

ANNEXES

Annex 1: Districts and VDCs in ongoing UNICEF and UNFPA programme

Region	District	No of VDCs covered by DACAW	No of VDCs covered by PARHI	Other
FWR	Accham	25	-	
	Dadeldhura	8	5	
	Bajura	6	-	7 QIPSI VDCs
	Bajhang	7	-	7 QIPSI VDCs
MWR	Dang	17	20	
	Humla	12	-	6 QIPSI VDCs
	Mugu	7	-	7 QIPSI VDCs
	Dolpa	6	-	6 QIPSI VDCs
	Rukum	6	-	6 QIPSI VDCs
	Jajarkot	6	-	6 QIPSI VDCs
	Jumla	6	-	6 QIPSI VDCs
	Kalikot	6	-	6 QIPSI VDCs
	WR	Kapilvastu	19	18
Kaski		18	-	
Tanahun		18	-	
Nawalparasi		17	-	
CR	Chitwan	28	-	
	Kavre	34	-	
	Parsa	22	-	
	Mohottari	-	16	
	Rautahat	-	16	
ER	Udayapur	19	-	
	Sunsari	19	-	
	Saptari	28	29	
	Panchtar	14	-	
Totals		348	111	

QIPSI = Quick Impact

Annex 2: UNICEF's contribution to the JP and to LGCDP

UNICEF's contribution to the JP and LGCDP derives from the ongoing Decentralized Action for Children and Women (DACAW) programme, which has been implemented by the Ministry of Local Development with UNICEF support for the last 10 years. UNICEF's current Country Programme Action Plan (CPAP) for 2008 – 2010 includes the DACAW programme with MLD and as such, this work is being aligned with LGCDP, especially to ensure lessons learned and best practice contributes to improved local governance nationally.

DACAW is UNICEF Nepal's approach to improve access to sectoral services and interventions to rural communities in 23 districts across Nepal. As such, UNICEF's sectoral work in these 23 districts comes under the DACAW umbrella. The overall objective of DACAW is to build the capacity of families, communities, local bodies and duty-bearers to plan, manage and monitor actions that will realize the rights of children and women and ensure the provision of responsive services. DACAW operates within the country's ongoing efforts to decentralize governance and foster people's participation in development. With its rights-based approach to programming, DACAW has given priority to (i) reaching the disadvantaged; (ii) children's and young people's participation; and (iii) gender equality.

DACAW employs a combination of three key strategies 1) strengthening community action processes (CAP) 2) strengthening responsive service delivery and, 3) strengthening local governance at both district and village level and at national policy and strategy level.

JP Outcome A. Citizens and communities engage more actively with local governments and hold them accountable

JP Output 1. Communities and community organisations are empowered to participate in local governance processes

UNICEF works on the basis that sustainable human development and poverty alleviation require that people participate in and take responsibility for their own development. DACAW uses a series of actions collectively known as the Community Action Process (CAP) as its main strategy to facilitate this participation. CAP is an iterative process that enables families and communities to develop their capacity to assess their situation, analyse their problems, and take action individually and collectively—the Triple A process (assessment, analysis, and action). DACAW strategies aim to create a synergistic effect between the 'Triple A process' creating demand and mobilisation at the community level and building the capacity of service providers at village and district level.

The programme works through existing community organizations (COs) including Village Development Programme, the Integrated Women and Child Development Approach (IWCD- including women's federations), and the Small Farmers' Cooperative Limited (SFCL). Women's federations are the most active and sustainable COs in DACAW. UNICEF has given support to strengthening the federation process in order to further empower women and effectively work with federations to achieve sectoral results for children and women. Some community-based groups such as paralegal committees (PLCs), Safe Motherhood Action Groups and child clubs have evolved from the DACAW programme and grown across different districts and nationally. The MLD has requested the development of guidelines for these approaches to be replicated in other districts.

DACAW social mobilisation takes place through CAP. It is a process implemented through a system of village facilitators and community mobilisers whom UNICEF/MLD provides basic and refresher training. During basic and refresher training these frontline workers are provided with the knowledge and skill to facilitate and lead CAP and other mobilisation processes at the community level, thus identifying locally appropriate solutions and sectoral

by enhancing knowledge and participation of individuals and families of disadvantaged communities.

As part of the JP and LGCDP, UNICEF will expand efforts to coordinate and align training to village facilitators and social mobilisers with training approaches and plans of the UN JP partners and other MLD partners. Similarly UNICEF support to the formation of community based institutions, such as paralegal committees, child clubs and WATCH-SMAG (Safe Motherhood) groups will be coordinated, including through formation of federations and networks in order to better advocate for children's / women's rights issues in disadvantaged communities. Activities will also include institutional assessment of federated groups to identify current stages and potential transition strategies, and documentation of case studies/best practices on CO sustainability for replication.

In 2006, UNICEF and MLD developed a participatory methodology for targeting groups that are socially and/or economically disadvantaged, known as disadvantaged group (DAG) mapping. There were two major outcomes. Firstly, it is now possible to rank VDCs within a district systematically by level of disadvantage. This methodology has been well received by communities, local government officials and political parties and will soon have been completed nationally. While initiated by UNICEF with MLD, UNDP joined to conduct the mapping in an additional 60 districts and UNICEF is now supporting MLD to complete the mapping in the remaining districts. As a result, MLD and UNICEF work on DACAW will prioritise CAP coverage in the most disadvantaged (category 4) VDCs. Secondly, DAG mapping is also being extended to identify disadvantaged households within VDCs. This will ensure that programme interventions can be targeted at settlements where their impact is most beneficial and MLD is now directing local bodies and other development partners to use these findings to guide their programmes to reach the most underprivileged and vulnerable groups in each district. In addition, UNICEF will support the creation of a database to better use DAG-mapping for ongoing planning and monitoring purposes.

JP Outcome B. Increased capacity of local governments to provide basic services in an inclusive and equitable manner.

The Local Self-Governance Act 1999 opened up new opportunities for enhancing local participation in development, as it enables people at all levels to exercise their civil and political rights. It provides a sound basis for the promotion of a rights-based approach to development. DACAW works with local bodies to build their capacity to prepare medium-term plans, annual plans and actions for improving the wellbeing of children and women, and for working with the most disadvantaged.

JP Output 4. Appropriate capacity building services are provided to all levels of the local government delivery system.

JP Activity 4.6 Provide core capacity-building to local level line departments to deliver public services.

- In Education Sector, support will be provided in order to train and build capacity of district, local and community level educational bodies. This will include DDCs, VDCs, REDs, DEOs, School Management Committees, ECD facilitators, etc. Capacity will be built in order to continue welcome to school campaigns, parenting orientation classes as well as to establish ECD centres, etc.
- In Child Protection, support will be provided in order to train and build capacity of district and local civil servants on child protection issues as well as to build capacity of paralegal committees and child clubs on child protection issues. Capacity in order to strengthen the district protection system will be provided, including for birth registration of the most disadvantaged children, etc.

- In Health Sector, support will be provided in order to train and build capacity of district, local and community level health bodies. This will include DHOs, district health staff, village health workers, Maternal-Child Health Workers, Female Community Health Volunteers, traditional birth attendants, VFs and CMs, etc.
- In Water, Hygiene and Sanitation, support will be provided in order to train and build capacity of district water and sanitation partners (District Water Resources Committees, District Sanitation Steering Committees, Water Users' Federations, etc). Capacity in order to ensure a functioning MIS for WASH. Technical assistance provided in order to ensure safe water, sanitation and hygiene education for schools in neglected communities. Formation of child clubs in schools to promote sanitation and hygiene education, etc.
- In HIV and AIDS, support will be provided in order to train and build capacity on HIV and AIDS issues of district level governmental institutions such as DDC, DWD, DHO, DEO, DACC etc. Training supported for health care providers, DWD officers, etc. Awareness raising in schools and through child clubs on HIV and AIDS issues, etc.

JP Output 5. Local government infrastructure and service delivery mechanisms and processes are fine-tuned.

UNICEF will support revision of district periodic development plans, both medium term and annual plans, including to ensure that they are inclusive, gender and child sensitive in line and coordinated with JP and other partners. Capacity building of DDC staff and district level workshops will also be conducted in collaboration with other partners. Capacity building of DDC and line agencies (DEO, DWSSO, DHO, WDO, etc) at district/municipal and VDC levels will be provided in order to ensure ownership and smooth programme implementation. In addition, support to strengthen the DDC and other coordination mechanisms in the district for programme implementation will be provided.

UNICEF has introduced child-related indicators to the government's performance based monitoring system and will support the piloting of the District Poverty Monitoring Analysis System (DPMAS) and NepalInfo in 2-5 districts. There will be a linkage to existing sectoral management information systems. The use of these tools in improving planning and monitoring at a district level will be demonstrated to the DDCs. Monitoring guidelines and capacity building will be provided to the DDCs and district level staff in order to be better able to monitor and report on programme progress, including MDG indicators and utilising DAG-mapping data.

UNICEF support will be given to studies, surveys, case studies, evaluations and best practices documentation that improves the understanding of the situation of children and women. Action research on "how to work with the most disadvantaged groups (MDAG) to achieve better sectoral outcomes" will be carried out in Saptari and Nawalparasi.

JP Activity 5.3 Pilot sector support (e.g. education, health, etc) at the local level

Support will be provided to the development of conditional sector grants. Sector block grants in selected districts / VDCs in the Mid and Far Western Region will be piloted within the partnership of the LGCDP. These pilots will provide useful experiences and lessons for policy dialogues and for potential replication.

JP Activity 5.4 Test DDC local development coordination functions (line agencies, NGOs, etc.)

Through DACAW, Coordination Committees have been established to contribute to intersectoral and interagency coordination mechanisms for children and women at DDC and VDC levels. Ongoing support and orientation will be provided to LDO/planning officers in 23 districts and VDC secretaries; including support to planning and review meetings in order to ensure that women and children's concern are included in VDC plans before endorsed by VDC councils. The DACAW programme also supports intra- and inter-district exchange visits in order to share experiences and best practices.

JP Outcome C. Strengthen policy and national institutional framework for decentralisation, devolution and community development.

National level - Policy support on decentralization

The programme provides policy support for decentralization in the areas of child rights and reaching the disadvantaged. Many of the national policy dialogues in DACAW are influenced by local-level projects and experiences from communities and from disadvantaged groups. The programme also works closely with other UN agencies to promote decentralization, avoid duplication, and increase the impact of the programme. For example, UNICEF has collaborated with UNDP's Decentralized Local Governance Support Programme (DLGSP).

JP Output 6. Policy framework for decentralisation provides a more enabling environment for effective, transparent and accountable local governance.

Various studies, surveys and reviews are foreseen. This will include a baseline survey and a decentralisation strategy review. The baseline survey will cover a range of social issues and will be carried out in 8 districts (Bajhang, Bajura, Mugo, Kalikot, Dolpa, Jajarkot, Rukum and Jumla). The Decentralisation Strategy review will include UNICEF sectoral work, the broader context of the LGCDP and the ongoing decentralisation efforts. Best practices from the DACAW programme will be documented and disseminated to contribute to national policy dialogues on decentralisation.

A child-friendly local governance framework will be developed and child-friendly governance piloted in 5 DACAW districts/municipalities. Piloted districts and municipalities will implement Local Development Plans for children as an integral part of revised District Periodic Plans. Policy guidelines and materials will be developed as well as easy-to use manuals on mainstreaming child rights issues in local development planning. Key child sensitive indicators will be developed for the Government's district-wide performance based monitoring system. Annual reports and status reports on children will be developed in pilot districts and corresponding data collection and monitoring systems will be supported.

JP Output 7. Capacity of central government and national non-government institutions strengthened to provide appropriate support to local governments is enhanced.

Relevant capacity building efforts of governmental and non-governmental partners will be supported. For example, capacity built within MLD to replicate DAG-mapping as a method to reach the most disadvantaged groups and to complete the VDC ranking. Capacity built within MLD to replicate relevant components of the DACAW programme in new districts. Programme (DACAW) replication guidelines will be prepared and published for wider dissemination. A document with key messages enhancing integration of children and women's concern will be finalised and published for wider dissemination.

JP Activity 7.6 Mainstream gender equality and social inclusion and child and youth inclusion in MLD

A gender audit will be carried out (jointly with MLD and DWD) in the DACAW districts and the report will serve as a basis for advocating the mainstreaming of gender equity in planning and implementation of programmes. The capacity of WDO staff will be built on adolescent girls' development.

Gender mainstreaming in local governance will be piloted in selected districts in order to improve the quality of local governance as well as gender equality. Gender mainstreaming guidelines and checklists will be tested and the results validated, in collaboration with UN JP partners.

Annex 3: UNCDF's contribution to the JP and to LGCDP

This annex provides a summary description of the JP/LGCDP activities that will be supported by UNCDF – which has a specific mandate to support local development. For the most part, UNCDF activities will be in the following two areas:

- (i) Providing technical support (both international and national) to LGCDP for a range of issues related to fiscal decentralisation, local public financial management, capacity building and decentralisation policy.
- (ii) Supporting, both technically and financially (through "real-time" grants), pilot activities aimed at testing out improvements or innovations in local government service delivery, with a view to ensuring that such pilots inform policy processes.

These are both areas in which UNCDF has an established track record – and play to the organisation's principal comparative advantages of: (i) providing high quality technical support and assistance in the area of local governance; and (ii) piloting innovations in the area of local government service delivery.

The total budget for UNCDF's support to LGCDP amounts to \$ 6,532,000 million¹.

JP Outcome B. Increased capacity of local governments to provide basic services in an inclusive and equitable manner.

JP Output 3. Local governments gain access to greater fiscal resources in equitable and appropriate ways.

In budgetary terms, this is almost certainly the most important LGCDP output, as it covers all the "top-up" block grants that the programme will provide to DDCs, VDCs and municipalities. Most of these funds will probably be provided directly to GoN by major development partners (ADB, DFID, Danida, CIDA, NORAD, etc.).

Although it will not be involved in channelling fiscal transfers to local governments, there are a number of activities associated with this output that will be supported by UNCDF:

- Firstly, the proposed LGCDP "top-up" grants for VDCs are expected to be allocated on the basis of a formula as well as some kind of MC/PM system. UNCDF will assist in developing a formula-driven allocation procedure and a simple, but robust, MC/PM system, to be applied by DDC level personnel (perhaps complemented by short term local consultants). UNCDF will also provide technical support at later stages of the programme in order to progressively refine and fine-tune VDC-level performance-based grant systems.
- Secondly, UNCDF will provide technical support for refining overall MC/PM systems. This will include working alongside GTZ and MLD in developing a performance-based funding system for municipalities, as well as providing technical support for the nation-wide and annual MC/PM assessments of DDCs and for refining them in the light of experience.
- Thirdly, UNCDF will provide technical assistance and support for LGCDP work on local own-source revenues – almost certainly on a pilot basis. Much of the initial work on this

¹ Including the funding gap.

will consist of scoping studies – but, over time, this will evolve into real-time capacity development.

The total amount allocated to this component of UNCDF support is \$ 1.2 million, all of which would be used to finance mainly short term international technical support and assistance

JP Output 4. Appropriate capacity building services are provided to all levels of the local government delivery system.

As part of indicative activities 4.3. and 4.4., UNCDF will provide international technical support and assistance to help in developing:

- procedures and processes whereby DDCs provide backstopping and mentoring services to VDCs. This is an area where much remains to be done – and which will gain added importance as increased fiscal resources are made available to VDCs through LGCDP.
- a system whereby local governments make and implement their own capacity building plans. This will involve drawing up procedures through which local bodies will assess their capacity building needs (often in relation to their performance as measured by MC/PM assessments), as well as procedures for drafting plans to address those needs. This will necessarily occur within the framework of a hard budget ceiling provided by capacity development grants. This is an area for which UNCDF would build upon its past and ongoing experience elsewhere.

The total amount allocated to this component of UNCDF support is \$ 0.05 million, all of which would be used to finance short term international technical support and assistance

JP Output 5. Local government infrastructure and service delivery mechanisms and processes are fine-tuned

This component of LGCDP is concerned with piloting new approaches to local government service delivery – and constitutes the main area of the programme to which UNCDF will contribute. UNCDF-supported activities will be as follows:

- Firstly, UNCDF will assist in fine-tuning local level public expenditure and financial management (indicative activity 5.1.). A range of systems and procedures will to be piloted in order to eventually strengthen local government planning and budgeting, processes for social inclusion, procurement, financial management, asset management, reporting, etc. This will be done at both the VDC and DDC levels – and will involve working intensively with a selected number of local bodies. UNCDF will assist by drawing up new procedures and by providing pilot local governments with the capacity building they will require in order to apply new ways of working.
- Secondly, UNCDF will take the lead in piloting local government administration and management of safety net programmes (indicative activity 5.2.). Not only are safety net programmes (such as conditional cash transfers) one of the most promising ways of tackling extreme poverty – they are also potentially well-suited to local level implementation. UNCDF will support real-time piloting of locally managed/administered social protection activities in about 25 VDCs over a period of three years. Inputs will include the allocation of social protection block grants to pilot VDCs, the provision of technical support and assistance in designing appropriate social protection programmes, training and capacity building of participating local bodies, and support for close monitoring of outcomes and impacts. This set of pilot activities will be closely articulated with national level policy thinking on social protection, with a view to providing policy

makers with "real-time" information on how well (or poorly) local governments are able to implement social protection programmes.

- Thirdly, UNCDF will assist in the piloting of conditional sector grants to DDCs (indicative activity 5.3.). This will involve working in 6 pilot DDCs over a period of three years. It is expected that this pilot will test out education and health sector grants to DDCs, as a way of informing sector devolution policies. Sector grants will be allocated to pilot DDCs on a largely discretionary basis. Inputs will include "real-time" financing in the form of sector grants, technical support and assistance to define how the use of such sector grants would be planned, budgeted and accounted for, and capacity building of DDC level officials and stakeholders.
- Finally, UNCDF will support the fine-tuning of the coordination functions of DDCs (indicative activity 5.4.). Although LSGA provides DDCs with a strong mandate to coordinate all development activities at the local level, in practice DDCs have a poor track record in fulfilling this mandate. UNCDF will therefore assist in developing coordination mechanisms and in strengthening the processes through which DDCs ensure inter-sectoral and multi-partner coordination. Inputs will include technical assistance and support to develop robust coordination processes and capacity building of stakeholders at the DDC level.

The total amount allocated to this component of UNCDF support is \$ 3.89 million, which would be used to finance: (i) "real-time" grants to pilot local governments (\$ 2.3 million); and (ii) international and national technical support and assistance to develop systems and procedures and provide capacity building (\$ 1.59 million).

JP Outcome C. Strengthen policy and national institutional framework for decentralisation, devolution and community development.

JP Output 6. Policy framework for decentralisation provides a more enabling environment for effective, transparent and accountable local governance.

The overall policy framework for decentralisation in Nepal is likely to undergo considerable change over the coming years – and assisting LGCDP in addressing emerging policy issues will be an important form of support. In addition, it is clear that the overall national context for decentralisation can be made more conducive for effective local governance. In this respect, UNCDF will focus its support on two areas:

- Firstly, UNCDF will provide flexible technical assistance and support to develop the Government's decentralisation and sector devolution policies (indicative activity 6.1.). This will be on a demand-driven and opportunistic basis, enabling LGCDP to address policy issues as and when they emerge. For the most part, UNCDF support will take the form of providing international technical support and assistance, but may also take the form of funding for workshops and other such events.
- Secondly, support will also be provided for the preparation of a national capacity building strategy for local governments (indicative activity 6.5.). This will consist of short term international technical support and assistance.

The total amount allocated to this component of UNCDF support is \$ 0.55 million, which would be used to finance technical support and assistance.

JP Output 7. Capacity of central government and national non-government institutions strengthened to provide appropriate support to local governments is enhanced.

UNCDF, alongside UNDP, will support the policy and other functions of the Local Bodies' Fiscal Commission (indicative activity 7.2.). UNCDF support will take the form of international technical support and assistance, aimed particularly at strengthening the overall framework for inter-governmental fiscal relations in Nepal.

The total amount allocated to this component of UNCDF support is \$ 0.15 million, which would be used to finance international technical support and assistance.

JP Output 8. Support provided for programme implementation

Along with UNDP, UNCDF will provide some support for overall LGCDP implementation – particularly in the area of evaluation and meeting other technical needs.

The total amount allocated to this component of UNCDF support is \$ 0.692 million, which would be largely used to finance international technical support and assistance.

Annex 4: UNFPA's contribution to the Joint Programme (JP) and to LGCDP

Background

UNFPA has been supporting the Government of Nepal since 2004 in delivering quality reproductive health services under a decentralized approach. Cross-cutting issues such as poverty reduction, gender, social inclusion, human rights, population, and HIV/AIDS concerns are central to the design of UNFPA's community based programme at district and village levels.

Substantial efforts were made to broadening the scope of reproductive rights at district and village levels by a three pronged strategy. Firstly, by building the capacities of the local service delivery systems (DDCs/LDOs, DHOs, DEOs, WDOs and NGOs) to increase the coverage and remove the barriers of access for the socially excluded groups to basic services and appropriate information. Secondly, improving the quality of the RH delivered through the primary health care system. Thirdly, by supporting local level participatory planning, implementation and monitoring.

UNFPA's comparative advantage within the JP lies in its substantial experience of working at both national and decentralized levels. The experience gained from six PARHI districts will be utilized to roll-out in new districts. In the first two and half years (2008-2010) the UNFPA will support 18 districts and gradually expand to more districts in the coming years. UNFPA will (jointly) provide TA in all 18 supported districts on decentralization and Gender/Social inclusion. The main focus of TA will be planning and programming health and population activities at DDC level. The approach for implementation in districts will be district coverage through support to the DDC and sectoral line agencies.

This annex provides a summary description of the JP/LGCDP activities that will be supported by UNFPA from July 2008 to 2010 in 18 districts. Final selection of the districts will be made in consultation with GoN, related sectoral partners and other UN agencies (especially UNICEF).

JP Outcome A. Citizens and communities engage more actively with local governments and hold them accountable

JP Output 1: Communities and community organisations are empowered to participate in local governance processes

Major Activities

- 1.1. Establish institutional mechanisms through which communities and community organizations can participate in the local planning, implementation and oversight process.
 - Operationalize a mechanism for bottom-up-planning at DDC and VDC level with the involvement of target populations on reproductive health, gender equality and social inclusion (RH & GE/SI).
 - Establish and operationalize a mechanism at DDCs and VDCs level for social audit on RH needs and rights by the community.

- Organize social mobilization activities with active participation of the communities to raise awareness of poor, women Dalits and socially disadvantaged groups on increasing demand for social services and basic rights.
- 1.2. Strengthen the capacity of communities and community organizations to participate in the local planning, implementation and oversight process
- Organize training to community stakeholders on bottom-up planning and Client-oriented Provider Efficient - Participatory Learning Approaches (COPE/PLA) in RH needs and rights. About 246 VDCs of 18 districts will be supported in developing 3 years integrated VDC plans with focus on RH, gender and population activities.
 - Support training and capacity building measures of community and programme stakeholders to carry out social audit (About 246 VDCs of 18 districts will be supported). Mother's groups, FCHVs and CBOs will be capacitated to carry-out social audit at least on 6 monthly bases.
 - Organize social mobilization activities in partnership with Dalit and socially excluded groups, NGOs/CBOs and youth clubs.

JP Output 2: Increased capacity of citizens, communities and marginalised groups to assert their rights and hold local governments accountable

Major Activities

- 2.1. Carry out Information, Education and Communication (IEC) activities
- Organize advocacy, media and education campaign to enable the rights holders to demand for SRH & Rights.
- 2.2. Strengthen mechanisms for local and community level advocacy, monitoring and oversight of local governance issues.
- Assist in setting-up and/or strengthening 'multi-sectoral' Gender Based Violence (GBV) monitoring and response mechanisms at DDCs.
- 2.3. Provide technical and capacity building support to citizens' institutions led by disadvantaged groups to promote interactions with Local Bodies (LBs).
- Support in development of affirmative action policies for increased women participation in local government.
 - Implement capacity building measures for meaningful participation of socially excluded groups, especially women in community based organizations (CBOs), Local Bodies (LBs) and Users' group of different nature and functions.

JP Outcome B. Increased capacity of local governments to provide basic services in an inclusive and equitable manner.

JP Output 3: Local governments gain access to greater fiscal resources in equitable and appropriate ways

Major Activities

- 3.1. DDCs provided with formula-driven and performance-based (Minimum Conditions/ Performance Measures - MC/PM) block grants.
 - Facilitate all 18 districts (DDCs) on timely dissemination of national guidelines and tools on financing mechanisms and procedures for utilizing block grants by DDCs and VDCs.
 - Advocate for more gender sensitive planning and budgeting through DDCs and VDCs council meetings, and formal and informal interactions and workshops with key stakeholders. Matching grants will be provided to DDC on RH and gender related programmes.
- 3.2. VDCs provided with formula driven and performance-based (MC) block grants
 - Provide matching grants to at least 12 VDCs of each 18 district to carryout focused activities on RH, gender and social inclusion. VDC matching grants will be in the range of approx. US Dollar 1000/VDCs each year.
- 3.3. Review and refine revenue and expenditure assignments and types of revenue
 - Support in mapping of total resources available for health and population activities at VDC level and assist LBs in mobilizing additional resources for health in general and specific to RH related activities.

JP Output 4: Appropriate capacity building services are provided to all levels of the local government delivery system.

Major Activities

- 4.1. Provide core capacity-building to local level line departments to deliver public services.
 - Provide technical assistance to MoLD and DDCs for developing tools to strengthen vital registration system at district and VDCs levels.
 - Carry-out capacity needs assessment of partner institutions (MOHP, MoLD, DHOs, DDCs, VDCs). Support key areas of the capacity building measures to strengthen planning, programming, management and monitoring skills.
 - Conduct advocacy activities for policy dialogue at central level to ensure that LGBs mainstream populations, RH, gender social inclusion issues in plans as well as in programme implementation with adequate budget and functional monitoring mechanisms.
 - Strengthen Decentralized Monitoring Information System (DMIS) using District Poverty Monitoring Analysis System (DPMAS) tool and Dev Info Database in selected districts.
 - Strengthen capacity of LBs and local line agencies to generate and utilize socio-demographic data disaggregated by age, sex, caste, ethnicity and economic status
 - Set up/strengthen multi-sectoral GBV monitoring and response mechanism at national and district levels. TA will be provided through sharing national and international experiences and developing appropriate tools and guidelines.

JP Output 5: Local government service delivery mechanisms and processes are fine-tuned.

Major Activities

- 5.1. Update Public Expenditure Management (PEM) and Public Financial Management (PFM) systems and procedures
 - Organize financial management training to DDC, selected VDCs and district line agencies
 - Provide technical and financial support to DDCs and DHOs for maintaining essential RH commodities to prevent stock-out
- 5.2. Test safety net and social assistance programmes
 - Design and implement RH & GBV contingency plans in selected districts.
- 5.3. Pilot sector support (e.g. education, health, etc) at the local level
 - Strengthen the capacity of selected DDCs in RH, Gender and PDS programming.
 - Support to DHOs, DDCs, VDCs and NGOs for implementation of youth friendly services.
 - Support implementation of district RH and Reproductive Rights plans
 - Conduct orientation to health service providers and management committees on existing RH policies/strategies/guidelines/ protocols.
- 5.4. Test DDC local development coordination functions (line agencies, NGOs, etc.)
 - Strengthen district RHCC and DACC in facilitating the implementation and joint monitoring of RH action plans and HIV/AIDS programmes
 - Support to the District Disaster relief Committee for formulation and implementation of RH contingency plans

JP Outcome C. Strengthen policy and national institutional framework for decentralisation, devolution and community development.

JP Output 6: Policy framework for decentralisation provides a more enabling environment for effective, transparent and accountable local governance.

Major Activities

- 6.1. Prepare decentralization and sector devolution policy
 - Provide technical assistance to the MoLD, MOHP, MoES, MOWCSW and NPC for developing appropriate policies and operational guidelines on LGCDP and decentralization. Support in developing required capacity and technical skills in policy analysis, sector devolution policies and implementation plans.
- 6.2. Prepare improved staffing policies for local governments

- Support GoN in developing tools and required skills for the operationalization of UNSCR 1325 in planning at the central level for gender and women's protection and reintegration.
 - Support MoLD, MWCSWS and NPC in selection and training of GE/SI focal person.
 - Monitor implementation of 33% representation of women in all state bodies
- 6.3. Prepare National Capacity Development Strategy for local governments
- Provide TA to formulate national capacity development strategy and assist MoLD, DDCs and VDCs to operationalize the strategy
- 6.4. Conduct outcomes and impact studies of local governance and community development programmes and outputs (evidence-based policy-making)
- Within the broader context LGCDP a comparative study on the impact of decentralization on delivery and utilization of essential health care services especially RH, gender, equity and child health services will be conducted. This will include a review of decentralisation strategy and implementation plan together with partners.

JP Output 7: Capacity of central government and national non-government institutions strengthened to provide appropriate support to local governments is enhanced.

Major Activities

- 7.1. Provide support for GoN local governance policy analysis and policy making functions
- Assist in developing guidelines, tools and IEC materials on decentralized, gender, social and geographic sensitive planning, monitoring and assessment of health and population activities at district and community levels.
- 7.2. Organize capacity building programmes for decentralization focal units of various line ministries including NPC, MoF, PMO, MoGA, MWCSW, MoE, MOHP and MoAC
- Support the national and local governments in their efforts to address the cross-cutting issues of gender and social inclusion by mainstreaming gender sensitive programme implementation and monitoring. National level efforts will focus on policy related issues, while more specific support to women and socially excluded populations will be provided at district and community levels. Gender mainstreaming in local governance in selected districts will be piloted.
 - Strengthen capacity of MoLD, MOHP, MWCSW, CBS and National Women's Commission. Capacity building of MoLD, DDCs and VDCs to replicate DAG-mapping as a method to reach the most disadvantaged groups and VDC ranking will be given priority. Lessons learned and programme replication guidelines will be prepared and disseminated at all levels.
 - Provide technical and financial support to national and district level committees/commissions/forums related to gender and social inclusion ((GE/SI) and child/youth inclusion (CYI).

- Conduct gender audit in collaboration with MoLD, MWCSW and UNICEF. The audit report will serve as a basis for advocating the mainstreaming of gender equity in planning and implementation of programmes nationwide.

JP Output 8. Support provided for programme implementation

Major Activities

8.1. Support to recruit technical staff in MoLD

- Review ToRs of technical personnel to be posted in PCU (decentralization, gender/social mobilization)
- Support TA on decentralization and gender/social inclusion (UNFPA will be co-financing 2 persons)
- Support TA on decentralization and gender/social inclusion at implementation level (UNFPA will be co-financing 2 persons in each district)
- Provide technical input to LGCDP joint programme monitoring. UNFPA will facilitate the monitoring visits to the districts and assist in documenting lessons learned.

Annex 5: UNDP's contribution to the JP and to LGCDP

This annex provides a summary description of the JP/LGCDP activities that will be supported by UNDP.

UNDP's contribution to the JP and to LGCDP implementation will be structured around its core comparative advantages and competencies in providing capacity building support (at both the national and local levels), providing technical assistance and support, and engaging in policy-level activities. UNDP will also bring to bear its experience in the area of social mobilisation by providing LGCDP with technical support in conceptualising and then implementing social mobilisation strategies and activities.

The total UNDP contribution in support to LGCDP for three years will be 6.594 million USD².

JP Outcome A. Citizens and communities engage more actively with local governments and hold them accountable

JP Output 1: Communities and community organisations are empowered to participate in local governance processes

Activities:

- 1.1. Establish institutional mechanisms through which communities and community organisations can participate in the local planning, implementation and oversight process

At the moment, the participation of communities in the local planning process varies across districts, municipalities and VDCs. Although several ad hoc mechanisms are being practised by the local bodies, there is no uniformity and the participation of communities in planning and implementation depends very much on the local government in question.

In a situation of political vacuum, there is a need for developing a transparent institutional mechanism whereby local bodies will systematically involve communities and community organizations in local planning, and implementation. Communities should also have the right to oversee the functioning of local government and "voice" themselves.

In developing the proposed mechanism, UNDP will draw on its past experience with a number of projects, including the Decentralized Local Governance Support Programme (DLGSP) and the Rural Urban Partnership Project (RUPP), as well as the lessons from the recent study done by DFID/World Bank on engaging communities in planning and resource allocation.

UNDP support to MLD will build on the previous work of UN and other development partners and will be focused on mapping out modalities and experiences within Nepal and from elsewhere in participatory planning procedures, and reactivating the integrated planning committee at the District level and suggesting interim measures for VDC and Municipal level planning. This will create an enabling environment for open budget meetings in which communities can actively participate and safeguard their interests in the local governance processes. UNDP will assist LGCDP in the formulation of guidelines for local level planning and in institutionalising their use throughout the local government system.

² Including funding gap.

UNDP will assist the Ministry of Local Development and local bodies in developing and implementing institutional mechanisms for the effective participation of communities and community organizations in local governance processes.

The estimated budget for this particular activity will be USD 102,500.

- 1.2. Strengthen the capacity of communities and community organisations to participate in the local planning, implementation and oversight process

Based on over a decade of experience in social mobilization and community empowerment, UNDP will support the MLD in developing a strategy for nation-wide social mobilization for LGCDP. This will include mapping out all DDCs, VDCs and municipalities according to the degree of social mobilization that they have undergone.

Technical assistance and support will be provided to LGCDP to formulate a comprehensive social mobilisation strategy. This will cover a range of issues related to social mobilisation, including methodological options, out-sourcing options and developing an inventory of social mobilization agencies both at national and district level. The SM strategy will also cover exit options, through which VDCs and communities can be "graduated" from the need for continued social mobilisation. UNDP will also assist in drafting LGCDP guidelines for social mobilisation, which will provide social mobilisers with a user-friendly reference point, as well as guidelines for social mobilisation entities, including a set of criteria for the selection of such entities and for quality assurance.

In addition, UNDP support will include the provision of training and backstopping for all social mobilisers and social mobilisation agencies contracted through LGCDP. The detail modality of how this will be done will be determined following the discussion with LGCDP team.

The total estimated budget for this activity for three years will be USD 850,000.

JP Outcome B. Increased capacity of local governments to provide basic services in an inclusive and equitable manner.

JP Output 4.: Appropriate capacity building services are provided to all levels of the local government delivery system.

Under this LGCDP output, UNDP will provide MLD with technical assistance and funding for capacity building at the local level. This will include assisting in the provision of capacity building support to DDCs so that they are better able to backstop and mentor VDCs and funding the provision of gender sensitive and socially inclusive, supply-driven, training for local governments, community organisations, user groups and other local service delivery agencies. UNDP will also assist in the development of a demand-driven approach to capacity building, through which local bodies will develop their own capacity building plans.

UNDP-supported technical assistance will play a key role in developing training materials and peer learning options for local level capacity building.

The total estimated cost related to this output will be USD 2.517 million.

JP Outcome C. Strengthen policy and national institutional framework for decentralisation, devolution and community development.

JP Output 7: Capacity of central government and national non-government institutions strengthened to provide appropriate support to local governments is enhanced.

In line with its established expertise in national level capacity building and providing technical assistance, UNDP will provide MLD with comprehensive support in the implementation of output 7. This will include the supporting the following activities:

- Providing MLD and key line ministries (Education, Health, Agriculture, etc.) with technical assistance and capacity building to enhance their ability to develop evidence-based decentralisation policy and to undertake policy analysis in the area of local governance. This will be done jointly with UNFPA and UNICEF. This will strengthen the capacity of MLD to undertake sector devolution;
- Providing technical and other assistance to MLD for the design and use of a local government performance monitoring system;
- In collaboration with UNFPA and UNICEF, providing training and technical assistance to MLD in order to mainstream Gender Equality, Social Inclusion issues into both national level and local level processes;
- Supporting in the implementation of the national capacity building strategy for local bodies. This will involve providing technical assistance and strengthening the capacities of MLD's human resource development section;
- In conjunction with UNCDF, providing the Local Bodies' Fiscal Commission (LBFC) with technical assistance, capacity building and other support in order to strengthen LBFC's capacity to advise the Government on fiscal decentralisation issues (performance-based assessments, expenditure assignment, etc.);
- Providing the three local government associations (ADDCN, MuAN, NAVIN) with core funding, technical assistance and capacity building support, with a view to strengthening their ability to fulfil their primary functions of representing local bodies at the national level and carrying out policy level lobbying on behalf of their respective memberships;
- Providing the Auditor General's Office and others with capacity building support in order to strengthen their audit functions with regard to local bodies.

The total estimated cost related to this output will be USD 2.1 million.

Across the outputs: Support provided for programme implementation

The recent institutional assessment of MLD (funded by DFID) indicates that the Ministry will require substantial technical assistance over the first few years of LGCDP if the programme is to be efficiently and fully implemented. In conjunction with the other UN agencies involved in the JP (UNFPA, UNICEF, UNCDF) and given its track record of providing technical assistance, UNDP will provide the LGCDP Programme Coordination Unit with much of the longer term, national technical assistance required. This will include both technical specialists (in the areas of social mobilisation, capacity development, monitoring and evaluation, GIS, MIS/ITC, etc.) as well as the management specialists (financial management, public procurement) who will assist the PCU in programme implementation³. UNDP will also provide support for administrative staff and operational costs.

The total estimated cost related to technical assistance and output 8 will be USD 0.825 million.

³ In output 3 and 6 UNDP is providing core TA support only. The total cost for both is 200,000 USD over 3 years.

Annex 6: UNV's contribution to the Joint Programme (JP) and to LGCDP

Background:

United Nations Volunteers (UNV) is the United Nations focal point for promoting and harnessing volunteerism for effective development. UNV advocates for the recognition of volunteerism as a valuable resource for development; integrates volunteerism in development planning and promotes the global citizen's involvement in and contribution to the development agenda.

In line with its mandate, UNV contributes to development effectiveness through its advocacy activities and the advisory support it provides to partners in development programming and through the volunteers it deploys. UNV works essentially within development goals set by the UN agencies and partners with which it cooperates and also undertakes programmatic initiatives aiming at demonstrating good practices on integrating volunteerism in development thinking and practice.

Particularly in local governance, UNV in partnership with UNDP has supported community participation in local governance processes through harnessing volunteerism as a sustainable and culturally adapted development asset.

UNV's Contribution to LGCDP:

Volunteering builds reciprocity among citizens and helps social integration and inclusive participation. Furthermore, it contributes to civic engagement and peace building processes. Local volunteering has been a key resource for development in Nepal. Traditional forms of volunteering based on self-help and solidarity are still practiced especially in rural areas without legal recognition and provision. A considerable portion of local development works under VDCs and DDCs are carried out through people's voluntary services and in addition many local and national level volunteer based organizations (i.e. CBOs, NGOs) are promoting self-development through voluntary action.

The government of Nepal has also mobilized volunteers: e.g. Female Community Health Volunteers in the health sector and Forests User Groups in the forestry sector. The government's National Development Voluntary Service (NDVS) mobilizes, trains and places volunteers in host agencies working for development. NDVS has begun to operate at the local level in partnership with DDCs, in an attempt to enhance its efficiency, sustainability and responsiveness to local needs. As part of this UN Joint Programme, UNV will contribute to LGCDP by linking its mandate of promoting and harnessing volunteerism for development with the practical work of NDVS regarding the mobilization, training and placement of national volunteers. Furthermore, UNV will support NDVS by conducting a capacity assessment of the organization and developing a capacity development strategy for its operations as part of the LGCDP programme.

This annex provides a summary description of the JP/LGCDP activities that will be supported by UNV through cooperation with NDVS in a number of selected districts. Final selection of the districts will be made in consultation with GoN, NDVS and the UN agencies participating in the UN Joint Programme (especially UNDP).

JP Outcome A: Citizens and communities engage more actively with local governments and hold them accountable

JP Output 1: Communities and community organizations participate actively in local governance processes

JP Activity 1.2 Strengthen the capacity of communities and community organizations to participate in the local planning, implementation and oversight process.

JP sub-Activity 1.2.5 Mobilize and fund NDVS volunteers to conduct social mobilization and provide TA in other fields on demand from DDCs and conduct capacity assessment of NDVS and develop capacity development strategy for NDVS operations in selected DDCs

Mobilization and training of NDVS local volunteers to facilitate inclusive and participatory local governance processes

- Based on the demand from DDCs a number of remote districts in Mid- and Far western Nepal (and possibly some in other clusters) will be selected as location for the UNV/NDVS cooperation.
- The NDVS volunteers will be working on demand from DDCs as facilitators on district level, partly as social sector overseers but also in relation to i.e. health volunteering and as technical advisers in other areas. The NDVS volunteers will mainly be working on supervision and monitoring level and the focus of their work will be on empowerment regarding the "delivery" aspect of LGCDP, facilitating interactions between communities/community organizations and local governments/service delivery departments.
- UNV will provide funding for 100 NDVS volunteers whereas NDVS will provide basic orientation/training to the newly recruited NDVS volunteers.
- The NDVS volunteers will be offered a series of additional training activities, including training on social inclusion, participatory processes, community mobilization, gender and peace-building.
- Community volunteerism will be promoted through existing forms and mechanisms (DDCs, VDCs, user groups, VIOs etc.) and NDVS volunteers will support social mobilization and help mobilize village/community volunteers and facilitate their engagement in local governance.
- Community volunteers will play a key role in facilitating participation of disadvantaged groups and women and their active engagement in local governance processes. Voluntary engagement of communities will strengthen local ownership and sustainability of the LGCDP initiatives at the community level.

Supporting Capacity Strengthening of NDVS

- UNV will provide technical support in terms of capacity assessment of NDVS both at the national and district levels.
- The capacity assessment of NDVS will include capacities to engage with multi-stakeholders (i.e. local civil society organizations, Volunteer Involving Organizations), to ensure social inclusion, to mobilize and manage local volunteers and to promote civic engagement of communities in local governance processes.

- Based on the findings of the assessment, UNV will support NDVS (and civil society partners involved in it) to develop and implement a capacity building plan to enhance its organizational capacity. This includes tailor-made training and expertise support to NDVS and DDC officials and concerned partners and the introduction of improved arrangements and procedures for local volunteer management.
- UNV will provide coordination, facilitation and monitoring support as part of the proposed collaboration with NDVS.

