



## SNGP PHASE I

Subnational Governance Program (SNGP) Phase I was implemented from February 2017 till May 2021 by The Asia Foundation with funding from the Australian Government, Department of Foreign Affairs and Trade (DFAT) and in coordination with the Ministry of Federal Affairs and General Administration. The Program worked to promote an enabling environment for the development of a strong, effective, and inclusive subnational governments in Nepal that benefits all, including women and marginalized groups.

**Partner Municipalities**  
 Damak, Province 1  
 \*Kalaiya/Mithila, Province 2  
 Bhimeshwor, Bagmati Province  
 Waling, Gandaki Province  
 Tansen, Lumbini Province  
 Birendranagar, Karnali Province  
 Tikapur, Sudurpaschim Province

\*Kalaiya - Phase 1  
 Mithila - The Bridging Phase

## SUBNATIONAL GOVERNANCE PROGRAM: THE BRIDGING PHASE

Building on a defining feature of SNGP Phase I, the Bridging Phase – operational from April 2021 till May 2022 -- adopts a politically informed, adaptive, and flexible management approach, developed with a high degree of flexibility in response to Nepal's fluid and complex political environment. At a strategic level, SNGP Bridging Phase continues to address the core issue of clarifying functional and jurisdictional overlaps in the implementation of the new federal governance system in Nepal.

At the subnational level, it contributes to the improvement of necessary policies, systems, and capacity to ensure public health security and provide economic recovery and growth opportunities for all, including women, Persons with Disability (PwDs), and other marginalized groups.

In the first quarter of its implementation, the program remained cognizant of the broader country context and continued work closely with federal, provincial, and local governments as well as civil society organizations, academic institutions, and the private sector to align and improvise program activities in response to emerging needs and opportunities brought by COVID-19 pandemic.





This study provides crucial insights into law-making processes at the subnational level by reviewing the existing local laws in Nepal. It identifies some of the major contradictions, within, among, and between the local, provincial, and federal legislative orders and recognizes gaps to possibly help build legislative capacities of provincial and local governments. The findings and observations were garnered through the review of existing literature, field visits and consultations held with stakeholders in seven partner municipalities of Phase I. It also provides scientific recommendations to strengthen local law-making processes and mechanisms to ensure its effective implementation. The study also analyzes local legislature from the Gender Equality Disability and Social Inclusion (GEDSI) perspective and identifies existing gaps, challenges and opportunities to institutionalize GEDSI in the processes. This study is led by and produced in collaboration with Nepal Consulting Lawyers Inc. (NCLI).

## COMMUNITY MEDIATION

A total of 318 cases were resolved by mediators across seven districts and five partner municipalities. In addition to this, 683 people availed themselves of mediation services across 490 mediation centers. These numbers justify that, after the program has been handed over to the respective local governments, mediation centers remain functional and thus, the program has been sustainable, with years of investment, effort and support.

## DISCUSSIONS TO FACILITATE LOCAL BUDGET PREPARATIONS

Three events were held to support the institutional capacity of the three levels of government in preparing budgets and relevant documents; to encourage the governments to prepare budgets in a participatory and transparent way, and to influence policies, budgets and programs that are relevant to strengthening and stabilizing rollout of federalism in Nepal. Municipal Association of Nepal (MuAN) conducted a virtual interaction session to discuss pre-budget planning and budgeting as the local governments were preparing their annual plan and budget for the fiscal year 2021/22. At the session, sectoral experts and a federal government official talked about the fiscal year budget and highlighted the bases set by the federal budget that are important for the budget of the subnational governments. The session also included topics such as impacts of participatory planning and budgeting practices and gender-responsive budgeting respectively to enhance local government officials' knowledge and skills in preparing a budget that is responsive to women, marginalized groups and disabled populations. More than 150 representatives from urban municipalities attended the session.

The National Association of Rural Municipalities in Nepal (NARMIN) conducted two different activities to support Rural Municipalities (RM) in the preparation of their budget.

A virtual interaction to help facilitate preparations of the annual budget which was attended by chairs and vice-chairs of more than 200 rural municipalities along with other key representatives. Facilitated by Dr. Somlal Subedi (former Chief Secretary), the event helped build a collective understanding of the recent federal budget from the perspectives of local governments as it focused on bases and priorities of the federal budget that are important for the local governments to set their local priorities. The representatives also raised their concerns on the federal budget; they expressed dissatisfaction with the federal grant and revenue dissemination. The discontent was around the increase in conditional grants and the decline of equalization grants and limited intergovernmental coordination on the priorities of local government issues. The association collaborated with the Ministry of Federal Affairs and General Administration (MoFAGA) for an orientation on the Mid Term Expenditure Framework (MTEF) for rural municipalities to strengthen the capacity of local governments to integrate MTEF in their annual budget for strengthening inclusive service delivery mechanism at the local level.

## CAPACITY BUILDING WEBINARS FOR DALIT FEMALE WARD MEMBERS

As part of the mentorship and capacity building initiative for Dalit female ward members, the program held two webinars on two important national policies to enhance their understanding and expand their awareness of equality and inclusion. The recently introduced national policies -- National Gender Policy 2077 and Gender Responsive Budget Model Guidelines 2077 -- are crucial in promoting inclusion at the national and subnational level across the three spheres of the government.

Since Dalit female ward members play a vital role in bringing the concerns of constituencies to local government, these sessions are aimed at enhancing their legal knowledge so they can negotiate their constituencies' needs with municipal actors. A total of 31 Dalit female ward members partner municipalities and adjoining municipalities took part in the webinar.

## DIALOGUES FACILITATED ON COVID AND OTHER ISSUES

Dialogue Forums (Sambad Samuha) renewed its partnership with longstanding partners to craft spaces for dispute resolutions and inclusive decision-making processes through facilitated dialogue. The program provided 15 Dialogue platforms which generated consensus on and resolved six contested issues -- three related to Covid and/or the health sector and three non-Covid issues. A total of 2048 participants -- 541 were women, 1507 were men and 8 were PwD -- benefitted from Dialogue during the process. During the Bridging Phase, the program aims to scale up the district level forums into provincial-level forums in six provinces, while maintaining two three strategic locations in each Province[1].

## ECONOMIC IMPACT OF COVID-19 AND THE WAY FORWARD

In June, the program supported the National Concern and Coordination Committee (NCCC) of the National Assembly in organizing a virtual meeting 'Economic Impact of Covid-19 and the Way Forward'. The meeting was attended by members of the House of Representatives and the National Assembly, representatives from local government associations, parliamentary secretariat, and experts.

Facilitated by Dr. Puspa Raj Kandel (Vice-Chair, National Planning Commission), Prof. Dr. Bishambher Pyakurel (Economist), and Hon. Dilkumari Rawal Thapa 'Parbati' (Chairperson, NCCC), the discussion focused on issues related to the impact on the country's economy and the current budget including government policies to cope with the pandemic.

The presentation from the experts as well as the discussion was focused on:

the economic impact of Covid-19 on the health, tourism, and education sector, highlighting its impact on the lives of women and marginalized populations.

poor implementation of the budget set aside for capital expenditure, lack of effective monitoring, evaluation and reward and punishment mechanisms.

the limited budget allocated to cope with the pandemic, priorities for availing vaccines for all citizens, rehabilitation plans to the families of Covid-19 victims, and improvement in the gender budget implementation process.

To address the economic impact, experts suggested a consolidated approach including reviewing the social security policy of the government and emphasized better collaboration amongst three spheres of government to achieve the goals of the current budget. Partner organisation: National Forum of Parliamentarians on Population and Development (NFPPD)



### OTHER HIGHLIGHTS

- To promote infrastructure development and financial sustainability, based on the learnings and feedback from SNGP Phase I, VRock (program partner) amended the Public-Private Partnership Act and the regulation and shared it with the new partner municipalities. The municipalities also got a comprehensive orientation on PPPs, including project structuring and provisions under the PPP Act.
- The translation of the Project Development Manual (PDM) from English to Nepali was completed in this quarter. A joint publication between VRock and Bharatpur Metropolitan City (BMC), the manual is being shared with Bharatpur Metropolitan City.

## ECONOMIC RECOVERY

### PROGRAM INITIATIVES INTEGRATED IN MUNICIPAL ANNUAL PLANS

The partner municipalities have integrated the plans and initiatives of the SNGP Bridging Phase within the Annual Municipal Development Plan for the 2021/2022 Fiscal year. Most of the Municipal Development Plan have taken Comprehensive Plan into account while preparing their respective programs and plans. Some of the initiatives included are market monitoring and consumer awareness, community mediation, judicial committees, GEDSI mainstreaming, updating municipal profile data, Public-Private Partnership (PPP), Medium Term Expenditure Plan (MTEF), Municipal Revenue Improvement Plan (MRIP) and municipal work performance contract.

A move that demonstrated ownership of the program's initiatives, the partner municipalities have set aside a budget for the continuation of SNGP Phase I support in areas such as judicial committees, updating Municipal Information System (MIS), a relief fund for Women, Senior Citizens, People with Disability and vulnerable population, Gender Responsive Budgeting (GRB), including education (alternate/remote learning). The program supported Field Coordinators played a crucial role in the Municipal Assembly Session as direct observers as well as contributors to the drafting process.

### LOCAL INDUSTRY MANAGEMENT BY PARTNER MUNICIPALITIES

Two SNGP partner municipalities -- Waling and Bhimeshwor -- enacted the Local Industry Management Act supported during Phase I. With this law, local governments could now monitor local industry on their own. Local government associations hosted multiple virtual discussions with local governments and partner municipalities supporting the annual planning and budgeting exercise. The sessions focused on the impacts of participatory planning and budgeting practices and gender-responsive budgeting respectively to enhance local government officials' knowledge and skills in preparing a budget that is responsive to women, marginalized groups, and PwDs.

## FORMULATION OF PARTNERS' GEDSI ACTION PLAN

The program supported 15 partners to prepare and review their GEDSI Action Plan; four of them have already been finalized. The GEDSI Action Plan preparation process has helped to identify targeted activities that the partner organizations can implement and has simultaneously identified areas to integrate the GEDSI lens in the implementation process by looking into participation, team composition, content, and impact of the program.

## SUCCESS STORY



During the municipal assembly held for this fiscal year, two Dalit female ward members of the program's capacity building and mentorship initiative spoke on the issues related to their community.

Sarita Bhul from Tikapur municipality raised the issue of caste-based discrimination towards Dalit not being included as social prejudice and budget not being allocated to combat this in the municipal plan at the municipal assembly meeting. Untouchability was not included in this category, and Sarita's efforts led to its inclusion. Similarly, Tara Nepali from Bhimeshwor municipality secured time at the assembly and talked about the need for a more specific strategy to ensure the upliftment of the Dalit community in the municipality.

The program will further support them to raise awareness and strengthen their initiatives.

## Videos Narrating the Political Journey of Local Women Representatives

### AFTER 20 YEARS



The video looks at the changing landscape of female participation in politics in the last 20 years through the stories of four locally elected female representatives from a diverse range of backgrounds. The women leaders share their thoughts and aspirations as they look forward to women's participation in the next 20 years.

### EMERGING LEADERS



The video follows the inspiring story and political journey of seven Dalit female ward members. They are part of the mentorship program of SNGP for Dalit women representatives targeted towards strengthening their capacity and enhancing their leadership to enable them better execute their roles and responsibilities.

## GEDSI INTEGRATION AT PARTNER MUNICIPALITIES

- Damak municipality included a tax-free policy for PwD and women entrepreneurs in the 2021/2022 fiscal year's policy.
- Bhimeshwor municipality has passed GEDSI Policy through the municipal assembly. The policy was also shared with other partner municipalities. For this fiscal year, Waling municipality has included supporting women and targeted groups in policy and programs. This was not the case in the last fiscal year.
- The municipal board of Tansen passed their own guidelines based on the program supported model Gender Responsive Budgeting Guidelines.