The Subnational Governance Program (SNGP) is implemented by The Asia Foundation with funding from the Australian Government the Department of Foreign Affairs and Trade (DFAT), and in coordination with the Ministry of Federal Affairs and General Administration (MOFAGA).

After a five-year Phase I (including a one-year Bridging Phase), SNGP Phase II commenced in April 2022 and will continue its support in creating an enabling environment for a stable, effective, and inclusive subnational government in Nepal that addresses the health and economic security of all, including women and marginalized groups. The programmatic approach includes mainstreaming equality and inclusion along with targeted gender equality, disability, and social inclusion (GEDSI) efforts.

**Stability**

**Strengthening Coordination for Fair Elections**

The first year of the Subnational Governance Program (SNGP) Phase II coincided with historic elections in Nepal as the first tenure of the government under the constitutional transition to federalism ended. The country held local elections in May and provincial and federal elections in November 2022. The program engaged in selected interventions such as:

Providing technical assistance to the Election Commission of Nepal (ECN) in the implementation of a fair and transparent election process by strengthening coordination among all tiers of government. For this, the program helped create platforms for all key stakeholders to build a uniform understanding of the election code of conduct (CoC). The Multi-stakeholder Dialogue facilitated a series of interactions to gain commitments from local and provincial stakeholders in 19 districts for the implementation of CoC.

During the local elections, the program collaborated with General Election Observation Committee (GEOC) 1 for election observations in three stages – pre, during, and post-elections. The committee deployed 409 observers, including 369 local-level observers, in 32 districts. In coordination with other election observation alliances, GEO submitted the final report to ECN amidst an event in Kathmandu. The event allowed different stakeholders of the elections to discuss the measures to improve respect toward the election code of conduct.

Before the general elections in November, the program organized two interactive sessions for women leaders and parliamentarians to advocate for a more significant share of women’s candidacy under first-past-the-post (FPTP). In the first session, women leaders of different political parties discussed issues around women’s candidacy while the second session held with the editors of major media revolved around the fundamental role media can play in accentuating diverse issues to ensure an increase in women’s candidacy under FPTP.

**Highlights**

- The program submitted the revised draft Bill on Solid Waste Management to Hon. Aman Lal Modi, Minister, Ministry of Foreign Affairs and General Administration (MoFAGA). The program has provided technical assistance to MoFAGA to draft the Bill to establish legal clarity on the roles and responsibilities of three tiers of government on solid waste management.

- The program, in collaboration with MoFAGA and the Provincial and Local Government Support Program (PLGSP) conducted orientation programs for the newly elected representatives of the local governments in three provinces Bagmati, Karnali, and Gandaki. The program also developed the manual for orientation in coordination with MoFAGA and partner municipalities.
Multi-stakeholder Dialogue

The Lumbini Dialogue forum facilitated a dialogue process to address the issue of border disputes around the Karnali River. The six municipalities in two provinces bordering the river have been in dispute over the utilization of riverine resources, a major source of income for local and provincial governments, as they are keen to extract resources from the river. The forum received a request from two municipalities with the highest stakes—Rajapur and Tikapur.

The Dialogue Forum has organized more than 35 interaction events for data collection, and policy facilitation with local, provincial, and federal agencies.

The program presented the findings of its analysis on the issue to the National Natural Resources and Fiscal Commission, which has the mandate to facilitate the resolution of disputes over natural resources revenue or its utilization.

In Phase II, SNGP continued its collaboration with local government associations, the National Association of Rural Municipalities in Nepal (NARMIN) and the Municipal Association in Nepal (MuAN) to promote the collective interests of the local governments, intergovernmental cooperation, and to enhance clarity in roles and functions. This year, during the associations' national conventions SNGP supported panel discussions on intergovernmental coordination, which highlighted the issues and status among the federal, provincial, and local level (intergovernmental) relations and coordination.

During the conventions, the associations also issued a declaration and roadmap for strengthening democratic governance in Nepal which included a recommendation for the operationalization of the intergovernmental relation units such as the Inter-provincial Council, National Coordination Council, and Provincial Coordination Council.

At the convention, the association also felicitated The Asia Foundation for its efforts in strengthening the system and process of accountable and democratic local governance in Nepal.

Community Mediation

In Phase II, SNGP Phase II, the judicial committees at the six partner municipalities helped resolve 174 of the 382 registered cases and served 764 beneficiaries. The program works toward strengthening the judicial committees to improve access to justice at the local level and promote a culture of peaceful resolution of conflict within communities. In addition, under Community Mediation, the program conducted the following activities:

- The program in collaboration with the National Judicial Academy (NJA) organized five-day training for judicial committees of all seven partner municipalities. The objective of the training was to improve the understanding of newly elected representatives on the legal procedures, their jurisdiction, and responsibilities within the framework of judicial committees and mediation.

- In Mithila, the local government established mediation centers in all 11 wards which are providing mediation services to the community. This year, SNGP provided basic mediation training to a total of 239 community mediators in all wards of the seven partner municipalities. Out of which 239 were women, and 11 were people with disability.

- The program continued organizing periodic practice-sharing sessions among various local judicial and law enforcement agencies to improve coordination and build stronger working relationships. This year, SNGP engaged a total of 782 individuals, most of whom are government representatives.

Local Government Associations Promote IGR

In Phase II, SNGP continued its collaboration with local government associations, the National Association of Rural Municipalities in Nepal (NARMIN) and the Municipal Association in Nepal (MuAN) to promote the collective interests of the local governments, intergovernmental cooperation, and to enhance clarity in roles and functions. This year, during the associations' national conventions SNGP supported panel discussions on intergovernmental coordination, which highlighted the issues and status among the federal, provincial, and local level (intergovernmental) relations and coordination.

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This year, the Multistakeholder Dialogue program supported five provincial dialogue forums (Koshi, Madhesh, Lumbini, Karnali, and Sudurpaschim) and 14 district-level forums to address issues of governance contestations at the local and provincial levels. The forums also provided platforms for marginalized groups (including Santhal, Tharus, and Aathpaharyya, in Koshi province, Dalit, and Muslim in Madhesh, Badi in Karnali, which are the most marginalized indigenous, ethnic, and castes groups) to advocate for their rights. This support benefited around 10,955 stakeholders from all three tiers of the government. Below are major issues addressed by the forums:

- The Lumbini Dialogue forum facilitated a dialogue process to address the issue of border disputes around the Karnali River. The six municipalities in two provinces bordering the river have been in dispute over the utilization of riverine resources, a major source of income for local and provincial governments, as they are keen to extract resources from the river. The forum received a request from two municipalities with the highest stakes—Rajapur and Tikapur. The Dialogue Forum has organized more than 35 interaction events for data collection, and policy facilitation with local, provincial, and federal agencies. The program presented the findings of its analysis on the issue to the National Natural Resources and Fiscal Commission, which has the mandate to facilitate the resolution of disputes over natural resources revenue or its utilization.

- The Province 1 Dialogue forum facilitated a series of dialogues to resolve the dispute between the Koshi Hospital Development Committee and the Ministry of Health upon request from the committee chairman. The appointment of new members to the committee by the federal government before the completion of the term of the existing committee led to the dispute. The existing committee filed a court case and was reinstated through an interim order. As a result, contesting stakeholders came to an understanding to renew the contracts of the 260 employees and resume their services.

* The hospital comes under the federal government’s control, but the provincial and local governments, including Biratnagar Metropolitan City, have a stake in it, as it is the largest hospital in the province.
As part of its interventions around policy reform in the health sector at the local level, this year SNGP conducted policy deliberations in five partner municipalities and carried out a context analysis of the health policy implementation.

The policy deliberations in Waling, Tansen, Mithila, Birendranagar, and Tikapur focused on clarifying the roles and responsibilities of the municipal health committees. This would help in the effective implementation of health policies for better service delivery. The participants also discussed possible areas of intervention around health insurance programs, health awareness programs, and the promotion of preventive health systems.

Similarly, the report of the context analysis study highlighted the evolving trends of the federal health governance system. The report includes health sector policy gaps and implementation challenges along with the overlap of health sector functions/roles and responsibilities in three tiers of the government.

**DI Reforms at Partner Municipalities**

Two of the SNGP partner municipalities, Bhimeshwor and Tansen, introduced disabled-friendly policy reforms. Bhimeshwor allocated a budget for targeted programs such as providing monthly caregiver costs to the disability card holders while Tansen’s legislative committee is preparing guidelines to cover the transportation cost for people with disabilities for their health treatment travels. The program’s advocacy forum, formed in partnership with the National Federation of Disabled Nepal, advocates for disability-inclusive budgets and planning in the partner municipalities through Advocacy Forums. The forums held regular orientations with municipal officials in Bhimeshwor, Tansen, and Waling on disability-inclusive and accessible health services.

**ECONOMIC GOVERNANCE**

To continue its support in the economic recovery process, in Phase II, SNGP has identified that evidence-based policy support combined with community engagement in private-sector development and public financial management will lead to better economic and fiscal governance.

**Increased Citizens’ Engagements**

As part of the program’s approach to enhance citizens’ engagement and awareness in the public finance management (PFM) process, SNGP is establishing and strengthening Tole Lane Organizations (TLOs) in two partner municipalities Birendranagar and Tikapur. For this, the program in partnership with Sahakarmi Samaj provided training to 50 Community Educators (CE), who will work with communities to build inclusive, participatory, and sustainable TLOs. This year, CEs held meetings with the existing TLOs and conducted a listening survey with 509 individuals. Such activities help bring out areas where the local government and communities can work together and additionally strengthen citizen-government relationships and build trust.

Other activities include community-level assessment of the current situation of TLOs, political dynamics, potential risks, and opportunities for community engagement activities at the two municipalities. The program also conducted orientations for local government executive committees on approaches, tools, and techniques of the TLO formation and strengthening processes.
Second Cohort of SNGP Fellows Onboarded

The first year Phase II marked the completion of the SNGP fellowship of the first cohort; the program organized a graduation ceremony in November. The program in coordination with the seven partner municipalities onboarded the second cohort of SNGP fellows in August. The seven young women of the second cohort visited Kathmandu where they participated in orientations and workshops on local government functions such as the law-making process, federal history and structure of Nepal, the justice system, public finance management, and work of bilateral organizations in Nepal. They also visited the offices of the two local government associations MuAN and NARMIN.

Like the first cohort, these young women are working in various sections of the respective municipality office, such as the registration section, administrative section, education section, women and children development section of the respective municipalities, and ward offices. In 2021, the program launched the SNGP Fellowship to encourage participation among young women from marginalized communities in governance by building their knowledge of local government through hands-on experience and engagement.

Highlights

1. The Asia Foundation in Nepal improved the Kathmandu office infrastructure to make it more accessible for people with disabilities. The office made changes such as installation of tactiles and adjustable height ramps among others as per the recommendations of the physical accessibility of the office audit conducted in early 2022.
2. This year, SNGP presented the findings of a Policy Note – Beyond Capacity: Gendered Election Processes, Networks, and Informality in Local Governments in Nepal at the Swiss Embassy, the British Embassy, and the Australian Embassy. The Policy Note seeks to understand the over-representation of men in local political offices by examining recruitment and selection processes by political parties. The participants shared that the Policy Note helped them raise this issue in different high-level meetings.

A Survey of the Nepali People 2022

On January 23, 2023, Kathmandu University School of Arts (KUSoA) launched A Survey of the Nepali People (SNP) in 2022. The nationally and provincially representative perception survey aims to gauge people’s views on critical contemporary, social, development, and governance issues. KUSoA led the study in collaboration with Interdisciplinary Analysts (IDA) with support from the Australian Government, the Department of Foreign Affairs and Trade (DFAT) and the Foundation partnership on Subnational Governance in Nepal, and the Swiss Agency for Development and Cooperation (SDC).

The 2022 survey findings show an improvement in the public’s confidence in their local government. More than half of respondents (54.4%) reported that the local body restructuring had improved the service delivery capacity of their local government. Likewise, 57.2% of the respondents expressed satisfaction with local government service delivery. The respondents also identified local governments as the most responsive government authority in Covid-19 crisis management.

Women’s Leadership Summit 2023

In March, SNGP and the She Leads Program supported the Flourish Australian Embassy Women’s Leadership Summit 2023 to mark International Women’s Month. Celebrating women’s leadership, the summit provided a platform for women leaders of the local government and women diplomats to share their inspirational leadership journeys. The participants shared their experiences on challenges and barriers to leadership, stories of determination and resilience to reach the leadership position, the use of digital media in their success, and the need for more allyship among women leaders to move forward. They also discussed ways to advance social justice and gender equality.

The summit also included a presentation on SNGP-supported research on women’s representation in politics in Nepal, titled Proportional Inclusion/Representation: Conflict between Principle and Electoral Results – An Analysis on the Representation of Dalit and Marginalized Communities in 2022 Election.