

Opening Remarks in LGCDP – DPs’ Consultation

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Hon’ble Minister for Federal Affairs and Local Development

Your Excellences

Head of the Missions

Joint Secretaries

Representatives from development partners

Ladies and Gentlemen

First of all, I would like to express sincere gratitude to Hon’ble Minister, Mr. Hitraj Pande for his gracious presence in LGCDP- DPs’ consultation despite his busy schedule. Similarly, I would like to thank all distinguished participants for accepting our invitation to participate in LGCDP- DPs consultation and to share your valuable views as development partners on future sub-national governance, a successor of LGCDP.

LGCDP is one of the largest reform programmes in the area of local governance and community development which envisaged to institutionalise initiatives like social mobilisation, downward accountability, child friendly local governance, environment friendly local governance, public financial management, results based planning and monitoring, and performance based grants system.

With the promulgation of the constitution, Nepal is entered into a new era, where there is now renewed opportunity to address discrimination and inequalities and to strengthen equal rights, equal opportunities, and equal respects to all. The constitution provides a higher order of functional power to local government through exclusive responsibility and concurrent functions. The constitution envisages strong local governments with the legislature, executive, financial and judicial function. In the constitution, local government has been recognized as a significant level of government vested with service delivery responsibility.

The government has formed Local Level Restructuring Commission (LLRC) in March 2016 to define, rationalize and reconstitute the number, size and boundary of Gaunpalika, Nagarpalika, special, protected and autonomous areas. The government has recently amended the ToR of LLRC and asked the Commission to take into account the 927 Ilakas while forming the local government units. The Commission is expected to submit the report by October 2016 which will pave the way to clear the uncertainty on key issues such as the number and boundaries of local governments, allocation of responsibilities and resources at different levels of the state.

The government has decided to hold elections for local, province and state by March/April 2017 as per the provision in the constitution. The government has given high priority to formulate laws, acts and regulations required to conduct the local election and necessary budget has been allocated.

The country is in transition to new arrangements as set out in the constitution. The constitution has set out power, functions, duties and responsibilities of central, provincial and local governments. However, many operational arrangements such as structure, staffing, internal working system, revenue and expenditure assignments and so forth yet to be determined.

Implementing the constitution is not an easy task, where it is necessary to include everyone's aspiration and to make sure it is an inclusive process. The Government of Nepal is trying to bring all on board and support the transition to a federal state. In this regard, the holding of local election will be the first significant step towards implementation of the constitution. MoFALD is working with concern agencies and departments including the Office of the Prime Minister and Council of Minister to make sure that the local election is held as per the schedule.

MoFALD has a crucial role in setting out a clear vision for the reforms – especially implementing the recommendations of the Local Level Restructuring Commission, administrative reforms, particularly concerning function assignment at state, province and local level.

Simply enlarging the jurisdiction and devolving power to the local governments will not deliver services as per the spirit of the constitution. The effective use of authority conferred on local governments is more important. In this context I think, the future direction of governance programme should be on strengthening local governments, citizen empowerment and efficient service delivery.

For strengthening local governments the role and responsibility should be clearly defined in line with the provision in the constitution.

For efficient service delivery, there is a need to improve fiscal discipline by reducing fiduciary risks, promoting the use of ICT, strengthening public financial management and improving monitoring and supervision.

To empower citizen, there is a need to enhance the capacity of Ward Citizen Forums and engage them in civic oversight to make local governments more accountable. Furthermore, an employment opportunity needs to be created by linking Community Awareness Centers with micro-finance and cooperative. Additionally, local economic development should be promoted to create income generating activities.

On behalf of the Ministry, I would like to strengthen our commitments further and also provide all possible support to ensure our joint partnership will bring desired changes in strengthening local governance system.

We look forward for your technical and financial support to design and implement new governance programme with focus on the above aspects.

Finally, I would like to thank once again all distinguished participants for active participation to make this consultation a grand success.