

LOCAL GOVERNANCE AND COMMUNITY DEVELOPMENT PROGRAMME -II

PROGRESS Report

July 2015- March 2016



Government of Nepal

Ministry of Federal Affairs and Local Development Local

Governance and Community Development Programme

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PROGRAMME SUMMARY

Programme Period	16 July 2013 - 15 July 2017
Executing Agency	Ministry of Federal Affairs and Local Development
Implementing Agencies	<ul style="list-style-type: none"> ☐ Local Bodies ☐ Local Offices of Sectorial Ministries
Supporting Agencies	<ul style="list-style-type: none"> ☐ Sectorial Ministries ☐ Non-Government Organizations ☐ Civil Society Organizations ☐ Private Sector Organizations
Geographic Coverage	75 Districts, 217 Municipalities and 3157 Village Development Committees
Development Partners	<ul style="list-style-type: none"> ☐ JFA partners: DFID, SDC, Norway, Denmark, UNDP, UNICEF, UNCDF, UNFPA, UN Women ☐ PAA partners: ADB, GIZ, JICA, UNV,
Financial Contribution	<ul style="list-style-type: none"> ☐ Government of Nepal: US\$ 1061 million ☐ Development Partners: US\$ 236 million ☐ Total US\$ 1297 million
Financing Modality	<ul style="list-style-type: none"> ☐ Joint Financing Arrangement (JFA): US\$ 164.9 million ☐ Joint Funding for Technical Assistance (JFTA): US\$ 45 million ☐ Programme Alignment Arrangement (PAA): US\$ 26.1 million
Programme Components	<ul style="list-style-type: none"> ☐ Policy: Governance Reform ☐ Supply: Service Delivery and Capacity Development ☐ Demand: Citizens Empowerment ☐ Local Development: Socio-Economic and Infrastructure Development
Sectors of Investment	(1) Local Government Restructuring (2) Federal Governance (3) Fiscal Decentralization (4) Fiduciary Risks Reduction (5) Results Based Management (6) Capacity Development (7) Social Mobilization (8) Child Friendly Local Governance (9) Gender Equality and Social Inclusion (10) Information, Education and Communication (11) Local Governance and Accountability Facility (12) Environmentally Friendly Local Governance (13) Vital Registration (14) Community Mediation (15) Social Security (16) Local Community Infrastructure Development (17) Social Development (18) Local Economic Development (19) Livelihood Improvement Schemes (20) Research and Development (21) Public Financial Management

1. EXECUTIVE SUMMARY

Local Governance and Community Development Programme (LGCDP) II is designed as a joint platform between the Government of Nepal and Development Partners in the areas of local governance and community development.

Social mobilization (SM) has been endorsed as the backbone of community development part of the programme. Formation of Ward Citizen Forums (WCF) completed in all VDCs and MuN Wards to build upward linkage with VDCs/MuNs. 31414 WCFs (VDC-28590 & Municipality 28524) have been formed in all VDCs and Municipalities across the country. 759568 citizens (56% male and 44% female) are engaged in community development, local level planning and decision-making process of local bodies through WCFs.

Marginalised and disadvantaged groups, identified through Underlying Causes of Poverty Assessment, have been organised in Community Awareness Centres (CACs). A total of 7272 CACs has been established with 209264 members of which 83.5 % are women.

Engagement of Civic Society Organizations in compliance monitoring, strengthening Supervision and Monitoring Committees, grievance redressal and engagement of Ward Citizen Forum (WCF) in oversight activities are major frameworks towards accountability in local governance.

The Local Governance Accountable Facility (LGAF) has mobilized 66 Civic Society Organizations (CSOs) to carry out downward accountability activities at local level. CSOs have conducted compliance monitoring in 1844 (1590 VDCs, 188 Municipalities and 66 DDCs) LBs. Similarly, 8239 WCFs have been involved in civic oversight activities. A total of 560 grievance cases in VDCs, 5140 cases in MuNs and 244 cases in DDCs were registered. Out of registered cases, 100% settled at VDC level, 94% at MuN level and 99% at DDC level.

LGCDP II has envisioned in improving LBs' access to resources. Accordingly, Revenue Improvement Action Plan preparation training for selected municipalities of Far and Mid-Far West have been conducted. Orientation program on MCPM indicators conducted for newly declared municipalities. MoFALD has taken measures to improve budget release on time. 42% VDCs, 69% MuNs and 85% DDCs received budget on time in the first trimester. 20% VDCs, 51% MuNs and 69% DDCs submitted their report on time.

Capacity development is a cross-cutting area of LGCDP II which is focusing on the capacity development of community organisations, LBs, service providers and MoFALD. A total of 195 LDOs and EOs were trained on their role and responsibilities afterwards, they have built confidence to drive the LBs efficiently. At the same time, MoFALD has developed a handbook for LDOs and VDCs secretaries to support complying with different Acts, Regulations and other compliances; and completed an E-survey for capacity needs assessment of MoFALD officials. Additionally, 5949 human resources of local bodies were trained on different themes namely periodic plan, results based planning, cross-cutting issues: CFLG, GESI, EFLG and DRR, DPMAS, web-based reporting and MIS, cost effective housing, and monitoring & evaluation, MCPM; 2236 persons were trained in ICT related activities; and 11120 stakeholders (LAS, NGOs, political parties) were trained on the periodic plan; LBRMMG, participatory planning; and CFLG, EFLG, GESI, DRR issues. Furthermore, 42 EOs were trained on their roles and responsibilities. A total of 22 DDCs, 18 MuNs, and 138 VDCs have made performance contracts with their own staff which are supporting to make staff responsible and accountable for their roles.

At the local level, 106 District/Urban Governance Experts at DDC and municipalities are providing technical support to LDOs/EOs and LB staff. The Programme Recruitment Facility - task force decided to continue the thematic positions up to the programme period (July 2017). Additionally, two positions such as Federal Governance Specialist to support federal section; and Local Revenue and Taxation Specialist (short term) to support Internal Revenue Section has been created. At the RCU level, PRF task force decided to continue RCU expert positions up to the programme period (July 2017). Furthermore, PRF task force has decided to recruit Accountability cum Public Financial Management Expert (6 posts) positions while LEDE and SME post decided to merge as Social Mobilization and Livelihood Expert (SMLE).

In the context of DGEs/UGEs' position, PRF task force decided to replace the DGEs and UGEs by Programme Officers (the focal person for LGCDP) by March 2016. To support the recruitment process, the Recruitment Guideline – 2072 B.S. has been developed

In the case of information, communication and technology, 7 MuNs and 15 DDCs have installed digital notice board while 18 municipalities and 28 DDCs have started group mobile messaging to establish contact with own staff and VDC secretaries.

Quality infrastructure development with disaster resilient, improved and efficient social security payments, vital registrations, community mediation are main focuses of the programme in service delivery. A total of 23 quality labs is in operational. Similarly, 67 MuNs have prepared MTMP

The Programme has been supporting to improve local level planning and monitoring by developing the result- based system and considering cross-cutting areas. In overall, 43 DDCs have prepared District Periodic Plan. The DPP guideline has been revised for making more realistic and result oriented. Accordingly, annual district plan's guideline formulation process is in the final stage. In addition, formats have been developed to establish linkage between DPP and Annual District Development plan. To improve the quality of local level planning, 3 days training of 'result based planning' was organized for all LDOs, Planning Officers, Program Officers and some of the DTOs.

During this reporting period Ministry developed final GRB localization strategy, 2072 and orientation provided to 144 Local Bodies personnel on it. Local Bodies personnel are sensitized on Gender responsive and social inclusive budgeting and auditing process adoption in districts is initiated. At present, Gender Audit of 50 DDCs and 48 Municipalities 13 VDCs and completed institutional assessment of Local Bodies from GESI perspective and LBs have begun to prepare GESI plan. During the reporting period, 48 MuNs and 50 DDCs have prepared GESI plan of respective districts.

In relation to the CFLG, Child-Friendly Governance has been an emerging theme in the local governance system. Up to the reporting period, 298 VDCs 77 MuNs and **75** DDCs have adopted CFLG. During reporting period, CFLG declared at Biratnagar Sub Metropolitan and other Local bodies are in process of declaration.

In relation to environment-friendly governance, 112 VDCs, 67 MuNs and 21 DDCs have adopted EFLG within their respective jurisdiction. At the local level, Environmental Management Plans of 5 MuN level projects and 36 DDC level projects have been prepared. MuN boundaries have been updated in GIS system as changed boundaries after the announcement of new municipalities. Population and household data of Central Bureau of Statistics have been linked with local level GIS system. A total of 112 VDCs, 48 MuNs and 19 DDCs have prepared resource map with GIS system.

The construction of temporary VDC buildings in earthquake highly affected 12 districts is going on except in Makwanpur and Lalitpur districts. In Makwanpur, contract for construction of temporary VDC

buildings could not take place due to complain in the tender process and in Lalitpur there is a problem in land acquisition. A contract has been awarded to construct 135 temporary VDC buildings out of 178 temporary VDC buildings to be constructed. As of April 2016, construction of 10 temporary VDCs buildings (5 each in Gorkha and Dolakha) completed.

The Ministry of Federal Affairs and Local Development has issued circular to all District Development Committees and Municipalities to initiate a process to recruit 342 Programme Officers and Engineers under LGCDP II which was stopped for some time. Accordingly, all DDCs and Municipalities have initiated recruitment process and 2 Municipalities and 3 DDCs have recruited Programme Officers. A written test has been completed in 6 DDCs and 23 Municipalities while some DDCs and Municipalities have fixed date for written test for the post of Programme Officers and Engineers. It is planned to put in place Programme Officers by 15 April 2016, now it is unlikely to meet the target.

As per the decision of the Sub-NAC meeting held on 17 March 2016, the Programme Coordination Unit/LGCDP II has revised the Annual Strategic Implementation Plan 2015/16 to downsize the budget under JFA and SPMP by deleting those sub-activities which can be postponed for the next year and will not affect in achieving the expected results. Accordingly, ASIP 2015/16 budget under JFA and SPMP is reduced to US\$ 37.3 million from US\$ 47.3 million which is carried out in consultation with all the Output Managers and Section Chiefs of MoFALD. The budget under JFA and SPMP in ASIP 2015/16 is revised due to delay in receiving the fund from ADB under SPMP as second tranche conditions are still to comply.

The Programme Coordination Unit/LGCDP II has proposed a budget of US\$ 35 million for 2016/17 under JFA and SPMP on the basis of Strategic Implementation Plan (SIP) and implementation status of LGCDP II. Out of US\$ 35 million, it is assumed that US\$ 13.1 million will be received from ADB, US\$ 4 million from Denmark, US\$ 2.2 million from Norway and US\$ 3.7 million from the unspent fund allocated for 2015/16, and there will be a budget deficit of about US\$ 12 million. Preparation of ASIP 2016/17 through discussion in Output Groups meeting is in progress.

2. ABBREVIATIONS

ADB	- Asian Development Bank
ADDCN	- Association of District Development Committee Nepal
AORTS	- Audit Observation Tracking System
ASIP	- Annual Strategic Plan
BB	- Branchless Banking
CAC	- Citizen Awareness Centre
CBO	- Community Based Organisation
CD	- Capacity Development
CFLG	- Child-Friendly Local Governance
CIAAN	- Commission for Investigation of Abuse of Authority
CM	- Community Mediation
CSO	- Civil Society organisation
D/MTMP	- District/Municipal Transport Master Plan
DAG	- Disadvantaged Group
DDC	- District Development Committee
DFID	- Department for International Development
DGE	- District Governance Expert
DoLIDAR	- Department of Local Infrastructure and Agriculture Road
DP	- Donor Partners
DPMAS	- District Planning Monitoring and Analysis System
DRR	- Disaster Risk Reduction
DSMCC	- District Social Mobilization Coordination Committee
EFLG	- Environment-Friendly Local Governance
EMS	- Environment Management Section
EO	- Executive Officer
ERS	- Emergency Relief Support
FAS	- Financial Administration Section
FCGO	- Financial Comptroller General Office
FRRAP	- Fiduciary Risk Reduction Action Plan
FRRAP	- Financial Risk Reduction Action Plan
GESI	- Gender Equality and Social Inclusion
GGPS	- Good Governance Promotion Section
GIDC	- Government Integrated Data Centre
GoN	- Government of Nepal
HRS	- Human Resource Section
ICT	- Information and Communication Technology
IDD	- Infrastructure Development Division
IEC	- Information and Electronic Communication
IEE	- Initial Environment Examination
INGO	- International Non-Government Organisation
IPFC	- Integrated Plan Formulation Committee
JFA	- Joint Financial Arrangement
JFTA	- Joint Fund for Technical Assistance
JICA	- Japan International Cooperation Agency

LA	- Line Agency
LB	- Local Body
LBFC	- Local Body Financial Commission
LBFC	- Local Body Financial Commission
LBRMMG	- Local Body Resource Mobilisation and Management Guidelines
LDO	- Local Development Officer
LDTA	- Local Development Training Academy
LEDP	- Local Economic Development Programme
LGAF	- Local Governance Accountability Facility
LGCDP	- Local Governance and Community Development Programme
LGI	- Local Governance Institution
LIP	- Livelihood Improvement Programme
LRS	- Local Revenue Section
LSGA	- Local Self-governance Act
LSGR	- Local Self-governance Regulation
LSP	- Local Service Provider
M&E	- Monitoring and Evaluation
MARS	- Municipal Administration and Revenue System
MCPM	- Minimum Conditions and Performance Measurement
MIS	- Management Information System
MMS	- Municipality Management Section
MoFALD	- Ministry of Federal Affairs and Local Development
MoGA	- Ministry of General Administration
MSMCC	- Municipality Social Mobilization Coordination Committee
MTBF	- Medium Term Budget Framework
M-ToT	- Master Training of Trainers
MuAN	- Municipality Association of Nepal
MuN	- Municipality
NAC	- National Advisory Committee
NAVIN	- National Association of Village Development Committee Nepal
NGO	- Non-Governmental Organisation
NPC	- National Planning Commission
NPR	- Nepalese Rupee
NSP	- National Service Provider
NVC	- National Vigilance Centre
OAG	- Office of Auditor General
ODF	- Open Defecation Free
OPMCM	- Office of the Prime Minister and Council of Ministers
PBMC	- Performance-based Management Contract
PCU	- Programme Coordination Unit
PEI	- Poverty and Environment Initiative
PFM ¹	- Public Financial Management
PFM	- Public Funding Matrix
PPMO	Public Procurement Monitoring Office
PPMO	- Public Procurement Monitoring Office
PPA	- Public Procurement Act
PPR	- Public Procurement Regulation

PRSP	- Poverty Reduction Strategic Plan
PSA	- Public Service Announcement
RAIP	- Revenue Improvement Action Plan
RBM	- Result-based Monitoring
RCU	- Regional Coordination Unit
REFLECT	- Regenerated Freirean Literacy through Empowering Community Techniques
RTI	- Right to Information
SALGP	- Strengthening Accountability Local Governance Programme
SIP	- Small Infrastructure Project (SIP)
SLA	- Sectoral Line Agency
SM	- Social Mobilization
SMG	- Social Mobilization Guidelines
SPMP	- Strengthening Public Management Programme
Sub-NAC	- Sub-National Advisory Committee
TA	- Technical Assistance
TASC	- Technical Assistance Sub-Committee
UCPA	- Underlying Causes of Poverty
UGE	- Urban Governance Expert
UNCDF	- United Nations Capital Development Fund
UNDP	- United Nations Development Programme
UNFPA	- United Nation Population Fund
UNJP	- United Nations Joint Partner
USAID	- United States Agency for International Development
USD	- US Dollar
VDC	- Village Development Committee
VERSS	- Vital Event Registration and Social Security
VSMCMC	- Village Social Mobilization Monitoring Committee
WBRS	- Web-based Reporting System
WCF	- Ward Citizen Forum

3. PROGRAMME INTRODUCTION

3.1 BACKGROUND

LGCDP II is a programme framework for local governance and community development. The Programme has brought all actors, institutions and donors within a framework of network, collaboration, coordination mechanisms. The Programme envisaged to improve systems, procedures, structures, tools and capacities to improve local governance for effective service delivery and citizen empowerment.

3.2 GOAL, PURPOSE, OUTCOMES AND OUTPUTS

3.2.1 Goal

The overall goal of the LGCDP II is to contribute towards poverty reduction through better local governance and community development. In order to achieve the goal, the Programme has identified local governance as an essential element which is directly linked with people in their day-to-day life. Accountable governance, quality infrastructure and efficient service delivery, public financial management, economic development and community development are identified major approaches of the Programme.

3.2.2 Purpose

The purpose of the programme is to improve local governance for effective service delivery and citizen empowerment. The programme has adopted a framework to strengthen decentralization, devolution and accountable local governance system which makes basic service delivery effective and efficient and empowers citizens mainly women, children and disadvantaged groups.

3.2.3 Outcomes and Outputs

LGCDP II comprises four outcome areas that include citizen's empowerment (demand side improvements), capacity development (supply side improvements, enhanced service delivery, integrated planning process, and citizen-centric policy development. In total, there are nine outputs within the four outcome areas.

Outcome 1: Citizens and Communities hold their local governance actors accountable

In this outcome, LGCDP has aimed to achieve results on empowerment of women, children, disadvantaged groups and their institutions through the means of social mobilisation. Citizens are actively engaged in the planning process, monitoring and oversight activities which aim local governance actors to be accountable towards disadvantaged groups including women and children. This outcome contains two following outputs

1. Citizens and community organisations are empowered to actively participate and assert their rights in local governance
2. Accountability mechanisms for local governance are in place

Outcome 2: Local Bodies are more responsible for citizen's demand

On this outcome, LBs become more resourceful to provide local services to the citizens. LBs increase own resources. LBs are also transferred funds through formula-based inequitable manner basis on their performance measured by MCPM. Those institutions also receive capacity support that identified capacity gaps and under- performances by MCPM. Supply-driven capacity development initiatives are emphasised aiming of improved local Public Financial Management (PFM) and reduced fiduciary risks. There are three outputs to support the outcome.

1. LB's access to resources increased
2. Public financial management system improved
3. Institutional and human resource capacities of LBs and central level agencies involved in local governance strengthened

Outcome 3: All citizens are provided with efficient and effective local services

This outcome mainly covers the improvement of services delivery of LBs for core services and improvement of development activities operating at the local level. The local services including social and infrastructure development are expected to deliver effectively and efficiently in harmonious and integrated manner as per citizens' needs and preferences. There are two outputs contributing to this outcome as follows.

1. Access to and quality of local infrastructure and other socio-economic services administered by LBs are improved
2. Strengthening integrated planning, budgeting, monitoring and evaluation and coordination amongst local governance actors

Outcome 4: Strengthened policy and institutional framework for devolution, sub-national governance and local service delivery

Policy and institutional frameworks for devolution, sub-national governance and local service delivery are expected to be updated and improved in the context of state restructuring on this outcome. The policy outcome mainly focuses on the political rights, administrative arrangement and devolution of responsibilities for improved local services including sectoral services. The institutional arrangements as per the constitutional provisions are other institutional framework areas that mainly local and sub-national (provincial) arrangements to be covered in this outcomes. This outcome is attributed to following two outputs.

1. Refined policy on local governance and improved inter-agency cooperation
2. Policies developed for devolution and federalism

3.2.4 Cross-cutting Areas

LGCDP is being operated with thematic and cross-cutting areas of the development in relation to local governance and community development. Capacity Development (CD) has been recognised as a major cross-cutting area of the Programme as many activities of it is related with capacity development. Social mobilization, strengthening accountability, improvement in local service delivery all are associated with a capacity enhancement for good local governance through community empowerment, human resource development and strengthening institutional capacities. Similarly, LGCDP has adopted Gender Equality and Social Inclusion (GESI), Child-Friendly Local Governance (CFLG), Environment-Friendly Local Governance (environment safeguards, climate change adaptation mitigation and disaster risk management) and Results-based Management as an area of cross-cutting in the programme. These cross-cutting themes are to be integrated into all aspect of the programme implementation.

3.3 METHODOLOGY

This report is based on both quantitative and qualitative information. However, the basic information source was remained RBM, which was prepared, compiled and updated by Regional Coordination Units (RCUs) of LGCDP and thematic sections of MoFALD. The quantitative data were compiled using MS-Excel sheets and qualitative information was analysed using narrative analysis to categorise the information. These qualitative and quantitative data have been presented in line with ASIP activity and output themes in this report. There are 8 sections in the report including programme introduction.

4. CITIZEN'S EMPOWERMENT

4.1 Social Mobilization

LGCDP II has given its emphasis in promoting community institutions: Citizen Awareness Centres (CAC) at settlement level and Ward Citizen Forums (WCF) at Ward level and mobilised them in local development and oversight activities. CACs are being formed organising most deprived people, at least, one to two CAC in most deprived settlement of all VDCs which are identified through Underlying Cause of Poverty Assessment. WCFs are being formed in all Wards of Village Development Committees (VDC) and Municipalities (MuN) to engage citizens from all strata including women, children and disadvantaged groups in the local governance process and service delivery decision-making process. The WCFs are bridging between LBs, service providers and citizens in the absence of local elected representatives for local planning, decision-making and conducting local development activities. 4620 Social Mobilizers have been facilitating in community development activities of WCFs and CACs.

4.1.1 Ward Citizen Forum

As of April 2016, 31414 WCFs have been formed in all VDCs and Municipalities across the country with 759568 citizens (56.5% male and 44% female) who are actively engaged in local level development planning and local governance activities. In line with social mobilization guidelines, ¼ members of 25052 WCFs have been replaced. Of the total number of WCFs, 23053 WCFs are conducting regular meetings and discussing their day- to-day local issues and way to overcome those issues.

A total of 67825 WCFs members has been engaged in ward level planning workshops of 2015/16. Based on recent RBM report 2016, out of total approved project 1722278 by VDC and Municipality Council 162228 (94 %) were forwarded by WCFs thru ward level planning workshop. Out of total approved cost Rs.21823478, Rs. 19553578 (89.6%) have been allocated to WCF's demanded project This drastic result have been made due to good planning & prioritizing practices at local level. The number of project approved for women, child and disadvantaged communities are 91675, which is above than 50 % of total approved project.

The next significant achievements of this year is to categorization of Ward Citizen Forum. Out of total 31414 WCFs,23400 (75 %) are find under A and B category. With the replacement of ¼ members each

year, this activity will be a regular process to ensure the effectiveness of WCFs.

4.1.2 Citizen Awareness Centre

CACs have become a common platform at the community level for marginalised and disadvantaged groups. Marginalised and disadvantaged groups are identified through the Underlying Causes of Poverty Assessment. In overall, 7772 CACs have been established with 209264 citizens from deprived groups of which 84% are women.

A total of 3916 CACs has been graduated. CACs are known to be graduated measuring their functional status, awareness level, empowerment level, transformation level, and linkage and resource mobilization capacity. About 1658 CACs are actively engaging in eliminating, at least, one social evils from the own community and rest others are also engaged in social transformation. The Programme has encouraged graduated CACs to form cooperative accordingly, 312 graduated CACs have been converted into cooperative. To improve the livelihood of CAC members, Programme has provided livelihood improvement grant to 693 CACs during the reporting period.

4.1.3 National Service Providers

As a National Service provider, Local Development Training Academy (LDTA) has been providing training of trainers to the Local Service Providers at the local level. During the reporting period, 20 event basic social mobilization training, 12 events RefLECT training have been organized for new social mobilizers and local service providers. The detail report is yet to come from LDTA.

4.1.4 Institutional Arrangement at District and Local Level

There are District Social Mobilization Coordination Committees (DSMCC) in all district and Municipal Social Mobilization Coordination Committees (MSMCC) in all MuNs. These committees are functional and are providing suggestions in locally emerged issues, monitoring and suggestions to respective LBs.

About, 65 DDCs and 109 municipalities are conducting a bi-monthly meeting to make social mobilisation effective and to ensure citizen participation in the local level planning process, bringing harmonization with other SM agencies and performance evaluation of LSP and social mobilizers. Moreover, 33 LBs are organising coordination meeting with other agencies engaged in social mobilisation. An orientation programme is organized for officials of 24 LBs on roles and responsibilities of District/Municipal Social Mobilisation Committees.

4.1.5 Local Service Providers (LSP)

DDCs/ Municipalities have selected 525 Local Service Providers (LSP) to support in the implementation of social mobilization. LSPs are supporting in educating CAC members on local planning and eliminating social ill- practices as well as to improve health and sanitation.

Currently, 4620 Social Mobilizers are providing support to WCFs and CACs of which 64 percent are women. During the reporting period, 1150 SMs received training on basic social mobilization and RefLECT.

4.1.6 WCFs in Social Activities

The social mobilization Manual 2071 has expected four broad roles of Ward Citizen Forum. First, the ward citizen forum is expected to identify and prioritize the settlement /ward level development needs ensuring active involvement of citizen especially the poor, women, disadvantaged. Second, the ward citizen forum are responsible for undertaking civic oversight function of public goods and services. Third, they are expected to take the lead role in eliminating & fight against ill social practices, all kinds of discrimination, child / early marriage, dowry customs, witchery and so like. And fourth role of WCFs is to support the national government for the effective enactment of a national campaign like declaring ODF, achieving Education for All (EFA), eliminating all kinds of domestic violence, settling petty disputes at ward level and assist to mainstream all cross-cutting issues. Categorization, serving different information to different agencies, acting as Ward Level Entity for service delivery. In those disciplines, Ward Citizen Forums have been well appreciated by all section of society. About 6580 WCFs have been engaged in eliminating, at least, one social evils in their respective wards and 9727 WCFs have been engaging in making public service delivery effective and efficient.

4.1.7 Livelihood Improvement Plan (LIP)

LGCDP has established CAC in most backward settlement of VDCs and Municipality wards to empower poor and socially and economically excluded people. As of the last fiscal year, 4045 CACs have received LIP support for income generation and dignified livelihood activities which have benefitted 28002 members (20706 women). In the reporting period additional 693 CACs have received LIP support

against the target of 854 CACs.

4.1.8 Assessment of Underlying Causes of Poverty

Underline Causes of Poverty Assessment is a participatory tool popularly used to identify the poverty status at the household level. While analysing the UCPA, some indicators like food sufficiency, access to basic goods and services, the level of discrimination, affected by conflict, level of awareness, the capacity to raise genuine voices, membership in a social institution, and accessibility on micro finance and so like local level parameter are used to measure vulnerability. Based on these indicators, targeted communities, settlement and households are identified. The use of this UCPA findings has a big meaning for governance reform programme. The findings of UCPA can be used as baseline data, helps to identify targeted group, develop social reformation strategies, making resource allocation equitable, allocating working areas for different development agencies that intend to work for governance reform and supporting for livelihood programme. The findings of UCPA also gives big meaning to local level decision makers for adopting the positive discriminatory approach and mainstreaming the deprived citizens and communities in the development process. So far, UCPA has been conducted in 19903 wards of 2803 VDCs and 1796 settlement of 1473 wards of 191 Municipalities.

5. DOWNWARD ACCOUNTABILITY

5.1 LGAF and Local Governance Accountability

In order to promote downward accountability at local level, MoFALD has established Local Governance and Accountable Facility (LGAF) under the Good Governance Promotion Section (GGPS). The LGAF has a national level committee under the chair of the Secretary of MoFALD consisting of other representatives from National Planning Commission (NPC), National Vigilance Centre, Joint Secretaries of MoFALD, ~~and~~ National Programme Manager of LGCDP, and representatives of Local Bodies' Associations, representatives of NGOs. The committee meet in each trimester and provide support for policy formulation, updating and developing implementation modalities to promote downward accountability. It also publishes accountability report, trimester bulletin. The LGAF has been conducting citizen centered third party monitoring, independent citizen survey, and capacity building.

The LGAF has mobilized 66 Civil Society Organizations to institutionalize social accountability tools such as public hearing, public audit, social audit and citizen charter. During the reporting period, GGPS has received 472 cases from Commission of Investigation of Abuse of Authority (CIAA) and settled 370 cases out of them. Likewise, 60 cases out of 70 from National Vigilance Center (NVC), 899 out of 905 cases from Hello Sarkar (Office of the Prime Minister and Council of Ministers-OPMCM) and all 27 cases registered in Ministry of Federal Affairs and Local Development (MoFALD) has been settled.

5.1.2 Coordination and Harmonisation

LGAF has organized one-day orientation to all Local Development Officers and Executive Officers to orient them about LGAF, process and procedures of compliance monitoring, the role of CSOs and Local Bodies to comply with act and regulation in relation with LBs. Additionally, LGAF has organized orientation for Planning Monitoring and Administrative Officers, Social Development Officers, District and Urban Governance Experts in which 189 persons took part. Furthermore, to internalize the practice of social accountability tools and enhance the understandings and skill of use of them, LGAF is being carried out one day ToT to Planning, Monitoring and Administrative Officer to orient the District Development Committee Office and District Technical Office staffs on importance of 'Downward Accountability' and procedures of compliance monitoring by CSO, use of Social Accountability tools

and Grievance Redressal mechanism and procedures in Local Bodies. Such ToT has been completed for RCU Pokhara (Gandaki & Dhaulagiri) where 8 out of 10 PMAOs have participated. LGAF is coordinating with central level actors and agencies for promoting accountability which includes National Planning Commission, National Vigilance Centre, Strengthening Accountability of Local Government Programme (SALGP), and Sajhedari Bikaas Programme (PACT-US Aid).

This coordination at central level with various stakeholders is contributing to harmonize among accountability programmes and use of social accountability tools and procedures, remove duplication and make downward accountability effective. LGAF has renewed the contract of 65 CSOs for 12 months and contracted with one CSO for 9 months.

5.1.3 Compliance Monitoring

LGAF with the open bidding process as per the guidelines of Public Procurement Management Office (PPMO) contracted out 66 CSOs for 66 districts. As per the ToR provided to the CSOs, they have been performing compliance monitoring of LBs with policy and legislative requirements in 1590 VDCs, 188 Municipalities in the 66 districts of Nepal. Other 9 districts are being covered by Strengthening Accountability for Local Governance Programme (SALGP). LGAF has provided 4 days capacity development training to the 249 (targeted 254) CSOs' staffs (Programme Coordinator, CSO Focal Person, and Accountability Officer-2) involved in compliance monitoring.

CSOs have provided orientation on compliance monitoring procedures, importance of accountability, grievance redressal in the respective local bodies, completed baseline survey. The immediate results of CSOs' compliance monitoring is placement of 'Citizen Charter' in front of the Office, regularize of Public Hearing and redressal of citizen's grievance, conducting social audit, public hearings and mandatory the provision of PA, SA and PH in Local Bodies.

CSOs with contracting FM (76 FM Radios are in contract with CSOs) Radios, started the civic education on Social Accountability and encourage to make active citizen participation in respective forum.

5.1.4 Downward Accountability Practice in Local Bodies

During the reporting period, 918 VDCs, 148 MuNs and 75 DDCs have conducted public hearings while 24 VDCs, 79 MuNs and 56 DDC have conducted social audit. Projects in execution are in the process

of completion and public audit of such projects are being completed. It is reported that 14% VDC level, 9% Municipality level and 11% DDC level projects have completed the public audit before getting final payment. 300 VDCs, 110 Municipalities and 43 DDCs have been publishing the Income and Expenditure statement in monthly basis. Likewise, final Audit Report of previous fy 2071/72 was publicized by 916 VDCs, 148 municipalities and 50 DDCs.

5.1.5 WCF in Civic Oversight

Civil Society Organisations are facilitating WCF members for their involvement, roles and rights for oversight on local governance activities in coordination. WCFs are engaged in civic oversight activities mainly in public audit, social audit, public hearing and monitoring of local development activities of health posts, primary schools and I/NGOs. During the reporting period, 3625 WCFs have been involved in civic oversight activities.

5.1.6 Grievances Redressal at Local Level

LBs have nominated one staff as the nodal officer for handling people's grievance. Accordingly, 878 VDCs, 142 MuNs and 67 DDCs have appointed nodal officer. During the reporting period, 560 cases in VDCs, 5140 cases in MuNs and 244 cases in DDCs were registered. Out of registered cases, 100% of VDCs, 94% of MuNs and 99% of DDCs have been settled at the local level. LBs have forwarded the cases to higher authority which they could not settle at the local level. Accordingly, VDCs have forwarded 38 cases, Municipalities 226 cases and DDCs have forwarded 30 cases to a higher authority.

6. LOCAL REVENUE AND PERFORMANCE ASSESSMENT

6.1 FINANCIAL CAPACITY OF LBS

6.1.1 Policy Amendment Initiatives

The Local Revenue Section of MoFALD has prepared a draft of the Local Body Revenue Administration Regulation changing land and property tax rate. Moreover, Revenue Sharing and Utilization Guideline is still under consideration. MoFALD is also reviewing local revenue policy through a study which is taking place soon. The ToR has been developed for contracting out.

6.1.2 Revenue Administration of LBs

LGCDP has provided a fund to LBs with guidelines in order to improve revenue section. During the reporting period, 30 VDCs, 53 MuNs and 15 DDCs have prepared Revenue Improvement Action Plan. MoFALD has prepared guidelines to introduce Integrated Property Tax while 72 MuNs have introduced Integrated Property Tax. .

6.2 LOCAL BODY GRANTS AND MCPM

In order to make government transfer effective, Local Body Fiscal Commission (LBFC) has conducted a study to develop a grant equalisation formula. The inception report has been submitted by consultants. Moreover, another team of consultant has been working to review MCPM indicators to make them more practical based on past experiences. The inception report has been submitted by consultants in the reporting trimester.

LBFC conducted MCPM orientation in order to enhance the capacity of LBs mainly for newly announced municipalities and MCPM failed LGIs. MCPM focal persons of LBs and Executive Officers of municipalities have been oriented on MCPM indicators. A draft report on the revision of MCPM system of VDCs, Municipalities, and DDCs in line with MCPM impact assessment study recommendations prepared. MCPM is applied only in 20 % of the grant of the Government of Nepal.

Moreover, a study report on National Fiscal Commission has been submitted to LBFC by a team of consultants.

7. PUBLIC FINANCIAL MANAGEMENT

7.1 PUBLIC FINANCIAL MANAGEMENT OF LGIS

Well planned budgeting, appropriate accounting system, well-planned procurement plan and implementation, financial transparency, reliable auditing and timely reporting are important activities of financial management in the local governance system.

7.1.1 Central Initiatives for Improvement in Budgeting and Allocation

Financial Administration Section (FAS) of MoFALD has taken measures to improve budget release on time. As a result, 42% VDCs, 69% MuNs and 85% DDCs received budget on time in the first trimester.

7.1.2 Project Finance Monitoring Report (FMR) (FY 2013/14)

Following tables show that the progress of LGCDP II in first trimester period. According to financial monitoring report, DDC grant spending is highest while expenditure of Local Development Fee Fund shows lowest. LGCDP has made 8.9% progress. In overall, LGCDP has made 14.9% progress. The following table shows the breakdown progress at all operational levels in which local level spending is higher than central level spending.

Expenditure by Budget Head

Budget Head	Actual Budget	Actual Expenses	% of Budget Spent	Remarks
365801 DDC Grant	3,674,606,000	976,721,584	26.6%	
365802 VDC Grant	8,051,853,321	1,046,062,524	13.0%	
365803 Municipality Grant	6,295,798,000	1,325,914,427	21.1%	
365817 Local Development Fee Fund	3,433,726,000	128,824,339	3.8%	
365819 LGCDP	4,841,975,000	433,323,313	8.9%	
Total	26,297,958,321	3,910,846,187	14.9%	

Expenditure Analysis for 365819 (LGCDP)-

Budget Head	Annual Budget	Actual Expenses (T1)	% of Budget Spent	Remarks
Municipality	954,197,000	112,570,342	11.8%	
DDC	1,728,872,000	312,139,688	18.1%	
MOFALD Central	1,250,934,000	8,613,283	0.7%	
Direct Payment by donors - UNFPA, UNICEF, SDC and UK	907,972,000	detail not available	Na	
Total	5,749,947,000	433,323,313	8.9%	

The above table shows that total allocation is NPR 26.29 billion while the total spending of the first trimester was NPR 3.9 billion. In overall, the Programme has achieved 14.9% progress.

7.1.3 Internal and External Audit System

FAS/MoFALD has conducted training for Internal Auditors in which 16 MuNs and 23 DDC auditors have received training on improved auditing system. Up to the reporting period, 46 MuNs and 68 DDCs have established internal audit section. Training provided to officials of 15 DDCs on Audit Observations and Tracking System (AORTS). DDC Gulmi has started AORTS.

7.1.4 Accounting System and Financial Reporting of LBs

FAS has organised VDC accounting software training for VDCs of 24 districts which trained 774 VDC personnel. VDC accounting software installed in all the VDCs of 11 districts, installed in more than 50% VDCs in 15 districts, installed in less than 50% VDCs in 19 districts and not installed in any VDC in 27 districts. VDC accounting software operational in 200 VDCs. Compliance Monitoring for Financial Accountability FAS/MoFALD has established Financial Compliance Monitoring Unit (FCMU). The FCMU has conducted financial monitoring in 5 DDCs: Parbat, Sankhuwasabha, Jumla, Khotang, Argakhanki; and 9 MuNs: Khandbari, Byas, Sukla Gandaki, Kusma, Chandannath, Chainpur, Pokhara, Damauli and Diktel. FRRAP Implementation Initiatives at Local Level. As of the second trimester of 2015/2016, MoFALD has cleared 20.4 % of arrear out of Rs. 9.84 billion.

7.1.5 Public Procurement and e-bidding at Local Level

LBs have begun to prepare respective Procurement Plan accordingly, 93 MuNs and 39 DDCs have prepared procurement plan. Similarly, LBs' staff have been trained on the e-bidding system in order to support fair and competitive procurement. A total of 51 municipalities and 62 DDCs have initiated e-bidding procurement system.

8. INSTITUTIONAL AND HUMAN RESOURCE CAPACITY

8.1 Reduction in the Absence of VDC Secretaries

A total of 2291 VDC secretaries has been stationed in the VDC while 439 VDC secretaries have been taking responsibility of more than one VDCs. Among these stationed VDC secretaries, 1056 (33.45%) of them stayed in the office for more than 6 months.

MoFALD had introduced Performance-based Management Contract (PBMC). LBs have been rolling out the performance Contract with VDC secretaries and ward secretaries. Accordingly, 22 DDCs, 18 MuNs, and 138 VDCs have made performance contracts with their own staff.

8.2 Capacity Development Training for LBs and other Stakeholders

During the reporting period, LBs' staff were provided training on various themes that include periodic and master plan, result-based planning, CFLG, EFLG, GESI, Disaster Risk Reduction (DRR) and monitoring and evaluation at the local level. As for the LBs, 237 LDOs and EOs were trained on their roles and responsibilities.

Additionally, 5949 human resources of LBs were trained on different themes namely periodic plan, results based planning, cross-cutting issues: CFLG, GESI, EFLG and DRR, DPMAS, web-based reporting and MIS, cost effective housing, monitoring & evaluation and MCPM.

In addition, 11120 stakeholders (LAs, NGOs, political parties) were trained on the periodic plan; LBRMMG, participatory planning; and CFLG, EFLG, GESI, DRR issues. Furthermore, 195 EOs were trained on their roles and responsibilities.

8.3 Capacity Development initiatives

During the reporting period, 136 VDCs, 58 Municipalities, and 53 DDCs have assessed their capacity development needs, maintained a roster of service providers and updated CD plan as per national CD strategy.

8.4 Technical Support to LGIs

During the reporting period, 106 District/Urban Governance Experts at DDC and municipalities have been providing technical support to LDO/EOs and LB staff. These experts have been providing support to organise timely various mandatory and essential meetings which include planning, review, D/MSMC, CFLGCC, EFLGCC, LSP, social mobilisation.

During the reporting period, 103 ICT volunteers are positioned in different DDCs (75) and Municipalities (58 old). Amongst them. All ICT volunteers were trained on 'IT infrastructure Management Training' and supporting to LGIs in setting up IT infrastructure including the installation of servers provided by MoFALD. GIS training was also conducted to train newly recruited 103 ICT volunteers.

8.5 Programme Recruitment Facility (PRF)

The PRF – task team has decided to continue the thematic positions up to the programme period (July 2017) in PCU. Additionally, two positions such as Federal Governance Specialist to support federal section; and Local Revenue and Taxation Specialist (short term) to support Internal Revenue Section has been created. At the RCU level, PRF task force has decided to continue RCU expert positions up to the programme period (July 2017). Furthermore, the decision was made to recruit the Accountability cum Public Financial Management Expert (6 posts) positions while some positions such as LEDE and SME as Social Mobilization and Livelihood Expert (SMLE) were merged.

In the context of DGEs/UGEs' position, PRF has decided to replace the DGEs and UGEs by Programme Officers (the focal person for LGCDP) by March 2016. Till to date, the 7 candidates were in onboard in DDCs and Municipalities while 26 LBS were completed written test for POs, and date was fixed for written test in 8 LBs. In 253 LBs, the recruitment process is in under process.

Positions	Candidate on board		Written test completed		Date fixed for written test		On process	
	DDCs	Muns	DDCs	Munics	DDCs	Munics	DDCs	Munics
Prpgramme Officers (LGCDP-Focal Person)	3	2	6	20	5	3	61	192
Engineer		2						
Social Development Officer								
Total	3	4	6	20	5	3	61	192

Similarly, the following timeline has also redesigned for those LBs where the recruitment process was disturbed.

S.No	Activities	Timeline	Responsibility
1	Re Vacancy Announcement	22 April 2016	LGCDP/MoFALD
2	Written Exam Test	20 th May, 2016	DDCs/Municipalities
3	Interview Exam Test	25 th May, 2016	DDCs/Municipalities
4	Final Result of the Recruitment	30 th May, 2016	DDCs/Municipalities
5.	Candidate on board	10 nd June, 2016	DDCs/Municipalities

8.6 ICT support to MoFALD

Two ICT UN volunteers are providing ICT related support to MoFALD and Programme Coordination Unit of LGCDP. They have been assisting in updating websites, mobile application, improvement in ICT infrastructures and systems of MoFALD, web-based application for Monthly Activity Report (MAR) from RCU and PCU thematic specialists. MoFALD staff and specialists have received IT backstop support from ICT volunteers. They have also provided support to establish communication between staff of the ministry, programme and other stakeholders. From the support of ICT volunteer, 217 MuNs, 75 DDCs and central level institutions of MoFALD have been connected on the internet. Moreover, ICT volunteers have been providing training for LGI staff and ICT staff at local and backstop support.

During the reporting period, 680 people have received training in ICT, where 181 are MUN staffs (133 male, 48 Female), 168 are DDC staffs (127 male, 41 female). 358 are Social Mobilizers, CAC/ WCF members (123 Male, 235 Female), 39 are from agencies at the community level (school, clubs/ journalists/NGOs etc) (30 Male and 9 Female) have received ICT-based system training at the local level.

8.7 ICT support at local level

On the support of LGCDP, LGIs have been equipped with ICT infrastructures. During the reporting period, 90 back-up servers and 134 print servers in different municipalities and 22 backup servers and 26 print servers in different DDCs, are set up during the reporting trimester. Moreover, 4 VDCs, 70 MuNs and 47 DDCs have their solar backup installed. On the reporting period, 18 MuNs and 15 DDCs have installed digital notice board for public notice. 19 municipalities and 28 DDCs have begun using group mobile messaging to establish contact with own staff and VDC secretaries.

9. QUALITY INFRASTRUCTURE AND SOCIAL SERVICES

9.1 SUPPORT FOR QUALITY INFRASTRUCTURE

LGCDP is providing supports to improve quality infrastructures with durability and sustainability. This sub-section presents establishment and operational quality labs, capacity development and technical backstopping, capacity development on building code and arrangement of the total station as follows.

9.1.1 Establishment and Operational Quality Labs

In order to ensure the quality of local infrastructure, 6 new quality labs have been established with lab equipment, lab building and technicians on the support of LGCDP. In overall, 23 quality labs are in operational during the reporting period. 27 cases were tested while 22 cases have been passed on the test and 5 failed.

9.1.2 Urban development initiatives

As of the reporting period, 67 MuNs and 46 DDCs have prepared their respective DTMP/MTMP. Three municipalities have established rural-urban information centre for economic development.

9.1.3 Building Code and Disaster Risk Reduction

The aftermath of the devastated earthquake of 2015 has woken development policy makers and planners to comply building code and prepare a plan for disaster risk reduction. During the reporting period, 3 municipalities have completed open space mapping and 26 municipalities have strictly implemented building code on the construction. A total of 25 municipalities has purchased safety equipment and small tools for emergency events. MoFALD with support from GIZ/CD-Mun program has provided training for building bylaws and building code in which 56 municipal engineers and sub-engineers have been trained. Similarly, TOT Training conducted for 20 Municipal engineers and designers of six regions on integrated training manual of planning/building bylaws and building code with support from GIZ/CD-Mun program

9.1.4 Vital Event registration and Social Security

Vital event registration and social security payment have been a major service delivery at local level. MoFALD has accelerated developing system for vital event registration and social security payment effective and efficient manner on the support of LGCDP. MIS database system has been developed and connected to the central server. Up to the reporting period, 55 VDCs, 16 MuNs and 17 DDCs have been connected online MIS system and the central server.

9.1.5 Community Mediations

LGCDP II is promoting Community Mediation (CM) centres to build cohesion and social tie among the families, community groups and local society settling very local disputes in non-served VDCs. Necessary steps are under way to establish 137 community mediation centre.

10. INTEGRATED PLANNING AND MONITORING

10.1 PLANNING, MONITORING AND COORDINATION

The Programme is supporting to improve local level planning and monitoring by developing the result-based system and considering cross-cutting areas. These are presented in this sub-section based on activities and achievement of the reporting period as follows.

10.1.1 Review and update periodic plan of LBs

The Periodic plan is an overall development framework of the district and strategic guideline for the annual planning process and the mobilization of available resources considering all sectors. Planning Section of MoFALD has provided necessary financial support to 38 DDCs. Aligned programmes have also provided financial support to prepare a periodic plan of districts where UNICEF, UNFPA and SDC, supported in 15, 11 and 5 DDCs respectively. A total of 43 DDCs has prepared respective District Periodic Plan. The DPP guideline has been revised for making more realistic and result oriented and the revised “District Periodic Plan Guideline,

2072” has been approved by the ministry. Accordingly, annual district plan’s guideline formulation process is also in the final stage. In addition, formats have been developed to establish linkage between District Periodic Plan and Annual District Development plan. To improve the quality of local level planning, 3 days training in

‘result based planning’ was completed in five development regions in which 223 participants including LDOs, Planning Officers, Program Officers and some of the DTOs participated in the training programme. Moreover, MoFALD has been preparing MIS-based annual planning system which will help make local development more results-based and integrated monitoring and reporting system

In order to improve monitoring and evaluation system at the local level, LBs have prepared Annual Monitoring and Evaluation Plan. Moreover, local Supervision and Monitoring Committees are functional in 729 VDCs, 124 MuNs and 52 DDCs.

Monitoring and Evaluation (M&E) Section of MoFALD reviewed annual monitoring indicators and reporting structure. The M&E Section/MoFALD has also formed monitoring teams on the lead of Joint Secretaries of the Ministry consisting of undersecretaries and section officers.

M&E Section/MoFALD has operated Web-based Reporting System (WBRS) to receive a report of all development activities on time. M&E section has also supported to implement District Planning Monitoring and Analysis System (DPMAS) in 5 districts Sindhupalchok, Dolakha, Ramechhap, Sindhuli and Kavrepalanchok.

10.1.2 Gender Equality and Social Inclusion

Gender Equality and Social Inclusion (GESI) has emerged as a cross-cutting theme in current local development in order to overcome socio-economic disparities and poverty. During this reporting period, Ministry developed Gender Responsive and Social Inclusive Budgeting and auditing training manual, 2073. Developed 3 days training curriculum of GRB, GESI Audit practices of Local Bodies. Reviewed and updated District Women development Coordination Committee, Guideline, 2071 and developed updated guideline and disseminated at local level. Organized Central level Coordination meeting on GESI to build mutual coordination, collaboration and harmonization between Sectoral Ministries and development partners. Organized MTOT on GESI for MoFALD and Local Bodies personnel, trained 25 resource persons on GESI and GRB. Prepared final GRB localization strategy, 2072 and orientation provided to 144 Local Bodies personnel on it. Local Bodies personnel are sensitized on Gender responsive and social inclusive budgeting and auditing process adoption in districts is initiated. At present, Gender Audit of 50 DDCs and 48 Municipalities 13 VDCs and completed institutional assessment of Local Bodies from GESI perspective and LBs have begun to prepare GESI plan. During the reporting period, 48 MuNs and 50 DDCs have prepared GESI plan of respective districts. LBs have also begun to prepare gender responsive budgeting in the annual plan. Accordingly, 169 VDCs, 20 MuNs and 24 DDCs have prepared gender responsive budgeting.

10.1.3 Adoption of Child-Friendly Governance at Local Level

Child-Friendly Governance has been an emerging theme in the local governance system. Up to the reporting period, 298 VDCs 77 MuNs and 41 DDCs have adopted CFLG. A total of 12 VDCs 20 MuNs and 13 DDCs have prepared CFLG action plan. CFLG national steering committee meeting held at the centre and key decisions made (i. to develop CFLG strategic roll out plan ii. line ministries send letters to departments and line agencies to support for CFLG declaration iii. MOE and MOH to send a letter for children participation in SMC and HMC.

Joint monitoring visit by Ministry of Education, Ministry of Health, Ministry of Women Children Social Welfare, MOFALD and UNICEF carried out in Biratnagar Sub-metropolitan city to verify declaration progress. Joint monitoring visits by MOFALD and other development partners in Siddehsor VDC in

Baitadi and Laxminagar VDC in Doti also took place to observe progress on the declaration and to provide technical support. Preparation of draft CFLG declaration facilitation handbook and endorsed by MOFALD technical team CFLG declaration sharing workshop organized in Nepalgunj for all the 24 districts of mid and far western region. POs, VDC sec., SM capacitated on CFLG declaration guideline and process. All LDOs, DTOs and EOs oriented on CFLG from mid and far western districts. 3 Days CFLG training organized at Dhulikhel for focal person of Sectoral Ministries and 35 participants sensitized on Child Rights. During reporting period, CFLG declared at Biratnagar Sub Metropolitan and other Local bodies are in process of declaration.

10.1.4 Environment-Friendly Local Governance

LGCDP has been promoting Environment-Friendly Local Governance (EFLG) as a cross-cutting area of local governance and local development. Environment Management Section (EMS) of MoFALD made efforts on various environment and climate change related activities.

Environment Management Section has carried out three major programs such as Environment-Friendly Local Governance Program, Local Climate Change Living Facility, and Poverty Environment Initiative Program. The following sections highlight on the key achievements made against the plan under the different programs.

Major Activities carried out under EFLGP includes, i) Preparation of EFLG materials for Social Mobilization Handbook and detailed out LGCDP – II ASIP 2072/73; ii) Reviewed and extend technical back for a total of 40 IEE reports of various development sub-projects; iii) Orientation training conducted to DGE/UGE in Biratnagar; iv) Facilitated Output Group 7 meeting and EFLG progress reports were shared with Output Group members and ASIP indicators for EFLG were revised; v) Database of all approved activities of all EFLG Program districts, municipalities and villages for 2072/73 maintained.

Likewise, the other activities include; i) Massive cleaning campaign organized from 2072/09/09-2072/09/16 in East-West Highway, ii) published EFLGP notebook and prepared Brief Environment Friendly Local Governance Programme Implementation Guideline, iii) Carried out monitoring of field activities in Lamjung, Gorkha Kaski and Nawalparasi districts, and iv) Out of total 1,243 activities of approved Project Funding Matrix (PFM) of FY 2072/73, User's Committee Formation of 402 activities that constitute 32.3% of the total were completed. Similarly, agreement was signed for 139 activities that constitute 11.2% of the total and estimate/ design were completed for 331 activities of the PFM that makes 26.6 % of the total.

Similarly, Environment Management Section accomplished various activities under Local Climate Change Adaptive Living Facility (LoCAL). The notable activities includes; i) Extended technical back up in mainstreaming environment, climate change and disaster risks issues into periodical plans of DDC Dhading and Rupandehi; and ii) UNCDF has agreed to continue the LoCAL Facility support to the selected local bodies to adapt to climate change, including increasing resilience to its negative impact and seeking benefits from any potential positive impact; this shall be delivered through a performance-based climate resilience grant (PBCRG) for selected District Development Committees (DDC) and Village Development Committees (VDCs). The LoCAL Facility will, from 2016/2017 onwards, support the further development and implementation of MoFALD's 'EFLG system' in other districts. The present two LoCAL pilot districts will therefore from 2016/2017 onwards be included as EFLG districts. To this end MoU between UNCDF and MoFALD has been signed, and iii) EFLGP annual review workshops organised in Kathmandu.

Under Poverty Environment Initiatives (PEI Program), two major activities were carried out. First, revised PEI as well as LoCAL activities and included in LGCDP ASIP 2015/16. Second, Pro-poor Environmentally Sustainable Green Recovery and Rehabilitation Plans for Myagdi and Kabhrepalanchowk has been prepared. In order to implement the green recovery and reconstruction plan, MoU between MoFALD and Myagdi & Kabhrepalanchowh has been drafted.

10.1.5 Urban Development Plan

Municipalities have started to develop Comprehensive Urban Development Plan, MTMP, City Renovation Plan, Public Land Management Plan etc. MuNs have also begun to introduce City Civil Code. One municipality has developed City Centre Plan and another one has developed City Renovation Plan. Five Municipalities have introduced City Civil Code. Similarly, eight municipalities have developed open space mapping and public land management plan during the reporting period

10.1.6 Local Information and GIS

A geopolitical, demographical and local resource information have been collected and documented in a system. ICT volunteers and GIS experts have been supporting to systemise local information for public use. All MuN boundaries have been updated in GIS system as changed boundaries after the announcement of new municipalities. Population and household data of CBS have been linked with local level GIS system. An information book with DDC, MuN and VDC boundaries has been published for public information. A total of 112 VDCs, 48 MuNs and 19 DDCs have prepared resource map with

11. UPDATE ON RECONSTRUCTION AND RECOVERY

11.1 TEMPORARY VDC OFFICE BUILDING

In response to the early recovery of the Earth quake affected districts to be able to restore the service, LGCDP provided conditional grants to 12 DDC to construct 178 temporary VDC office, where the VDC office have been destroyed or damaged by the Earthquake. During this reporting period, construction of 9 VDC buildings completed and construction of 129 VDC buildings are in progress. It is expected that by the end of June construction of all 129 buildings will be completed.

11.2 ADDITIONAL SUPPORT TO CAC IN EARTH QUAKE AFFECTED DISTRICTS

As part of the support to the disadvantaged families in the earth quake affected districts, the programme provided additional livelihood improvement support grant to 670 CACs in the earth quake affected districts and municipalities. This grant will help the CAC member to take up some livelihood activities. During this reporting period a total of 390 CAC received the LIP grant benefiting about 2323 members of the disadvantage groups. The member who received this grant in the form of internal group loan, have taken up activities related to goat rearing, vegetable farming, small business, horticulture, beekeeping, poultry, milk collection etc.

12. ISSUES AND CHALLENGES

12.1 SOCIAL MOBILISATION

- ☐ Developing Ward Cizizen Forum as an entry point for all sorts of service delivery, development and harmonization point at local level.
- ☐ Enabling & effective mobilization of Local Service Providers
- ☐ Linking poor members of CACs with other development agencies, FIs and sustaining them as transformational group for self-help development.
- Minimizing operational cost & Maximizing capacity enhancement initiatives.

12.2 DOWNWARD ACCOUNTABILITY

LGAF Secretariat is running with inadequate human resource which has impacted in monitoring of CSOs activities not frequent and not in regular basis.

- ☐ There is a weak coordination and harmonization between LGAF and other accountability related programmes in LGAF framework.
- ☐ LGAF is running and operating its program for strengthening downward accountability with the inadequacy of resources.
- ☐ The temporary arrangement of LGAF Secretariat has been an issue for its institutionalization.

12.3 CAPACITY DEVELOPMENT

- Insufficient organizational and HR management (absence of result based management, performance evaluation of sections and staff, ineffective internal control and oversights, career development opportunities and skill based recruitment systems);
- Capacity of the VDCs to cope with and manage the wide responsibilities in terms of six-fold increase of resources (staff, leadership, skill finance/accounts/ technical design and reporting);

12.4 DISASTER RISK REDUCTION AND INFRASTRUCTURE DEVELOPMENT

- ☐ People are highly sensitized by the recent devastating earthquake of April 25 and May 12, however, still lagging on knowledge about the earthquake resistant technology.
- ☐ General masons and contractors are not fully capacitated on earthquake resistant technology.
- ☐ New municipalities are still facing big technical capacity gaps for enforcement of National Building Code and Building Bye-Laws.
- ☐ Resource has been constraint for carrying activities related to Earthquake preparedness and preparatory works for Building Code implementation
- ☐ Motivation is poor for technicians and contractors for Implementation of Building Code.
- ☐ Field monitoring/ inspection mechanism has not been strong and effective.
- ☐ It has been difficult to link DTMP/MTMP into the annual program and budget of DDCs/ municipalities.
- ☐ Implementation of local infrastructure projects has not been effective due to a weak capacity of government officials, technicians.
- ☐ There are limited resources with respect to meet the expectation of people at local level.
- ☐ Most of existing labs are not fully functional as there are no dedicated trained lab technicians for providing efficient and effective lab testing services, in addition, some districts do not have enough and appropriate building space/rooms for the quality labs.
- ☐ The culture of testing materials and works and quality assurance from the suppliers/manufacturers and contractors have not been improved.

12.5 GENDER EQUALITY AND SOCIAL INCLUSION

- ☐ Women and socially excluded people have less access to the local bodies planning process due to literacy, less access to information and less understanding of the development initiatives.
- ☐ Orientation on policy/strategies has been inadequate to enhance the capacity of Government Officials, LBs personnel and district stakeholders which are very important for effective implementation of GESI at all level.
- ☐ The institutional mechanism has been poorly functional, such as GESI implementation committees' representative and GESI focal persons at the local level.
- ☐ Political influence in decision making has made difficult in GESI activities thus sensitization of GESI prospective to the political leaders is needed at higher level too in order to make gender and social inclusion- friendly District Development Plan and its' implementation and monitoring effectively at all level
- ☐ Still GESI budgeting and auditing system has not been institutionalized at the local level as LGIs give less priority while preparing District Development Plan and periodic plan.
- ☐ GRB/GESI responsive budgeting and auditing tools have not yet been made systemic giving priority in

13. CASE STUDIES

13.1 SMALL EFFORTS SOMETIMES MAKE BIG DIFFERENCES

Ladima Pariwar is an inhabitant of Sarkidew VDC 1, Humla. She stays with the joint family of six members. Their basis of livelihood is traditional agriculture, which hardly makes them join their hand and mouth two times. This and surrounding families have to walk more than 30 minutes to fetch a pot of water. This mean, most of their time goes to collect the water. Humla itself is a highly remote village and more than that her village lies in most remote part, where untouchability is rampant. This untouchability, makes them wait an hour to collect the water from the pond. First, the so called high caste people collect the water and later they are allowed to touch the pond. This has been a decade-long exercise of that village.



Ladima, in her Homestead

Last year the CAC meeting discussed on their problems and identified a long list of development requirements. Later, they prioritize that and place the drinking water in first priority. They forwarded their proposal to DDC Humla thru VD The DDC granted them Rs. 400 thousand for a small scale drinking water scheme. Even, this was a little amount, the CAC members contributed their sweat and succeed to construct a smal tap water project nearby their door.

Ladima recalls, it as the happiest moment of her life. These smal dignity on their face. The time invested earlier for fetching water garden nearby their house. The children used to wash their hands experiences for them. Earlier, they do not have water to pour for avail of fresh vegetable, which they have ever tasted. More than increased, which is the main thrust behind establishing CAC and

13.2 GROUP BASED POULTRY FARMING FOR LIVELIHOODS IMPROVEMENT

Citizen Awareness Center (CAC) of Pipra Bhagawanpur VDC of Rautahat is a composition of the disadvantaged group, for bringing positive change in lifestyle through social empowerment, capacity development and livelihood improvement from grant assistance of LGCDP. CAC has been given Rs. 1 lakh as a seed grant to mobilize among the members based on needs and priority. From the grant, CAC members are reaping benefit by mobilizing grant in the area of income generation so as to improve the living standard of vulnerable people.

In addition to LIP grant assistance to CAC, it has been supported by small infrastructure project (SIP) grant Rs. 3 lakhs and 15 thousand to boost income and livelihoods improvement. CAC also contributed Rs. 20 thousand to add over SIP project implementation. On the eager interest of CAC members, poultry farm business has been chosen. For well-managed poultry farming, a poultry shed has been

built with the active participation of CAC members. The poultry farm is running under the management of CAC. In one season, the CAC has earned Rs. 1.5 lakhs by selling 465 poultry birds. Around Rs. 45 thousand have been earned as net income in a period of 2 and half months reducing the chicks, feeds and another production cost. Despite deadlock and Terai agitation, poultry production and selling has become successful to a maximum extent.

There are 29 members in the CAC where 14 Muslim women and 1 man of Dalit community. The direct beneficiary of CAC members are 29 and total number beneficiaries are 139. There is no other well-established poultry farm in Pipra Bhagawanpur as like CAC has maintained. This is becoming a model enterprise, which managed by CAC members. Work division has been made among the CAC members to care and management of farm smoothly. There is very good poultry market in the district, the potentiality of poultry business is high lucrative and beneficial for CAC to improve living standard quickly. If the business goes well then the CAC has the plan to invest more money to expand and promote poultry farm.