

Federal Parliament, National Assembly, Federalism Implementation Study and Monitoring Parliamentary Special Committee

- A resolution was presented to the National Assembly (NA) seeking the Government of Nepal's attention and resolution of the challenges in implementing federalism. Fulfillment of the objectives envisioned by the Constitution was discussed and unanimously endorsed on 2079 Jestha 19 (2 June 2022).
- The NA gave clear directives to the government to implement the issues included in the resolution.
- The NA's meeting held on 2079 Jestha 20 (3 June 2022) constituted a seven-member 'Federalism Implementation Study and Monitoring Parliamentary Special Committee' with Hon'ble Khim Lal Devkota, the proposer of the resolution, as the Convenor. Hon'ble Udaya Bahadur Bohara, Hon'ble Prakash Pantha, Hon'ble Pramila Kumari, Hon'ble Maya Prasad Sharma, Hon'ble Bimala Rai Paudyal and Hon'ble Ram Chandra Rai are members of the Committee.
- The Committee was mandated to carry out a study of all aspects, including political, financial, administrative, and structural issues, relating to the implementation of federalism, with a term of four months from the date that the Committee starts the work.
- The first meeting of the Committee was held on 2079/02/27 (10 June 2022). During the study period, the Committee met 34 times.
- The essential methodology the Committee adopted was discussion, interaction, and questionnaire.
- Discussions were held with leaders of parties represented in the Federal Parliament (NA and House of Representatives), Chairpersons of Parliamentary Committees, Honourable Members, Members of the Constituent Assembly, Leaders of Political Parties, Chief Ministers of Provinces, Speakers of Provincial Assemblies, Former Chief Ministers of Provinces, Ministers of Provinces, Members of Provincial Assembly, Federal Parliament

General Secretary and Secretaries, Secretaries of the Government of Nepal, Secretaries of the Committees of the Federal Parliament, Officials of the Federation of Local Levels, Elected Representatives at the Local Level, Secretaries of the Provincial Government, Subject Experts, Officials of the National Natural Resources and Fiscal Commission,

- Auditor General and other Constitutional Commission Officials, Vice Chairperson of the National Planning Commission, Officials of Law Commission, and others.
- Suggestions were collected after the meetings with the Honorable Prime Minister and Honorable Speaker.
- Discussion and interaction programmes were organized in all the seven provinces and three local levels in the presence of the NA Honorable Chairperson. Suggestions were collected through field visits to three local levels.
- Requests for information based on questionnaires were made from the Office of the Prime Minister and Council of Ministers, Ministry of Finance, Ministry of Federal Affairs and General Administration, Ministry of Law, Justice and Parliamentary Affairs, National Natural Resources and Fiscal Commission, National Planning Commission, and other ministries and agencies.
- There was also correspondence with the offices of the Chief Minister and the Council of Ministers of all the seven provinces, the provincial assembly, the provincial planning commission, some local levels, and other agencies, the purpose being to collect information through questionnaires.
- Due to the NA's busy work schedule, the staff assigned to the committee secretariat, who also had double/triple work responsibilities in other committees and sections, along with Dashain (the great festival of Nepalis), preparations for the election of the House of Representatives and the Provincial Assembly, and other reasons led to some obstructions in the functioning of the Committee. However, based on the in-depth study, discussions and decisions taken in the committee meetings, provincial and municipality level interaction, the international context of the federal government system, the brief governance history of Nepal, the rise of the federal government system in Nepal and its rationale, the main achievements in the last five years in connection with the implementation of federalism in Nepal and other challenges were incorporated into a report that was prepared along with recommendations.

Committee's Statement

The Constitution promulgated through the historical Constituent Assembly on Asoj 3, 2072 (20 September 2015) has provided that Nepal's main governance structure would consist of three tiers – federal, provincial, and local. The federal, provincial, and local levels can exercise state power in line with the Constitution and the law, while the exclusive and concurrent list of competencies of all the three tiers are included in the schedule of the Constitution. The division of the entire state power from a unitary system into three tiers must be regarded as a significant change in the governance system.

The federal, provincial, and the local levels (federal units) can formulate their own laws relating to economic powers within their jurisdiction, develop an annual budget, take decisions, formulate policies, and plans and implement them. They are also allowed to impose taxes according to their financial jurisdiction and collect revenue.

The federal units are autonomous and may formulate laws within their exclusive jurisdiction. But the purpose of the Constitution is to achieve coordination and cooperation while making laws on concurrent powers. The Constitution provides that the relations between the federal units shall be made on cooperation, coexistence, and coordination, according to which the Constitution envisages that one tier recognizes the existence of another tier, and coordinates and collaborates on matters including formulation of laws and policies.

It has been about a decade since the promulgation of the Constitution. Its biggest achievements have been to ensure a federal democratic republic, multi-party competitive governance system, periodic elections, an independent judiciary, human rights, fundamental rights, and complete press freedom as constitutional rights. The province and the local levels became operational soon after the periodic elections were held as per the federal structure.

Although the Constitution was promulgated in 2072 (2015) it was formally implemented only after elections were held in all three tiers in 2074 (2018). With the provision of a three-tier government along with state power, Nepal embarked on the era of federalism. It is natural to expect some issues and confusion with such a significant change of governance system. Hence, a resolution was proposed to the NA on 19th Jestha 2079 (2 June 2022) seeking the government's attention to resolve these problems. On 2079 Jestha 20 (3 June 2022), the NA therefore introduced the Federalism Implementation Study and Monitoring Parliamentary Special Committee to identify the problems seen in implementing federalism and recommend

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legal and policy reforms. The term of the Committee was four months from the date it began working and it formally came into being on 2079 Jestha 27 (10 June 2022). The first meeting the Committee was held in the presence of the NA Rt. Hon'ble Chairperson. It considered an action plan and procedures and was attended by parliamentary party leaders, Hon'ble members, and the parliament general secretary, among others.

Despite the busy schedule in the lead-up to the budget session of the parliament, the Committee was able to hold discussions and interact with all seven provinces. At the programme, political parties, civil society, chief ministers, provincial speakers, provincial government ministers, provincial assembly members, local level office-bearers, media persons, the private sector, cooperatives and non-government sector individuals, and office-bearers were present. Discussions and interactions took place in the three local levels.

The Committee held discussions with various political party leaders, leaders of parliamentary parties of political parties represented in the parliament, the House of Representatives and NA parliamentary committee chairs, federal parliament/constituent assembly members and former members of parliament, former chief ministers, local level association office-bearers, current and former chief secretaries of the province and subject matter experts, and various other stakeholders.

Discussions were also held, and opinions sought, from the National Natural Resources and Fiscal Commission, the Auditor General and office-bearers of Constitutional Commissions, the National Planning Commission Vice-Chair, mayors and deputy mayors of local levels in the Kathmandu Valley, Nepal Law Commission officials, Government of Nepal secretaries, federal parliament committee secretaries, and supreme court registrars, among others.

The Committee also met with the Rt. Hon'ble Prime Minister and the Hon'ble Speaker and consulted on matters related to the scope of the Committee and sought their opinions.

Details were sought based on a questionnaire from the Office of the Prime Minister and Council of Ministers, Ministry of Finance, Ministry of Federal Affairs and General Administration, Ministry of Law, Justice and Parliamentary Affairs, National Natural Resources and Fiscal Commission, National Planning Commission, Office of the Chief Minister and Council of Ministers, Provincial Assembly, local level, provincial planning commission and other agencies. However, responses were not received from some agencies. Even when responses were received, they did not always include sufficient information, as a result of which the report

writing had to be based on provincial seminars and discussions held with various individuals and agencies. But due to limited time, and despite the wish of the Committee, discussion with other stakeholder office-bearers and agencies could not be held.

The Committee faced a situation where it has to carry out its task in the face of various challenges. During the period, discussions took place on the Appropriation Bill in the NA. The NA discussed and endorsed 31 important bills. Due to Dashain, the preparations for the House of Representatives and provincial assembly elections and other reasons, the Commission experienced some roadblocks in its functioning.

Employees deputed to the Committee Secretariat were related to the business advisory work and hence had to be directly involved in the NA's operation and assume double or triple work responsibility in other committees and units, and hence were unable to work exclusively for the committee. The efforts and hard work by the secretariat staffers are laudable. This report is an outcome of their untiring hard work.

The Committee is grateful for the valuable support provided to the Committee by the NA Rt. Hon'ble Chairperson in raising issues and identifying problems by attending in person at all the programmes conducted in the provinces on consolidation of the federal system of governance. Due to repeated follow-up and directives issued to the Government of Nepal by the Committee for the formulation of the Action Plan for the implementation of the resolution proposal passed by the National Assembly that the Government of Nepal, the Council of Ministers endorsed the federalism implementation action plan 2079. The Committee would like to express its special thanks to the Government of Nepal and looks forward to implementation of the approved Action Plan word for word.

During the four months, the Committee met 34 times. Every meeting of the Committee was equally important. The Committee was able accomplish its task within the timeframe. But for technical reasons the report could not be submitted at the last hour. The report was submitted along with a request for extension of the Committee's term by a week.

We would like to extend our enormous gratitude to the NA Rt. Hon'ble Chairperson for his guidance for the Committee's effective functioning. We are also grateful to the Rt. Hon'ble Prime Minister and Hon'ble Speaker for guiding the Committee through their suggestions on consolidation of the federal system of governance.

Heartfelt thanks also go to the leaders of the parties represented in the NA, chairpersons of the federal parliamentary committees and the Hon'ble members of the Federal Parliament who attended and contributed to the meetings. Special thanks to the Chief Ministers of all the seven provinces, former Chief Ministers, Ministers, Speaker and Members of the Provincial Assembly, mayor, deputy mayor, chairs and vice-chairs of the local level, civil servants, private sector representatives, and civil society representatives.

Special thanks, too, to the provincial government, provincial assembly and municipalities for supporting the management aspects of the interaction held at provincial and local levels, and to the Ministry of Federal Affairs and General Administration for technical and coordination support to the Committee.

We express our heartfelt gratitude to Government of Nepal Hon'ble ministers, chief ministers, ministry secretaries, chief secretary, office-bearers of various commissions, departments and other agencies, the federal parliament general secretary, NA secretary, secretariat secretary for coordinated support to the work of the Committee, to the political party representatives, and to the experts, various stakeholders, media workers, committee secretary and committee staffers and others who provide direct and indirect support to the functions of the Committee.

Expressing confidence that the implementation of the aforementioned recommendations would strengthen and consolidate the federal system of governance, we draw the special attention of the Government of Nepal and other stakeholders to implementing the recommendations.

Finally, we would again express our deepest gratitude to Rt. Hon'ble the Chairperson and all Hon'ble members of the NA for trusting us and giving us this role and responsibility through the entire meeting of the Assembly.

Coordinator – Hon'ble Khim Lal Devkota

Member – Hon'ble Udaya Bahadur Bohara

Member – Hon'ble Prakash Pantha

Member – Hon'ble Pramila Kumari

Member – Hon'ble Maya Prasad Sharma

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Member – Hon'ble Ram Chandra Rai

Member – Hon'ble Dr Bimala Rai Paudyal

2079 Kartik 1 (18 October 2022)

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Recommendations made for implementation by the Federalism Implementation Study and Monitoring Parliamentary Special Committee, constituted by the Federal Parliament, National Assembly, to the Government of Nepal and concerned agencies

S.No.	Subject/area	Suggestion/activity	Responsible Agency	Time duration	Remarks
(a) Related to further clarity on the jurisdiction and amendment of the Constitution					
1.	Review of unbundling	Since there is still no clarity on the work responsibilities between the levels of the government even from the list of competencies outlined in the Constitution of Nepal and its unbundling, based on the experience of 5 years, the unbundling should be revised, and greater clarity should focus on the responsibilities between the government tiers.	Office of the Prime Minister and Council of Ministers (OPMCM)	2080 Baisakh	In coordination with Office of the Chief Minister and Council of Ministers and Local Level
2.	No of provincial ministers	Due to the increase in the number of provincial ministries and ministers, leading to a rise in administrative expenses and other reasons, there is an erosion in people’s trust of federalism and a negative perception of the governance system. The number of provincial ministers should be limited to 10 percent of the total provincial assembly members so that the number of provincial	Ministry of Law, Justice, and Parliamentary Affairs (MoLJPA)	2080 Kartik	To propose a constitutional amendment bill

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		ministers is not less than 5 people.			
(b) Related to ensuring the rights of women and other groups					
3.	Women's participation at the local level	To improve the law to further ensure the participation of women in positions of major office-bearers at the local level.	MoLJPA	2080 Kartik	
4.	Law related to inclusive representation	To implement the provisions of Article 38(4), Article 42 and Article 47 of the Constitution, ensure the participation of women, Dalits, indigenous nationalities, Madheshi, Tharu, Muslims, backward classes, minorities, marginalized, people with disabilities, gender and sexual minorities, citizens of backward areas and economically disadvantaged Khas Arya.	OPMCM	2080 Asar	
5.	Ensuring women's candidacy	In the elections for the House of Representatives and the Provincial Assembly, legal and policy arrangements should be made to ensure that women candidates are not limited to less than one-third of the candidates fielded by every party in the FPTP category.	OPMCM	2080 Asar	
(c) Related to formation of joint committee and implementation of the Committee directives					

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6.	Joint Parliamentary Committee	To develop a regular reporting system by establishing a Joint Parliamentary Committee in the Legislature-Parliament to Monitor the Implementation of Federalism for the continuous monitoring and feedback to the federal system of governance and the rule of law.	Federal Parliament	2080 Asar	
7.	Committee directives	To develop and implement an action plan for implementation of the federal parliament and provincial assembly committees to make the government accountable to the people and to increase the trust of the citizens in the governance system.	Concerned federal and provincial ministries	Continuous	To develop and regularly implement an action plan within a week as per the nature of the directive
(d) Related to the implementation of the recommendations of the constitutional commissions					
8.	Recommendations of the constitutional commissions	Develop and implement an annual calendar for the implementation of the recommendations mentioned in the reports of the Office of the Auditor General, Commission on Investigation of Abuse of Authority, Public Service Commission, and all other constitutional commission in order to improve financial discipline and good governance, prevention of corruption, personnel management and other reforms.	OPMCM, Office of the Chief Minister and Council of Ministers and Local level	Continuous	Develop an action plan

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(e) Related to implementation of the federalism implementation action plan					
9.	Federalism implementation action plan	Develop a list of tasks to be accomplished by the Government of Nepal, including drafting necessary laws related to the implementation of federalism, formation and modification of organizational structures, staff management, etc., and formulation of an action plan along with a timeline for enforcement.	OPMCM	2079 Magh	OPMCM to coordinate
10.	Orientation	Conduct training and public awareness programmes on federalism, democracy and rule of law from the central to the local level to address the various types of confusions seen at the citizen level about the federal form of governance.	Concerned federal and provincial ministries, local level	Continuous	
(f) Related to decentralization plan					
11.	Decentralization plan	To make the delivery of public services efficient, the federal government should formulate a decentralization plan to delegate the responsibilities under its jurisdiction to the provinces and local levels. The provinces should make a decentralization plan to delegate its powers to the local level and make legal and policy arrangement to provide the appropriate level with the authority, resources or personnel and technical support.	Concerned federal and provincial ministries	2080 Kartik	

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(g) Related to good governance, service delivery and enforcement of fundamental rights					
12.	Easy access by the people	By making the public administration clean, competent, fair, transparent, corruption-free, responsive and participatory, ensure equal and easy access of the people to the services provided by the state and fully implement the constitutional provisions to guarantee good governance.	Concerned federal and provincial ministries, local level	Continuous	Office of the Prime Minister to take the leadership for necessary legal and policy measures in coordination and collaboration with all the three tiers of government.
13.	Laws related to accountability	All government agencies at all three levels must use tools of accountability towards the citizens to establish transparency and credibility and enact laws related to accountability on behalf of employees.	Concerned federal and provincial ministries	2080 Asar	
14.	Crowd of service recipients and	To make the services provided by offices and agencies such as land revenue, survey, transport, customs, foreign employment, tax, district administration, rural municipality, municipality etc., which are more	Concerned federal and provincial	2080 Baisakh	

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	service	crowded with service recipients, quicker, efficient, reliable, and easier, use methods such as online, customer help desk, and CCTV. Put a complete ban on the entry of middlepersons. Make monitoring and oversight effective.	ministries, local level		
15.	'Hello Sarkar' (government)	For the regular handling of citizens' grievances, arrange similar structure like the 'Hello Government' in the Office of the Prime Minister and Council of Ministers, in all the chief ministers' offices. The local level and every level of the government should make arrangements for handling grievances every day.	OPMCM, Office of the Chief Minister and Council of Ministers and local level	Within 15 days	All three tiers to develop procedures related to ensuring handling of grievances
16.	Respect of the underprivileged /backward classes	Ensuring the right to life and to live freely through empowerment to enhance the self-esteem of backward/underprivileged classes and communities, including Dalits.	Concerned federal and provincial ministries	2080 Kartik	
17.	Elimination of discrimination and violence	To create a reliable and trustworthy environment for controlling and addressing all kinds of violence and abuses and discrimination against people with disabilities, senior citizens, children, women, Dalits etc.	Concerned federal and provincial ministries, local level	continuous	

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18.	Enforcement of fundamental rights	To implement all the provisions related to fundamental rights including the social security of the citizens, the dignified life of senior citizens and the guarantee of human rights	Concerned federal and provincial ministries	2080 Asar	
(h) Related to building an egalitarian society					
19.	Egalitarian society	To build a socialism-oriented nation and an egalitarian society as envisioned by the Constitution, emphasizing coordination and cooperation with the public, private and cooperative sectors, carry out activities including economic activities by prioritizing the relationship between the three levels of government.	Concerned federal and provincial ministries, local level	Continuous	OPMCM to coordinate
(i) Related to administrative federalism					
20.	Administration Reforms Commission	To establish a 'high-level administration reform commission' under the chair of the Prime Minister to maintain the consistency of the overall administrative system with the spirit of the federal democratic republican governance system.	OPMCP	2080 Asar	
21.	Police adjustment	To complete the adjustment of the police as the provincial police and law and order within the province are exclusive powers of the province	MoHA	2080 Asar	
22.	Temporary management	Due to the lack of staff at the provincial and local levels, assign necessary staff to solve immediate problems in the performance and	MoFAGA	One week	

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	of provincial and local level staffers	service delivery of those bodies.			
23.	O&M survey	Conduct an organization and management surgery at federal, provincial, and local levels and implement a new administrative organizational structure	MoFAGA, concerned provincial ministry and local level	2080 Asar	OPMCM to coordinate
24.	To reduce employees by half	To put an end to the situation where work responsibilities are concentrated at the province and local levels, but employees concentrating in the federal level, make legal and policy arrangement to cut the number of staff at the federal level by half.	MoFAGA	2080 Asar	OPMCM to coordinate
25..	Federal civil and government service	To introduce an Act relating to the operation of federal civil and government services.	MoFAGA and other concerned ministries	2080 Asar	
26.	Provincial civil and government service	Provinces to introduce laws to organize provincial civil and government services in a manner consistent with federal laws.	Concerned provincial ministry	2080 Bhadau	

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27.	Consistency in federal and provincial civil service	If the Provincial Civil Service and other Government Service Acts introduced by the provinces are inconsistent with the Federal Act, harmonize them.	Concerned provincial ministry	2080 Kartik	
28.	Local civil and government service	Local level to formulate laws to organize civil and government services at the local level consistent with the federal and provincial laws.	Local level	2080 Kartik	
29	One term and promotion	Establish a system of non-promotion if one term (two years) is not served in the post appointed from the federal to the province and local level.	MoFAGA	2080 Baisakh	
30	Responsibility based on demand	Until the posts of necessary staff are filled through the Provincial Public Service Commission, arrange for the federal staff to be assigned with responsibilities only based on the demands of the province and local levels.	MoFAGA	One week	Of the local level through Office of the Chief Minister and Council of Ministers
31	Deputation of chief administrative officers	Until the Federal Civil Service Act is promulgated, the overall responsibility of the chief administrative officers of municipalities within the province be handed over to the province.	MoFAGA	2079 Magh	In coordination with OCMCM

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32.	Transfer and deputation of staff	Apart from the chief secretary, the transfer of the secretaries of the provincial ministries and the responsibility of the deputation should be given to the provincial government.	OPMCM and MoFAGA	One week	Until the provincial public service commission appoints the provincial secretary
33.	Employees management at the local level	Appointment and promotion of employees at the local level be carried out only in accordance with the provincial law.	MoFAGA	2080 Kartik	In consistent with Article 227 of the Constitution
34.	Long-term liability of employees	Provinces and local levels should not increase the number of employees, the position of employees and the age limit of retirement to create long-term liabilities and putting excessive pressure on the grants of the Government of Nepal.	Concerned provincial ministry and local level	One week	
35.	Only for one's favour	The tendency to use low-level employees of one's favour in the positions of provincial secretaries and local level chief administrative officers will increase financial risk and weaken the administration mechanism, hence improve it.	MoFAGA, concerned provincial ministries and local level	One week	

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36.	Uniformity in service and benefits	To maintain uniformity in retirement age, qualifications, service facilities, career development and hierarchy of employees working in all three levels of government.	MoFAGA, concerned provincial ministries	2080 Kartik	
37.	Under-secretary chief administrative officer	In the context of major changes in the work responsibilities, and financial resources at the local level, make a legal and policy arrangement where the chief administrative officer of the local level is not below the undersecretary level.	MoFAGA, concerned provincial ministries	2080 Baisakh	
38.	Legal Officer	Provide for a legal officer at every local level to make the work of local level judicial committee and law making effective	MoFAGA, concerned provincial ministries	2080 Baisakh	
(j) Related to institutional structures					
39.	Political party structures	To modify/build the structures of political parties including provincial and district level committees to be compatible with federalism.	Political parties	2080 Baisakh	
40.	Parallel organizational structure	The government at any level should not build institutional structures that are parallel to the jurisdiction of another level and dissolve those that have been built.	Concerned federal and provincial ministries	2080 Asar	

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41.	Plan formulation	As there is a tendency to unnecessarily increase administrative expenses by setting up projects in various ministries and agencies, remove/dissolve such unnecessary structures.	Concerned federal and provincial ministries	2080 Asar	
42.	Officer-oriented employees' system	Since the ministries and departments are very burdensome in terms of institutional mechanisms and human resource management, generate staff positions with a view to developing an officer-oriented system while managing human resources at the federal ministries to increase the productivity and effectiveness of the organization.	MoFAGA	2080 Asar	
43.	Integrated service delivery	Instead of opening additional /maintaining unnecessary offices in a district, not opening at all /maintaining in any district, the province should keep one office in the district as an integrated service delivery point for all the ministries of the province.	All provincial ministries	2080 Bhadau	
44.	Office revival/return	End the act of reviving the board, development committees, institutions, projects, etc. handed over to the province, which have been dissolved and are in the process of being dissolved and returning them to the centre.	Concerned federal ministries	2080 Asar	
45.	Structure below provinces	The federal government should make legal and policy arrangements not to establish any structure or programme below the provinces except in the security sector.	Concerned federal ministries	2080 Asar	

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46.	Efficiency of ministries and departments	According to the recommendations of various commissions and committees to reduce the number of ministries at the federal level, the number of federal ministries should be limited to 15, as many responsibilities have been transferred to the provincial and local levels in the constitution. Similarly, since more than half of the departments at the federal level are without any work, make policy arrangements to dissolve half of them.	OPMCM	2080 Asar	
(k) Related to inter-level coordination and collaboration					
47.	Inter-provincial council and working committee	Constitute a working committee including two chief ministers led by the Home Minister of the Government of Nepal and member of the Inter-provincial coordination council and hold its meeting every three months in order to make the work of the IPCC chaired by the Prime Minister more dynamic.	OPMCM	2080 Asar and continuous	IPCC meeting to decide
48.	Efficiency of other inter-tier coordination mechanism	A permanent secretariat of the national coordination council, inter-governmental fiscal council, thematic committees and the provincial coordination council should be established, and regular meetings should be held, and a practice established to implement the decisions of the meetings.	Concerned federal and provincial ministries	2080 Asar	
49.	Administrative coordination	Constitute an 'administrative coordination council' including the chief secretaries of the provinces and led by the Chief Secretary for administrative coordination and collaboration of the federal and	OPMCM	2079 Magh	

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	council	province level			
50.	Provincial administrative coordination council	Constitute a 'provincial administrative coordination council' including the chief administrative officers of the local level and led by the Chief Secretary for administrative interrelations between province and the local level	Office of the Chief Minister	2079 Magh	In coordination with MoFAGA
51.	Provincial thematic committee	Constitute thematic committee led by minister from the concerned province, including representation of the local level on the recommendation of the local level association/federation.	Concerned provincial ministry	2080 Baisakh	In coordination with the OCMCM
52.	Coordination with province and local level	To make arrangement for coordination and facilitation with the province and local level from one agency/ministry instead of the existing provision through different agencies/ministries.	OPMCM	2079 Magh	
53.	Coordination between province and municipality, and among the municipalities	The provincial assembly to formulate laws according to Article 235 (2) of the Constitution for coordination between province and municipality, and among municipalities and to address any political dispute.	Provincial Assembly	2080 Asar	
54.	Formulation of laws on matters under	The federal level should begin a practice of consulting with the province and the province with the local level while formulating laws on matters concerning exclusive rights.	Concerned federal and provincial	Continuous	

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	exclusive rights		ministries		
55.	Bill and thematic committee	Discuss with the thematic committee before presenting a bill in the parliament for consistency in the laws between the various tiers of government while formulating laws on matters under the concurrent list of competencies between the federal and province level and all the three tiers of government.	Concerned federal and provincial ministries	Continuous	
(I) Related to fiscal federalism					
56.	Minimum work responsibility	Determine the minimum responsibilities of the province and local levels for public service delivery, and what financial resources are required for that.	National Natural Resources and Fiscal Commission	2080 Baisakh	In coordination with Ministry of Finance
57.	Revenue capacity	To identify details of provincial and local revenue collection and revenue capacity.	National Natural Resources and Fiscal Commission	Continuous	Make public report annually
58.	Internal resource mobilization	Provinces and local levels should make a revenue reform action plan and prioritize internal resource mobilization.	Concerned provincial ministry and local level	2080 Baisakh	
59.	Advertisement tax and	The collection of advertising tax and entertainment tax, which are in the exclusive rights' list of the province and local level, should be	Concerned local level in	2080 Baisakh	

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	entertainment tax	improved as it is very low even in major municipalities including Kathmandu.	coordination with concerned provincial ministry		
60.	House land registration fee	Establish a procedure for collecting real estate registration fees based on market value and improving administrative aspects, such as land registry and land surveyor's office.	Concerned federal and provincial ministry in coordination with local level	2080 Baisakh	
61.	Vehicle tax	Keep vehicle tax rates uniform in all provinces. Make a policy arrangement to use a certain part of this tax for forest and environmental protection and development.	Concerned provincial ministry, local level	2080 Baisakh	
62.	Minerals and river resources	To improve the law to end ambivalence in the collection and distribution of local natural resources, such as minerals and river resources, stones, gravel, and sand, which are in the list of concurrent rights of the provinces and local levels.	Concerned federal and provincial ministry	2080 Asar	
63.	Minerals and river resources	Make a legal arrangement in which the clear roles of the three levels of government regarding the collection, distribution, regulation, etc. of, e.g. mining and river sediments, stones, gravel, and sand, are	Concerned federal and provincial	2080 Asar	

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		mentioned in the operation and management of the crusher industry, and remove the crusher industry that is operating in violation of the existing laws.	ministry, local level		
64.	Mobilization of natural resources	Due to the dominance of interest groups in the exploitation of natural resources and environmental degradation that has also been observed due to excessive exploitation, make necessary legal and policy arrangements for its prevention and control.	Concerned federal and provincial ministry	2080 Asar	
65.	Integrated law in mobilization of natural resources	Draft integrated laws to simplify the mobilization and management of natural resources	Concerned federal and provincial ministry	2080 Asar	
66.	Debt rights	Organize the mobilization of internal debt by developing the provincial and local level debt management system.	Ministry of Finance	2080 Baisakh	
67.	Jurisdiction of Fiscal Commission	According to Article 60 (3) of the Constitution, although the amount of financial transfers received by provinces and local levels is in accordance with the recommendations of the National Natural Resources and Fiscal Commission, the law should be amended to reduce the commission's jurisdiction over grants other than financial equalization grants.	Ministry of Finance	2080 Asar	In coordination with NNRFC
68.	Increase in equalization	To comply with the procedure of increasing the portion of the financial equalization grant in the financial transfer from the government of	Ministry of Finance, ministry	Every year	

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	grant	Nepal to the province and local level and from the province to the local level in proportion to the budget.	responsible for finance in the province		
69.	Statistical details of distribution of equalization grant	To make the statistical details used in the distribution of financial equalization grants and sharing transparent and credible.	NNRFC	Every year	
70	Sharing of projects of conditional grants	When the federal level sends a conditional project to the province and local level, and the province to the local level, make arrangements to send a lump sum by specifying the sectoral conditions, targets and expected outcomes.	Concerned federal and provincial ministry	Continuous	
71	Doors of grants	While sharing grants to provinces and local levels, do not open/use other doors except the four doors of grant distribution (equalization, conditional, special and supplementary) as mentioned in the Constitution.	Concerned federal and provincial ministry	Continuous	
72	Grants based on incentives	Implement a grant system based on incentives and performance in at least 50 percent of the financial equalization grant to make local levels (municipality-municipality) competitive in-service delivery and development works.	NNRFC	2080 Asar	With support of concerned federal and provincial ministry

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73	Activeness of local revenue and other committees	In some local levels, in case the Revenue Advisory Committee, Resource Estimation and Budget Delimitation Committee and Budget and Programme Formulation Committee are not active, make them operational in accordance with the law	Concerned local level	immediately	
74	Projects of long-term importance	Federal, province and local levels should give priority to plans and programmes of long-term importance included in periodic plans when preparing annual budgets and programmes.	Concerned federal and provincial ministries, local level	Continuous	
75	Internal debt as source	End the tendency of province and local levels to formulate budgets by showing internal debt as source without institutional structure and legal assurance.	Concerned provincial ministries, local level	Every year	
76	Policy and programme budget	The three levels of government should maintain consistency between policies and programmes, budgets and periodic plans.	Concerned federal and provincial ministries, local level	Continuous	
77	Budget on time	Make a legal provision to deduct the equalization grant other than the minimum equalization grant to the local level that fails to table and pass the annual budget from the village and town assembly within 60	Concerned federal and provincial	Every year	NNRFC

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		days of the beginning of the financial year, and award the amount deducted as such to the local level of the same province with good performance appraisal.	ministries		
78	Undistributed budget	End the trend of federal, provincial and local level distributing the annual programmes and projects on an activity basis and keeping the budget undistributed.	Concerned federal and provincial ministries, local level	Continuous	
79	Discussion in budget formulation	While formulating the budget, the federal government should develop a practice of holding policy discussions and interactions with the province and local levels, and the province with the local level.	Concerned federal and provincial ministries,	Continuous	
80	Bottom to top planning	To make necessary legal and policy arrangements to maintain compatibility (bottom to top) between the plans and programmes of the three levels of government.	Concerned federal and provincial ministries	Continuous	In coordination with NPC and PPC
81	Making annual development and programme public	In order to maintain financial transparency and fiscal discipline and to end duplication of projects and programmes, the federal level and the provincial level will make public the ministry's annual development and programme at the same time as the budget is presented.	Concerned federal and provincial ministries	On the day of budget presentation day annually	

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82	Project bank	All three levels of government to strictly implement the concept of project bank to end the trend of projects appearing (sunrise) but never setting (sunset) and for ensuring the budget formulation of projects that have originated through the participatory planning method.	Concerned federal and provincial ministries		In coordination with NPC and PPC
83	50 percent in Wards	Until the concerned local level determines a balance, just and credible basis for sharing of budget at the ward level, make a provision to distribute and implemented at least 50 percent of the total capital budget at the ward level based on indicators such as population, geographical area, socio-economic infrastructure development.	Concerned local level	2080 Baisakh	
84	Ward-wise sharing	Apart from maintenance, rural municipalities should operate small infrastructure development projects worth below Rs500,000 from the ward level, municipalities worth below Rs1 million, sub-metropolitan municipalities worth below Rs1.5 million and metropolitan cities for physical infrastructure development projects worth below than Rs2 million.	Concerned local level	2080 Baisakh	
85	Limitation of federal and provincial projects	Until the federal government determines a clear basis and criteria for the selection and implementation of national pride and inter-provincial projects and the provincial government determines the same for provincial pride and inter-local level projects, policy arrangements should be made to ensure that the budget limit of the development construction projects should not be less than the following limitations:	Concerned federal and provincial ministry	2080 Asar	In coordination with planning commission

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	Theme	Federal level	Province level			
	Economic (Rs)					
	Agriculture	50 million	5 million			
	Irrigation	70 million	5 million			
	River control	50 million	5 million			
	Watershed	50 million	5 million			
	Industry	70 million	5 million			
	Tourism	50 million	5 million			
	Social					
	Education	50 million	5 million			
	Health	50 million	5 million			
	Drinking water	70 million	5 million			
	Sports	70 million	5 million			
	infrastructure					
	Roads	150 million	20 million			

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		Buildings 50 million Urban development 70 million Housing and settlement 50 million	5 million 5 million 5 million			
86	Skills development training	Make arrangements for the integrated management of capacity development and skill development trainings conducted at the federal and province levels.		Concerned federal and provincial ministries	2080 Baisakh and continuous	
87	Foreign aid programmes	To develop the practice of designing and implementing projects and programmes run with foreign aid at the level of the government that has the authority over it.		Ministry of Finance	2079 Magh	
88	Land acquisition	Address the problems related to the implementation of projects and programmes at the provincial and local levels due to the problem of land acquisition.		OPMCM, Ministry of Land Management, Cooperatives and Poverty Alleviation	2080 Baisakh	
(m) Related to other issues						
89	Local legislative and judicial	To conduct capacity building programmes for the effective		Concerned provincial	continuous	

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	powers	implementation of legislative and judicial powers at the local level.	ministry, local level		
90	Monitoring and Evaluation	Make arrangements for the monitoring and evaluation of various projects and programmes run by the three levels of government in the district through the District Coordination Committee.	Concerned federal and provincial ministry, local level	2080 Asar	OPMCM to make the necessary policy arrangements
91	DCC and Integrated Service	To develop the district coordination committee as an integrated service delivery unit of the province.	Concerned provincial ministry	2080 Asar	In coordination with GoN
92	Formulation of bill	To ensure the participation of ordinary citizens and stakeholders in the drafting process of the bill, make arrangement for publication of the bill on the website of the relevant ministry for at least 30 days. Even after the bill has been registered in the Federal Parliament, implement the provisions of the National Assembly and the House of Representatives regulations regarding the collection of citizens' suggestions. Do the same at the provincial level.	Concerned federal and provincial ministries, federal and provincial parliament	Continuous	
93	Delegated legislation	No agency shall issue any form of delegated legislation except for those delegated by the Act. Implement the provision of obtaining the approval of the Ministry of Law before issuing the delegated legislation.	Concerned federal and provincial ministry	Continuous	

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94	Tier-wise rights	Not to issue delegated legislation on issues that affect tier-wise jurisdiction (federal at the province and local levels and province at the local level).			
95	Updating details	The government agencies should implement the tasks according to their responsibilities with honesty, and update and publish the details/information regularly.	Federal, provincial and local level, and all state agencies	Regularly	
96	Integrated data system	Linking the expenses, assets, and the overall financial system of the three tiers into a unified data system.	OPMCM	2080 Baisakh	
97	Fiscal good governance	Make necessary legal and policy arrangements for the promotion of financial discipline/good governance at the local level, such as the activities of the Public Accounts Committee.	MoFAGA, and concerned provincial ministry	2080 Baisakh	
98	Land records	Update government and public land records, land use classification and land use planning.	Concerned federal and provincial ministry, and local level	Regular	
99	Orientation to elected people's	Conduct orientation programme for recently elected local office-bearers and the officials who were elected in Mangsir 2079 elections on inter-level coordination and collaboration, federal system of	Concerned federal and provincial	2080 Kartik	

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	representatives	governance, good governance etc.	ministry/agency		
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