

Annual Progress Report

FY 2025-26 (2082/83)



INLOGOS

**Institute of Local Governance Studies
(INLOGOS)**

July 2026

Acronyms

AGM	Annual General Meeting
CNI	Confederation of Nepalese Industries
EFLG	Environment Friendly Local Governance
EMIS	Environment Manageemnt Information System
FG	Federal Government
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FWEAN	Federation of Woman Entrepreneurs' Associations of Nepal
GoN	Government of Nepal
HR	Human Resource
INLOGOS	Institute of Local Governance Studies
LG	Local Government
LGOA	Local Government Operation Act
MoFAGA	Ministry of Federal Affairs and General Administration
MPDP	Municipal Periodic Development Plan
MTEF	Medium Term Expenditure Framework
MTP	Municipal Transport Plan
PG	Province Government
RERAS	Renewable Energy for Resilient Agri-Food Systems
ToT	Training of Trainers
UNDP	United Nations Development Programme

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A. Background

The Institute of Local Governance Studies (INLOGOS) is a nationally recognized policy, research, and capacity development institution dedicated to strengthening sub-national governance in Nepal. Positioned as an emerging governance think tank within Nepal's federal architecture, INLOGOS provides strategic and technical support to federal, provincial, and local governments in the formulation of policies, plans, strategies, operational guidelines, and institutional systems, alongside the development of human resources through curriculum design and training.

INLOGOS is guided by the conviction that sustainable, inclusive, and resilient development in Nepal can only be realized through a well-functioning decentralized governance system. Strengthening local democracy, improving the effectiveness and accountability of service delivery, and institutionalizing good governance practices at the sub-national level remain at the core of its mission. For more than two decades, INLOGOS has been actively engaged in enhancing the self-governance capacities of local and provincial institutions, supporting democratic practices, participatory decision-making, and citizen-centered development.



Following the adoption of federalism, INLOGOS has strategically repositioned itself to respond to evolving governance needs within a three-tier government system. Its core competencies lie in providing policy and strategic advisory services; supporting development planning, programming, and budgeting; undertaking research, assessments, reviews, monitoring, and evaluation; and translating policy intent into operational systems and procedures. INLOGOS has accumulated extensive experience in policy analysis, strategy formulation, applied research, and the development of operational manuals and guidelines. It also possesses strong expertise in curriculum development, modular training design, and e-learning platforms, employing participatory and interactive facilitation approaches across its interventions.



To date, INLOGOS has developed curricula and training manuals across diverse development sectors and has delivered capacity development programs on good governance, including Child-Friendly Local Governance (CFLG) and Environment-Friendly Local Governance (EFLG). More than 6,600 individuals and institutions—including officials from federal, provincial, and local governments, training

institutes, non-governmental organizations, private sector entities, and community groups have directly benefited from INLOGOS' interventions. In recent years, INLOGOS has supported local and provincial governments in preparing annual and periodic plans, sectoral strategies, Medium-Term Expenditure Frameworks (MTEF), Revenue Improvement Action Plans (RIAP), Capacity Development Plans, and in advancing SDG localization.



This institution has been running by a team of expertise in the field of federalism, democracy, local governance and development. INLOGOS work with the agencies and stakeholders on the sectoral and cross-cutting issues including agriculture, health, education, women, children and disaster risk management. Research and Study, Planning and Monitoring, Organization Management, Training and workshops are the major areas that INLOGOS has been focusing on.

It is definitely a challenge for INLOGOS to act according to its objectives in the present situation where still the federal system of governance has not been properly institutionalized. However, we have been implementing the projects and activities even in a challenging situation. INLOGOS carried out research and studies and supported the governments to policy formulation through providing practical feedback to the policy makers. Also, supported to develop annual, periodic and sectoral plans, MTEF (Medium-Term Expenditure Framework), RIAP (Revenue Improvement Action Plan), Capacity Development Plan and SDG localization. Our support to Sudurpaschim Provincial Government helped to establish a mechanism



of Province-Local Government consultation, coordination and collaboration. The resource book on shared mandates helped the sub-national governments to take responsibilities on sectoral issues especially education, health and agriculture.

INLOGOS faces challenges at present to act in accordance with its motto as the federal system of governance is still not properly functional and institutionalized. However, we have geared-up our efforts in implementing

activities considering the challenges as opportunities to develop a robust system and procedure for sub-national governance. This report highlights the key programmes and activities implemented by INLOGOS during the Fiscal Year 2082/83 B.S. (2025/26).

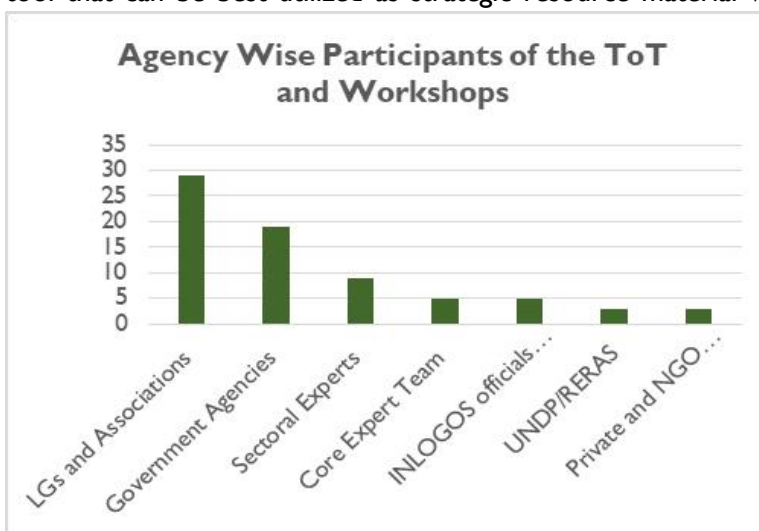
B. Actions and Activities

I. Environment Friendly Local Governance (EFLG) Curriculum and E-Module

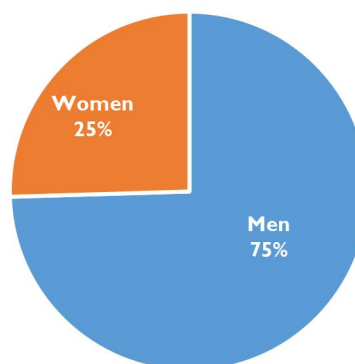
The Environment Friendly Local Governance (EFLG) training curriculum and its digital e-module has been developed as a capacity development tool that can be best utilized as strategic resource material while developing capacities at local level. The e-module is designed as a user-friendly technical tool to be used by the local, provincial and federal government authorities and professionals in mainstreaming the components of natural resource management, biodiversity conservation, environment protection, waste management, land use planning, climate resilient agriculture, disaster risk reduction and the resilient local infrastructure by integrating into the local policy, planning, budgeting and the overall governance practices. Renewable Energy for Resilient Agri-Food Systems (RERAS) Project of the United Nations Development Programme (UNDP) initiated the processes of EFLG curriculum development and e-module preparation that has been logically concluded by the Institute of Local Governance Studies (INLOGOS). The EFLG training curriculum and e-module has been developed based on Environment Friendly Local Governance (EFLG) Framework approved by the then Ministry of Federal Affairs and General Administration (MoFAGA) in 2021.

This e-module is a composition of resource materials that can be applied by the local governments (LGs) and professionals relevant to capacity development at sub-national level. A brief situation analysis of EFLG done by the INLOGOS opened the scope to design the curriculum. This comprises five modules and 20 technical sessions. The curriculum

consists of PowerPoint Presentation for the 5-day long training, infographs and the EFLG Resource Book. Four animated videos on EFLG, five success stories and best practices as well as three simulations/ games



Total Participants of the Major Meeting, Workshop and ToT



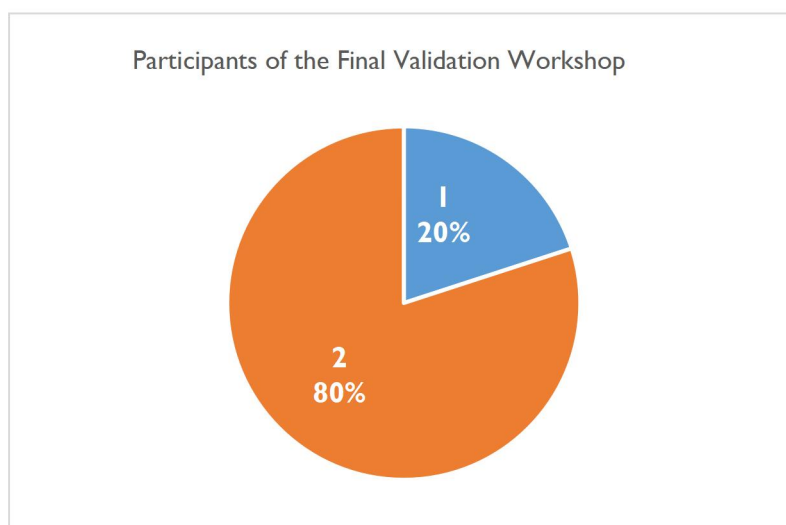
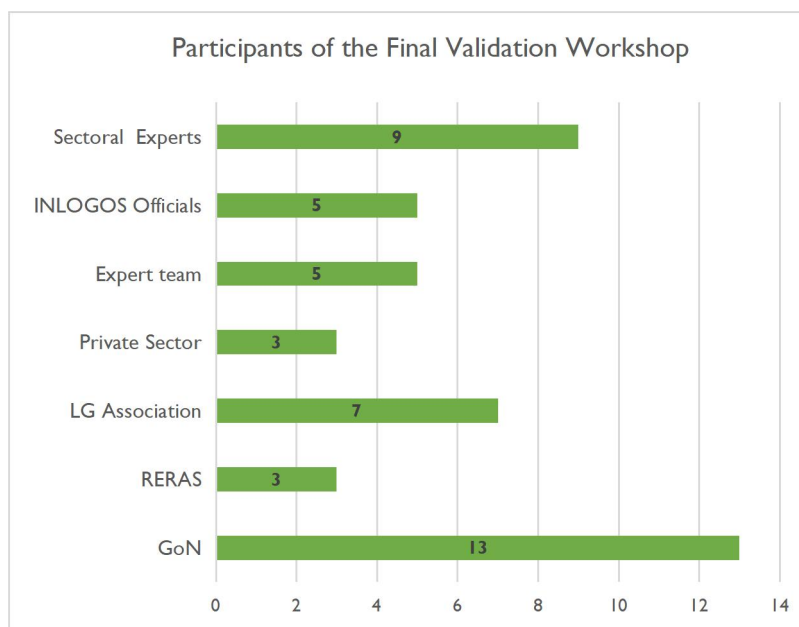
are included in the e-module. Besides some basic questions related to EFLG have been provided as pre- and post-test questionnaires that can be used for self-assessment of the participants. The e-module provides an auto-generated online score on the tests immediately. In addition, learning and recommendations, Sample Action Plan and way forward give an insight to the interested individuals and institutions who want to contribute to environment friendly governance system.

This e-module has been finalized through a participatory approach by

engaging stakeholders, representatives from the federal, provincial and local level, including the government institutions, training academia, non-governmental organizations and the private sector.

Strategic Recommendations

- Revise the EFLG Framework, 2021 and adjust properly the roles and responsibilities of the Provincial Government (PG) in promoting EFLG at sub-national level.
- Have a quick assessment of the structures, key stakeholders and EFLG indicators and make necessary adjustments as needed (some of the indicators are irrelevant and some others missing in the existing EFLG Framework, 2021).
- Design/develop a practical guideline (user friendly hand book) specifically targeting to the local level institutions and community organizations on how to measure the EFLG indicators and follow the adoption and declaration processes.
- Apply the EFLG Framework to a system-based governance approach so that EFLG indicators become a part of the local governance system including policy, planning, budgeting, service delivery, performance audits and resilient development.
- Make EFLG as a tool for sustainable environment management and institutional mechanism.



- External support from the development partners including INGOs and other related agencies is most crucial to internalize and expand EFLG concept at sub-national level.

Major Challenges

1. Changed political context: Nepal faced an unprecedented political situation during the project period (the incidence of 8-9 September 2025) that caused a death of people and destruction of public and private properties. The situation created fear and uncertainty among the people and took time to get ready and resume their work.
2. Long public holidays: Since the project period run through the three major festivals (Dashain, Tihar, Chhat), the expert team could not go to the field nor they work that time.
3. General election of the House of Representatives (HoR): The fresh election of HoR announced on 5 March 2026 (21 Fagun, 2082), the entire government offices were engaged in this process and people (country as whole) were also engaged in election activities. Again, the election code and conducts restricted for any gathering and consultations works. This caused to limit the movements of experts, project consultants and other relevant individual.
4. Multi-sectoral stakeholders' engagement: The multi-stakeholder's engagement was expected at different activities of the project from local to federal levels. However, it remains a challenging task to communicate with the stakeholders and get their time to engage for the project activities.

Way Forward

1. Handover the developed curriculum and e-module initially to the UNDP/RERAS and it finally hands over to the MoLMCFGA (Ministry of Land Management, Co-operatives, Federal Affairs & General Administration)
2. Initiate the process of revising the EFLG Framework 2021 as soon as possible. MoLMCFGA should take a lead to this process. External support may be sought from the like-minded development partners for these purposes if needed.
3. Organize EFLG training/orientation sessions at provincial levels so that the PGs clearly understand the concept, process and methodology of EFLG that may help them internalize and replicate EFLG within their jurisdiction. Also conduct orientation training to those local governments who are interested in implementing and replicating EFLG on priority basis
4. Conduct EFLG promotion campaigns, especially at the ward and community level to advocate the need for adoption and internalizing EFLG at local level.
5. Find ways and means for the federal and provincial training institutions to integrate EFLG capacity development programs within their annual training packages.
6. Develop mechanism of EFLG reporting system (such as EMIS) linking the local level achievements, knowledge sharing and best practices to the provincial and federal level.



2. Strategic Plan of IEDI

The Industrial Enterprise Development Institute is a national-level government institution established in 2053 BS under the Industrial Enterprise Development Institute Act, 2053, with the objective of promoting industries and businesses, fostering entrepreneurship, and enhancing productivity and competitiveness. The institution provides quality services related to the development and promotion of enterprises; conducts feasibility studies and research on industries based on domestic and foreign raw materials; offers technical assistance; organizes programs on entrepreneurship and management; provides consultancy services; and conducts training-including 'training of trainers' for the human resource development of organizations involved in industrial and business development.

In particular, the Institute has played a positive role in enabling the achievement of desired returns through low-capital investments that utilize locally available resources and labor. It plays a vital role in the development and promotion of Micro, Cottage, Small, and Medium Enterprises (MSMEs)-sectors that significantly contribute to the national economy by creating jobs, alleviating poverty, and strengthening the local economy through industrial and business activities.

In the context of the Government of Nepal prioritizing and implementing programs for innovative businesses (start-ups)-including the provision of a dedicated fund-the start-up fund is currently being mobilized through the institution. Alongside other approved initiatives, it is essential for the institution to effectively implement this government-prioritized start-up program by providing financial resources to creative and entrepreneurial youth and communities interested in business ventures, thereby supporting industrial development.

Institute of Local Governance Studies (INLOGOS) has developed a five years Strategic Plan of the Industrial Enterprise Development Institute (IEDI) following a participatory and consultative process. During the strategy formulation process, interactions and discussions were held with policy-level officials from the Ministry of Industry, Commerce and Supplies; relevant officials from the Ministry of Finance; the head and staff of the Industrial Enterprise Development Institute; young innovative entrepreneurs (startup operators); private sector representatives from organizations such as FNCCI, CNI, and FWEAN; relevant banks and financial institutions; local-level officials associated with startups; and other stakeholder groups, organizations, and individuals.

3. Bulletin Publication

INLOGOS has given continuity to its publication. An e-copy of the **Local Self Governance (Swyattya Shasan)** issued during the period. In the recent years we have developed the digital copy of the bulleting that has been uploaded on the institutional website.

4. Publication of INLOGOS Calander of 2083

As in previous years, the Institute for Self-Governance Studies has published a desk calendar. This calendar for the year 2083 BS has been made available to the Institute's members as well as to government, non-government, and other public institutions.

5. Revised the Institutional Strategy

INLOGOS has revised its existing institutional strategy making compatible to the changing context of the governance and service delivery mechanisms. The strategy has assessed the internal and the external environment with respect to the opportunism, issues and challenges. It is expected that the strategy will be helpful in carrying the institutional business sustainably. The strategy is simple and practical that will be applied starting from the FY 2083/84.

6. Participation in Other Agency Programmes Related with Local Governance

Starting with its establishment in 2005 INLOGOS has been participating the programmes organized by the like-minded organizations. INLOGOS has participated in various programmes including meeting, workshop, seminar and experience sharing organized by the stakeholders and the training academia on the areas of governance and service delivery.

7. Others

The regular office operation activities such as office management, committee meetings, AGM, audit, registration renewal and calendar publication activities were conducted as usual. Besides, INLOGOS has been providing technical support to different institutions through its members, roasters of experts and officials.

C. Key Results

- The EFLG Training Curriculum and E-Module has been supported the capacity development process of the LGs and concerned agencies.
- The strategic plan of the IEDI helped the institution to move ahead with a clear vision, objectives and strategies.