

Annual Progress Report 2013-14



September
2014



Institute of Local Governance Studies (Inlogos)
Baneshwar, Kathmandu

Acronyms

BPKMCH	B.P. Koirala Memorial Cancer Hospital
B.S.	Bikram Sambat
CFLG	Child-Friendly Local Governance
CRC	Convention on the Rights of the Child
DDC	District Development Committee
DMEDSP	District Micro Enterprise Development Strategic Plan
FY	Fiscal Year
GoN	Government of Nepal
HLP	Horizontal Learning Process
Inlogos	Institute of Local Governance Studies
LB	Local Body
LBFC	Local Body Fiscal Commission
LGCDP	Local Governance and Community Development Program
LHGSP	Local Health Governance Strengthening Program
LSGA	Local Self-Governance Act
LSGR	Local Self-Governance Regulation
MCPM	Minimum Conditions and Performance Measures
MEDEP	Micro-Enterprise Development Program
MoFALD	Ministry of Federal Affairs and Local Development
Mol	Ministry of Industry
MuAN	Municipal Association of Nepal
NEPC	Nepal Environment Protection Centre
NPC	National Planning Commission
PDDP	Periodic District Development Plan
QAM	Quality Assurance Measures
ToT	Training of Trainers
TU	Tribhuvan University
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nation's Child Fund
VDC	Village Development Committee
VEDP	Village Enterprise Development Plan
WB	World Bank

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1. Introduction

Since its establishment as a non-profit and non-political organization in 2005, the Institute of Local Governance Studies (Inlogos) has been serving the country to strengthen the local governance system in Nepal.

"Happy People Happy Nation" is our vision. Decentralized local governance for strengthening democracy, efficient service delivery, and sustainable development is the mission; and the goal is to promote local democracy through strengthening the local governance system.

"Promote democracy, local governance, and sustainable development" is its motto. Inlogos believes that the holistic development of Nepal is possible only through the promotion of a decentralized local governance system. Hence, it is working to support local development through the promotion of local-self governance system over the last nine years. Research and Study, Planning and Monitoring, Organization Management, and Training and Workshops are the major areas that Inlogos has been focusing upon. This report briefly covers the activities carried out in the fiscal year 2070/71 BS and the progress made so far.

2. Major Programs and Achievements

2.1 Strengthening Child-Friendly Local Governance

Inlogos has been contributing for the Government of Nepal (GoN) in implementing a National Strategy on Child-Friendly Local Governance (CFLG). This initiative has been continued for the last four years. Support for expansion and strengthening of CFLG in Nepal is a collaborative



approach with the Ministry of Federal Affairs and Local Development (MoFALD) and the United Nations Children's Fund (UNICEF) to support Local Bodies (LBs) to implement the CFLG National Strategy. In the reporting fiscal year 2070/71, we contributed to enhance the capability of local bodies mainly by organizing and facilitating CFLG trainings and orientations for the National, Regional, and District and Municipal-level participants and by preparing a technical guideline to local level stakeholders on developing an investment plan for children and for localizing CFLG indicators. Inlogos also provided technical support to local bodies for mainstreaming CFLG in the local governance system, monitoring of CFLG indicators, and CFLG declaration



process. In the reporting fiscal year, Inlogos supported and facilitated CFLG orientation in nine districts (Dhanusha, Mahottari, Rautahat, Parsa, Ramachhap, Dhading, Rupendehi, Surkhet and Doti) and four Municipalities (Janakpur, Jaleshwar, Gaur and Birgunj). Accordingly, it organized the following CFLG trainings and workshops in coordination and cooperation with the MoFALD and UNICEF:

- A four-day Refresher Training on 3-6 September 2013 in Godawari Village Resort in Godawari.
- A three-day Training on CFLG held on 25-27 October 2013 in Godawari Village Resort in Godawari.
- A four-day Training of Trainers (ToT) on CFLG conducted on 26-29 May 2014 in Park Village Hotel, Kathmandu.
- A two-day review workshop completed on May 30-31, 2014, in Park Village Hotel, Budhanilkantha, Kathmandu.

Furthermore, the experts from Inlogos also facilitated training and orientation sessions on CFLG organized by various stakeholders, including UNICEF

and Partner Organizations, and held the meetings related to CFLG.

The ultimate goal of CFLG is to improve the situation of Children by ensuring the child rights on issues such as: Survival, Protection, Development, and Participation, based on the provisions made in the UN Convention on the Rights of the Child (CRC) that Nepal ratified in 1990.

Achievement of CFLG Adoption

- A minimum of 37 percent of DDCs have developed their own district profile incorporating child information; 50 percent of the DDCs have their local development plans for children (annual plans), 31 percent have an investment plan for children; 37 percent have a children's code; and 44 percent of the districts have developed their status report for children.
- The stakeholders realized that investment in children is a true investment on development; On an average, allocation for children is about 12 percent and expenditure 7 percent.
- Children were enabled to identify their needs and priorities: through Bal Bhelas in most of the districts, in general, and Parsa, Saptari, Nawalparasi, and Dang, in particular.
- Mainstreaming on CFLG indicators in the District Periodic Plan (DPP) was done in Bajhang.

Source: CFLG Review, May 2014

2.2 Local Planning

(1) Formulation of the District Micro-Entrepreneurship Development Strategic Plan

The Ministry of Industry (MoI) under the technical assistance of the United Nations Development Program (UNDP) and Aus-Aid has implemented a Micro-Enterprise Development Program (MEDEP) for the last 17 years. The GoN has been focusing on to mainstream it in the local governance system.

Inlogos provided technical support to Kavrepalanchok, Dolakha, and Nuwakot DDCs to formulate their District Micro-Enterprise Development Strategic Plan (DMEDSP). The DMEDSP is expected to contribute in developing Micro- Entrepreneurship at the local level, creating employment opportunities, and raising the income level of the local people. These plans can help the DDCs to allocate resources properly to benefit the targeted people.



(2) Formulation of District Periodic Plan

The Local Self-Governance Act, 1990 enjoins local bodies (DDC, Municipality, VDC) to develop their Periodic Plan for five years and link it with the annual plan for effective implementation to address the people's needs and priorities. However, its practical implications remain to be seen. The experiences of the last 14 years suggest that Nepal is facing difficulties in addressing people's demands and priorities mainly because of the failure to integrate the achievements into the local governance system. In this regard, Sunsari DDC has started to



formulate a participatory Periodic District Development Plan (PDDP). Inlogos put on its technical expertise to Sunsari DDC for a preliminary meeting, interaction, and workshop in developing PDDP.

2.3 Mapping of Local Service Delivery in Nepal

This study on mapping of local service delivery in Nepal was commissioned by the World Bank (WB) to Institute of Local Governance Studies (Inlogos) in order to provide a comprehensive quantitative and qualitative picture of the

study showed that the share of government grant in the total budget of Dhankuta and Dhanusha DDCs is 87 and 84 percent respectively. This means that the DDCs in the future will face difficulties in generating their own sources adequately. However, the municipalities were better off than the DDCs and VDCs.

The findings showed that a greater portion of the revenue is spent on roads, mostly on fair weather roads. Till 2010-11, spending on road was done on opening tracks, but local bodies now do it on upgrading, repair, and maintenance.



management and financing of service delivery in Dhankuta and Dhanusha districts.

The major objective of this project was to provide a comprehensive quantitative and qualitative picture of the management and financing of service delivery in Dhankuta and Dhanusha districts. The project provided inputs on a broader mapping of local service delivery in Nepal.

The tools used in collecting information were published documents, reports, annual plans and programs, audit reports, guidelines, and flash reports. Before going to the field, a checklist was prepared and tables and forms were designed to facilitate for collection of information.

From the study, it is clear that the revenue of the DDC heavily depends upon government grant and their own source of revenue is quite low. The

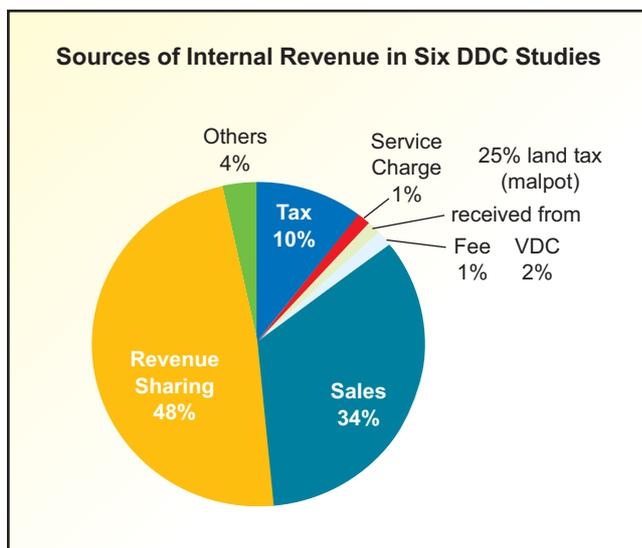
Decline in the number of students in Rajarani

In Jana Shikshya Sadan Primary School, Thaprong in Rajarani VDC, Dhankuta district, the number of students has been decreasing for the last few years. During our field visit, only five students were present. When the School Headmaster was asked about the problem, he said that the children's population in this area is decreasing. Students often have to travel 30 to 45 minutes to arrive at school and have to cross a stream, which is quite difficult during the rainy season. Parents prefer to send their children to a Private School (English Medium School) which is close by. With two teachers and one administrative assistant, the total budget of the school is more than six hundred thousand, with average 27 students enrolled in a year. The government is thus spending around Rs. 22,500 every year per student.

2.4 Study on Revenue Mobilization in DDCs and VDCs

Local bodies are the frontline service providers to address the needs and priorities of the people. However, these institutions have their own problems. Among others, fiscal management is a major issue. Specifically, the LBs depend on the GoN sources rather than strengthening their internal capacity of generating resources. Considering the issue, Inlogos with financial support from the LBFC did a revenue assessment and explored the opportunities in raising their internal revenue. A three-year (FY 2067/68-2069/70) analysis of Sunsari, Sindhuli, Kaski, Dolpa, Banke, and Doti DDCs and one VDC from each of the districts showed that LBs are unable even to collect tax, service charges, and fees as provisioned by the prevailing law. They depend heavily on government grants and revenue sharing, and are reluctant to explore the opportunities in mobilizing local resources. The study also showed that Doti ranks lowest and Kaski highest in internal revenue generating DDCs, among the six under consideration. On an average, Doti generated 39 lakh and Kaski 5 crore 27 lakh (including revenue sharing) in a year. But the DDCs are not on equal footing in resource management and institutional capacity.

Inlogos provided a set of 13-point strategic suggestions to address the issues and move the LBs toward self-sustainability.



2.5 Organization and Development Study

Organization and development study needs to be done at certain time intervals to develop the future strategy of an institution based on the analysis of its institutional capability. Organizational structure, human resource, staff recruitment, and revision of job description based on the changing context are vital for institutional consolidation. Inlogos carried out an Organization and Development Study of Udayapur DDC. Udayapur DDC has been established and functions in accordance with the Local Self-Governance Act, 2055 BS. The DDC is authorized and responsible for local level leadership and public service delivery. The study findings show that the existing human resource is enough for Udayapur DDC and there is no need to restructure of the staff positions. However, based on the situation analysis, Inlogos offered some strategic recommendations to the institution.

The proposed Organizational Structure, the strength of Staff Positions, Job Descriptions, Physical Facilities, Service Delivery, and Financial Obligations to be borne by the Institution are incorporated in the report.

Inlogos also drafted by-laws on Staff Services, Terms, and Benefits of the National Trauma Centre, Kathmandu.

2.6 Assessment of Minimum Conditions and Performance Measures (MCPM)

The role of Local Bodies (LBs) has been considered vital in local governance and service delivery. Local bodies have been given certain roles, responsibilities, and authority by the Local Self-Governance Act, 2055 BS. The GoN has also set specific norms and policy guidelines for allocating resources to the LBs based on their work performance as envisaged by the LSGA and the provisions made through government policies, directives, guidelines, and circulars along with a set of indicators. The Local Body Fiscal Commission (LBFC) Secretariat under the MoFALD used to carry out MCPM assessment of each LB annually, hiring the services of development organizations and their professionals. Inlogos for the reporting period appraised the MCPM

of some of the LBs, as usual. In the reporting fiscal year 2070/71, Inlogos did an MCPM of six DDCs: Dang, Rolpa, Pyuthan, Surkhet, Dailekh, and Kalikot. It also assessed the Quality Assurance of MCPM Assessment of Kathmandu Metropolitan City and Narayan Municipality.

District	Total Indicators		Fulfilled	
	MC	PM	MC	PM (%)
Dang	9	100 of 46	9	56
Rolpa	9	100 of 46	9	70
Pyuthan	9	100 of 46	9	73
Surkhet	9	100 of 46	9	63
Dailekh	9	100 of 46	9	77
Kalikot	9	100 of 46	9	49

3. Inlogos with Others

Inlogos participated in a number of events and provided feedback. Some of them are as follows:

- A one-day workshop on presentation of model budget (FY 070/071), organized by the National Council for Economic and Development Research-NAREC Nepal, in Aswin 2070 (Treasurer Bansidhar Ghimire and Member Surya Saran Regmi participated).
- A one-day meeting of the STE4D Task-Force organized by U.S. Embassy, Kathmandu on May 1, 2014 (Vice Chairperson B.B. Deoja participated).
- A two-day workshop on Curriculum Development for Rural Development Studies (Semester System, TU), organized by the Central Department of Rural Development, TU in April 2014 (Vice Chairperson B.B. Deoja participated).
- A two-day Round table Meeting on Horizontal Learning Process (HLP) in April 2014, organized by Local Development Training Academy (Member Rabindra N. Adhikari participated).
- A discussion program on local-level election, organized by the Municipal Association of Nepal in July 2014 (Executive Chairperson Khem Raj Nepal participated).

- A two-day national level workshop on 'Child-Friendly Model Municipality Indicators Development' and 'National Conference on Environment-Friendly Local Governance (EFLG) Ensuring a Resilient, Safe and Healthy Environment for Children in Nepal', organized by the Municipal Association of Nepal (MuAN) in July 2014 in Kathmandu (Member Padma Mathema and Director Binod Prasad Dhakal participated).
- Farewell to Representative Ms. Hanaa Singer and Deputy Representative Dr. Will Parks, on 15 July 2014 at Hotel Yak and Yeti (Director Binod P. Dhakal participated).
- A two-day international conference on 'Building Foundations of Integrity: National and International Experiences' (Treasurer Bansidhar Ghimire participated).

4. General Assembly Meeting

The Ninth Annual General Assembly Meeting of Inlogos was held on Magh 16, 2070 in Kathmandu. Out of thirty three individual and three institutional members, seventy two percent members participated the meeting. The meeting was chaired by the Executive Chairman Mr. Khem Raj Nepal. The meeting appreciated the annual progress and achievements made and decided to endorse the annual technical report presented by the Secretary-cum-Director Mr. Binod Prasad Dhakal on behalf of the Executive Chairman and the financial report including the Inlogos audit report of FY 2069/70 presented by Treasurer Mr. Banshidhar Ghimire.



5. Projects Implemented by Inlogos in the Last Five Years

	Name of the Project/Consulting Service	Client's Name	Year Completed
1	Development of the Health Sector Devolution Framework and of LHGSP Operational Guideline	GTZ/HSSP	2010
2	Study of the Functioning of LPCs	GoN/MoPR	2010
3	Preparation of a Desktop Manual for MEDEP	MEDEP	2010
4	OD for BPKMCH	BPKMCH	2010
5	QAM for LGCDP	GTZ/UDLE	2010
6	Building the Capacity of the Ministry of Finance in Financial Transparency (Anti-Money Laundering)	QUT/Australia	2010
7	Designing Sector Conditional Grant	LGCDP	2011
8	Study of Dang Community Forest	National Graduate Institute for Policy Studies, Tokyo	2011
9	Development of standards and norms for establishing 101 to 1000 bed private hospitals	Ministry of Health and Population (MoHP)	2011
10	MCPM Gorkha, Dhading, Nuwakot, Rasuwa, Salyan, Rukum, Jajarkot, Mugu, Humla, Bardiya, Ramechhap, Dolakha, Sindhupalchok DDCs and Nepalgunj, Gulariya, Tikapur, and Dhagadhi Municipalities	LBFC/MoFALD	2011-13
11	Quality Assurance Study of MCPM-Morang and Dhankuta DDC; and Dharan and Madhyapur Thimi Municipality	LBFC/MoFALD	2012-13
12	Organization of orientation and exposure visit of the Afghan engineers	UNDP-Afghanistan	2011
13	O&M Survey of Mental Hospital, Lalitpur	MoHP	2011
14	Support on Gender Equality and Women's Human Rights Activities for Gender-Responsive Service Delivery	MoLD	2012
15	O&M Survey of National Public Health Laboratory, Teku	NPHL	2012
16	Desk Review Studies of MoHP	MoHP	2012
17	Development of Village Enterprise Development Plan (VEDP)	MEDEP	2102
18	Assessment of the Effectiveness of Nursing Services in Nepal	MoHP	2012
19	Baseline Study of the LHGSP	GIZ-HSSP	2012

	Name of the Project/Consulting Service	Client's Name	Year Completed
20	Preparation of District Enterprise Development Plan (DEDP) Preparation Guidelines	MEDEP	2013
21	Study of the Management of Funds by Local Government Bodies	Transparency International, Nepal	2013
22	Organization and Management Survey of Nepal Trauma Centre	Trauma Centre, Kathmandu	2013
23	Organization and Development Study of Kathmandu DDC	DDC Kathmandu	2013
24	Development of Children's Profile and District Periodic Plan for Children, Tanahun	DDC Tanahun	2013
25	Preparation of District Micro-Enterprise Plan, Ramechhap	DDC/MEDEP Ramechhap	2013
26	Preparation of District Micro-Enterprise Plan, Kavre, Dolakha, Nuwakot	DDC/MEDEP Kavre	2014
27	MCPM study of Dang, Rolpa, Pyuthan, Surkhet, Kalikot, and Dailekh DDCs and Quality Assurance of MCPM of Kathmandu Metropolitan City and Narayan Municipality	LBFC/MoFALD	2014
28	Preparation of by-laws for Staff Services, Terms, and Benefits of National Trauma Centre, Kathmandu	Trauma Centre, Kathmandu	2014
29	Mapping of Local Service Delivery in Nepal	World Bank	2014
30	Organization and Development Study of Udayapur DDC	DDC Udayapur	2014
31	Study of Revenue Mobilization in DDCs and VDCs	LBFC/MoFALD	2014
32	Support for expansion and strengthening of Child-Friendly Local Governance (CFLG) in Nepal	UNICEF	Running

Congratulations !!!

Inlogos congratulated Dr. Chandra Mani Adhikari, member, Inlogos Executive Committee, for his appointment to the National Planning Commission Nepal as a member.



6. Income and Expenditure of Inlogos (in Rs)

Expenditure	Current Year	Previous Year	Income	Current Year	Previous Year
<u>Program Cost</u>	2070/71	2069/70	Consultancy Advisory	2070/71	2069/70
Salary Payment	2,833,000.00	2,445,000.00	Service	7,998,676.60	2,676,502.87
Remuneration (Consultancy Fee)	4,146,555.75	2,393,700.00	CFLG National Program Membership	8,995,704.00	5,693,653.80
Transportation	733,288.00	895,913.00	Fee VEDP	0	7,000.00
TA/DA	996,132.00	540,420.00	Program (MEDEP)		
Printing Expenses	204,449.35	391,017.00	NEPC	126,000.00	126,000.00
Training, Workshop & logistic	2,948,992.65	267,878.61	Interest Income	216,948.85	223,287.82
<u>Admin. Cost</u>			Sales Book	41,870.00	183,760.00
Annual General Meeting	206,460.00	150,046.00			
House Rent	300,000.00	300,000.00			
Audit Fee	20,000.00	15,000.00			
Stationery	197,120.00	122,864.00			
Refreshment	127,086.00	171,628.00			
Communication	56,232.00	84,066.00			
Electricity & Water	31,375.00	16,929.00			
Fuel Expenses	106,578.00	95,079.00			
Furnishing	-	45,713.00			
Insurance	25,437.00	21,197.00			
Office Expenses	16,280.00	42,114.00			
Repair & Maintenances	32,320.00	22,550.00			
Chargers	6,621.00	8,633.00			
Financial Assistance	9,000.00				
Depreciation	110,765.44	125,217.35			
Excess of Income over Expenses	4,271,507.26	1,020,895.03			
Total (Rs.)	17,379,199.45	9,175,859.99	17,379,199.45	9,175,859.99	

Note: Excess of Income over Expenses is not saving; rather it is the program implementation budget and operation cost balanced in the bank account.



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