

Sectoral Paper on Local Governance

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Background

- Local Governance is mainly guided by the Interim Constitution, 2006, LSGA, 1999 and LSGR, 2000
- Large networks up to the grass-root level
- Agriculture extension, livestock, primary health and education, local infrastructure sectors have been devolved to Local Bodies
- Public-private partnership at local level has been strengthened
- Significant roles of LBs in Disaster management (recent earthquake) is realized

Best Practices in Nutshell

- Participatory planning (14 Steps)
- Social mobilization
- Performance Based System (MCPM)
- Mainstreaming GESI in policies and programmes (at least 35% budget in targeted programmes)
- Web Based Reporting System (WBRS)

Key Challenges

- Absence of local elected representatives
- Sectoral devolution in true sense
- Enhancing the own source revenue of LBs
- Sustainability of the local infrastructures
- Reducing fiduciary risk
- Scattered settlement
- Preparation to shift to federal system

Sectoral Priority

- Local infrastructure
- Efficient and effective service delivery
- Planning and monitoring system
- Improved public financial management
- VERS and Social Protection
- Disaster risk resilience infrastructure development

Priority of Next FY

- Post earthquake reconstruction of local infrastructures
- Local roads, bridges and culverts
- Suspension bridges
- Institutional capacity building of new municipalities
- Effective management of social security allowances
- Election of local representatives

Highlights on Thematic Action Plan

Public Financial Management

- At least 40% of block grants spent by the end of second trimester
- Audit arrears of total expenditures reduced to 5%
- 10% increment in internal revenue of DDCs' and municipalities

Human Resource Management

- 95% VDC secretary positions fulfilled
- Additional 26,312 IPFC, WCF and CAC members trained in local level planning

Highlights on Thematic Action Plan

M&E

- 30% of new municipalities applied Web based Reporting System
- All M&E reports posted on MOFALD's website within 35 days of field visits

Procurement

- Ensure all DDCs and 191 municipalities prepare annual procurement plans and report these documents via WBRS
- Ensure all DDCs and 60 municipalities use e-bidding system for projects > NPR 6 million

Mutual Accountability

- Target to have 30% of foreign assistance for local governance is on treasury
- Ensure at least five LGCDP donors directly implementing projects with social mobilizers align with MOFALD's SM Guidelines

Highlights on Sectoral Action Plan

- At least 60% of DDCs and Municipalities will spend their targeted 35% budget of unconditional grants to women, children and disadvantaged groups
- All the DDCs and Municipalities and at least 70% of the VDCs will conduct Annual Public Hearings.
- Additional 200,000 social security allowance beneficiaries will be entered into the MIS (out of 2.2 million)

Highlights on Sectoral Action Plan

- Remaining 584 VDCs will be connected to local road network
- 400 suspension bridges will be constructed (MoFALD has laid focus on replacing all the Tuhins with suspension bridges)
- Reconstruction and rehabilitation of 225 office buildings of LBs will be completed.
- 271 k.m. road will be re/constructed

Major Strategies

- Institutional capacity building of LBs
- Inter agency cooperation and collaboration
- Result based Monitoring
- Implementation of Fiduciary Risk Reduction Action Plan (FRRAP)
- Sector Wide Approach (SWAp)

THANK YOU