

Memorandum of Understanding (MoU)
Between
Institute of Local Governance Studies (INLOGOS)
And
Center for Innovative Governance Practices (CIGP)

This Memorandum of Understanding (MoU) is signed between the Institute of Local Governance Studies, herein referred to as **INLOGOS** and Centre for Innovative Governance Practices, herein referred to as **CIGP** to cooperate and collaborate with each other in strengthening federalism and governance in Nepal.

1. Background

With the promulgation of the new Constitution in 2015, Nepal has embraced federalism as a major principle of governance. The erstwhile unitary system has given way to a federal system with three spheres of government, creating 753 local governments (LGs), seven province governments (PGs) and federal government (FG). Executive and legislative powers are now shared between different spheres as defined in the Constitution. All three spheres of government enjoy exclusive and concurrent powers for discharging their responsibilities. The executive power at all levels of government is expected to enable the delivery of services to citizens. The Constitution envisages cordial relationship between national and sub-national governments based on cooperation, coordination and coexistence.

The Constitution and subsequent laws spell out arrangements on political, administrative and fiscal federalism. The federal, province and local level governments are granted power and authority to carry out planning, budgeting and public finance management. The Local Government Operations Act (LGOA) 2017, and the Inter-Government Fiscal Arrangement Act 2020, reinforce that local governments need to formulate and implement policies, plans and projects. However, there are a number of queries and concerns among the three spheres of government in terms of delivering their constitutional mandates.

One of the major factors behind this is capacity gap, especially at the sub-national level. This MoU is expected to open space for INLOGOS and CIGP to work together in addressing capacity gaps, including at the sub-national level.

2. Areas of partnership

The two entities will:

- 1) Meet frequently and stand together on issues related to the promotion of good governance, including at the subnational level.
- 2) Carry out research and studies and support policy makers in developing evidence-based and citizen-friendly policies.
- 3) Create multi-stakeholder platform OR a network of like mandated institutions, share knowledge and information about governance issues, and promote a series of policy dialogues, including lobbying and advocacy
- 4) Work together for joint bids for projects wherever possible within the limits of the institutional mandate and capacity.



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- 5) Develop and/or design training packages on relevant areas of governance and implement them obtaining the approval from relevant government agencies at different levels.

3. Funding

This MOU does not cover the reimbursement of funds between the two parties. Funding arrangements will be governed by separate agreements as necessary.

4. Sustainability

With a view to achieving sustainability of operations, the two institutions will:

- Identify innovative approaches and measures to self-finance the activities they promote
- Coordinate with development partners to scale up their efforts at strengthening governance systems, including at the local level.

5. Duration

This MoU remains valid for the next 12 months starting from the date of signing by both parties. The MoU is subject to extension as agreed by both parties.

6. Dispute Settlement


INLOGOS and CIGP management will settle any disputes mutually should they arise in the process of executing the MoU.

7. Amendment

This MoU is subject to amendment with the consent of both parties. A review of its effectiveness will take place before adjustments are made to the MoU.

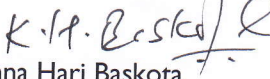
8. Signatures

For INLOGOS

Signature: 
 Name: Mahesh Prasad Dahal
 Position: Executive Chairperson
 Date: May 7, 2024



For CIGP

Signature: 
 Name: Krishna Hari Baskota
 Position: Executive Chairperson
 Date: May 7, 2024

