

QUARTERLY NEWSLETTER

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The Subnational Governance Program in Nepal (SNGP) (स्थानीय सरकार सबलीकरण कार्यक्रम) is implemented through a strategic partnership between the Australian Government's Department of Foreign Affairs and Trade (DFAT) and The Asia Foundation, in coordination with the Ministry of Federal Affairs and General Administration. SNGP aims to promote an enabling environment for the development of strong, effective, and inclusive subnational government in Nepal that benefits all.

Breaking Political Deadlock Through Dialogue

Provincial level dialogues in Province 1 contributed to a participatory process, breaking political deadlock and promoting inclusive and peaceful deliberation amongst key stakeholders in determining the provincial capital as "Greater Biratnagar".

The forum began the dialogue process in June 2018, convening various stakeholders, including spokespersons of major political parties, parliamentarians, economists, and civil society members.

Community Mediation

Under the community mediation program, out of a total of 789 disputes registered in the mediation centers across the seven program districts, 744 cases have been successfully settled through mediation support at a resolution rate of 94%. A total of 1,504 disputants benefited from mediation services; among those disputants, 40% were women and 46% belonged to indigenous or marginalized communities.

Framework for Subnational Infrastructure Investment and Development

The Subnational Governance Program in Nepal continues to support partner municipalities' needs on infrastructure development and financial sustainability with the overarching goal of enhancing local governance capacity in financing strategic infrastructure and strengthening financial autonomy. The program conducted rapid appraisals of Bharatpur and Waling municipalities to assess human resource needs and gaps to help establish public private partnerships (PPP). During a jointly organized meeting on June 13, 2019 at Bharatpur Metropolitan City, the Narayani Riverbank and the Autoland projects supported by the program were presented and discussed with stakeholders for a potential PPP. On June 25, 2019, the first in a series of roundtable discussions was held with select banks and financial institutions to identify policy constraints and opportunities for them to invest in municipal projects within the PPP model.

Community mediators meet with program beneficiaries and stakeholders.



Municipal Planning and Revenue Generation

The Subnational Governance Program in Nepal continues to provide advisory and technical support to its partner municipalities in the following areas: developing comprehensive municipal development vision plans following a highly consultative and inclusive process; reviewing and updating Revenue Improvement Action Plans; and developing municipal service indicators.

POLICY DIALOGUES

Functional Assignment Across Spheres of Government

The Subnational Governance Program in Nepal supported a study, *Comparative Analysis of Functional and Revenue Assignment Across Levels of Government*, aimed to identify overlaps and gaps on the functional and revenue competencies among and between different spheres of government.

To disseminate the key findings of the study, the program organized a *Policy Dialogue* in Kathmandu on 30 July 2019. The dialogue was moderated by Hon. Balananda Paudel, Chair of the National Natural Resources and Fiscal Commission (NNRFC) and attended by 58 participants which included federal and provincial parliamentarians, local government associations, members of the District Coordination Committee, development partners, civil society, and media representatives.

Acknowledging the policy dialogue as "timely and relevant," Mr. Paudel pointed out that the study will be a good reference document for NNRFC to carry out its functions and provide clarity to the issues around the roles and responsibilities of various spheres of government.

Support for Provincial Transitional Development Planning

The program continued its technical support to the Province 3 Policy and Planning Commission in the following areas: development of an integrated database of all 119 local governments, creation of a local human development report of Province 3, preparations for a provincial level mid-term expenditure framework, and the formulation of a provincial periodic plan.

OTHER HIGHLIGHTS:

1. Dissemination of major findings from the [Survey of the Nepali People 2018](#) to provincial governments of province 1, 4, 6, and 7.
2. Federal and provincial stakeholder consultations on the Inter-Governmental Coordination Bill in all 7 provinces.
3. Report on the *Comparative Analysis of Functional and Revenue Assignment Across Levels of Government*.

Strengthening Local Government on Market Monitoring and Consumer Awareness

The Subnational Governance Program in Nepal organized six workshops and trainings for municipal officials on consumer rights and local market management; four consumer awareness programs for community members; one consultative meeting for the development of Province Market Management Rules with key stakeholders, government, and private sector; and one central level consultative meeting. These activities build awareness and support for the formulation, adoption, and implementation of key legislations on consumer protection and local market management at the provincial and local level.

In the next few months, the program will bring together stakeholders to adopt Local Market Management Acts at the local government level, and Province Market Management Rules/Procedures in Province 3.

Training on Local Government Law Drafting Skills and Best Practice Sharing on Judicial Committees

The Subnational Governance Program in Nepal conducted workshops on legislation drafting skills and processes for members of local government of Gandaki Province; oversight and coordination functions of districts courts and judicial committees; and facilitated practice sharing events between judicial committees, district courts, and mediation centers.

The workshop on legislation drafting helped local governments officials enhance their skills and knowledge on key concepts of local law making. Similarly, the workshop on coordination between the district courts and judicial committee covered key challenges of gender and access to justice.

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