UNCDF
7.	Mr. Surendra Bhandari	AFO	LGCDP
8.	Mr. Shiv Raj Pokharel	Governance Specialist	LGCDP
9.	Mr. Anil Chandrika	DP Coordinator	DP Cell
10.	Mr. Raghu Shrestha	CM Specialist	DP Cell
11.	Mr. Parsuram Upadhaya	FG Specialist	LGCDP
12.	Ms. Reshu Karki	Communication and Documentation Officer	LGCDP
13.	Mr. Keshav K Acharaya	CD Specialist	LGCDP
14.	Mr. Mohan P Dhakal	PFM Specialist	LGCDP/DP Cell
15.	Mr. Apurwa Singh	ICT Coordinator	LGCDP
16.	Ms. Nirmala Thapa	GeSI Specialist	LGCDP
17.	Mr. Jagannath Adhikari	Planning specialist	LGCDP
18.	Ms. Sangita Bhattarai	Training Coordinator	LGCDP