

**LOCAL GOVERNANCE AND COMMUNITY DEVELOPMENT PROGRAMME: LOGICAL FRAMEWORK**

*May 26, 2008*

<b>GOAL:</b> Contribute towards poverty reduction in Nepal			
<b>PURPOSE:</b> Improved access to locally and inclusively prioritised public (goods and) services			
<b>Outcomes</b>	<b>Outputs</b>	<b>Indicative Activities</b>	<b>Sub-activities</b>
I. Citizens and communities engage more actively with local governments and hold them accountable	1. Communities and community organisations are empowered to participate in local governance processes	1.1. Establish institutional mechanisms through which communities and community organisations can participate in the local planning, implementation and oversight process	1.1.1. Map out modalities and experiences from various countries in participatory planning procedures 1.1.2. Support the functioning of the integrated planning committee at the DDC level and establish similar body at the VDC level by establishment of rules and procedures 1.1.3. Roll out and dissemination of procedures on 1.2
		1.2. Strengthen the capacity of communities and community organisations to participate in the local planning, implementation and oversight process	1.2.1. Develop a strategy for SM 1.2.2. Map out DDC/VDCs according to degree of mobilisation already in place and define modality for the coverage of social mobilisation activities 1.2.3. Conduct social mobilisation with community organisations – method depending on the level of maturity of the local area (group of VDCs already covered and others never covered) with training in community mobilisation and principles of local community participation 1.2.4. Prepare exit strategy and implementation framework

Outcomes	Outputs	Indicative Activities	Sub-activities
	2. Increased capacity of citizens, communities and marginalised groups to assert their rights and hold local governments accountable	2.1. Carry out IEC activities	2.1.1 Identify core IEC messages to be disseminated 2.1.2 Identify and contract key media for IEC activities 2.1.3 Disseminate basic messages about LG (LSGA, decentralisation policies, etc.) 2.1.4 Provide basic information to the public (block grants, audit outcomes, MC/PM assessments, etc.) 2.1.5 Identify core IEC messages to be disseminated 2.1.6 Identify and contract key media for IEC activities 2.1.7 Disseminate basic messages about LG (LSGA, decentralisation policies, etc.) 2.1.8 Provide basic information to the public (block grants, audit outcomes, MC/PM assessments, PETS, etc.) 2.1.9 Support MLD to perform the activities on IEC 2.1.10 Support (training and information) to media on local governance issues
		2.2. Strengthen mechanisms for local and community level advocacy, monitoring and oversight of local governance issues	2.2.1. Define status of and management arrangements for a semi autonomous organisation for local governance and accountability facility 2.2.2. Establish local governance and accountability facility 2.2.3. Support to specific activities to promote transparency 2.2.4. Monitor and evaluate performance of LG and accountability facility. 2.2.5. Assess impact of LG and accountability facility
		2.3. Provide technical and capacity building support to citizens' institutions led by disadvantaged groups to promote interactions with LBs	2.3.1. Identify COs (including DDC-level dalit, janajati and other committees) led by disadvantaged communities 2.3.2. Assess need of such COs 2.3.3. Fine tune mandate of COs 2.3.4. Provide support for training on local governance issues 2.3.5. Provide technical assistance and advisory services to such COs 2.3.6. Provide support for appropriate institutional setup

<p>B. Increased capacity of local governments to provide* basic services in an inclusive and equitable manner;</p> <p>* NB – distinction between provision (finance, oversee, etc.) and production (implement)</p>	<p>3. Local governments gain access to greater fiscal resources in equitable and appropriate ways</p>	3.1. DDCs provided with formula-driven and performance-based (MC/PM) block grants	3.1.1. Put in order/refine DDC block grant formula 3.1.2. Disburse DDC block grants
		3.2. VDCs provided with formula driven and performance-based (MC) block grants	3.2.1. Put in order VDC block grant formula 3.2.2. Prepare and pilot MC/PM 3.2.3. Disburse VDC block grants
		3.3. Non-metropolitan municipalities provided with formula driven and performance based (MC/PM) block grants	3.3.1. Define the municipal grant system for block grant formula (application and size) 3.3.2. Elaborate municipal block grant formula 3.3.3. Refine and Implement MC/PM system 3.3.4. Disburse municipal block grants
		3.4. Support to development of the metropolitan and sub-metropolitan municipalities funding system	3.4.1. Review and recommendations on the funding system for metropolitan and sub-metropolitan municipalities 3.4.2. Implementation of the recommendations to improve on the overall system of funding including systems for improved performance incentives
		3.5. MC/PM assessments of all local governments supported	3.5.1. Design MC/PM assessment process for VDCs 3.5.2. Train DDCs in use of VDC MC/PM assessment methodology 3.5.3. Develop systems of quality assurance and approval of results 3.5.4. Provide DDCs with financial and logistical support to carry out VDC MC/PM assessments 3.5.5. Provide MLD/LBFC with support to contract out MC/PM assessments for DDCs and municipalities 3.5.6. Provide MLD/LBFC with current support to up-date and refine the system (linked to output 6)

		3.6. Own source revenue collection by LGs supported	3.6.1. Assess existing tax/revenue base for LGs 3.6.2. Assess LG revenue administration procedures 3.6.3. Identify ways of expanding LG tax/revenue base 3.6.4. Identify options for improving LG tax/revenue administration 3.6.5. Fine tune LG revenue collection/administration manuals 3.6.6. Establish improved linkage between revenue and service delivery 3.6.7. Provide training to LG officials and elected/nominated representatives
		3.7. Review and refine revenue & expenditure assignments and types of revenue	3.7.1. Review revenue and expenditure sharing arrangements 3.7.2. Review appropriateness of existing types of revenue (e.g. LDF, house and property tax) 3.7.3. Support implementation of any proposed reforms to revenue/expenditure sharing arrangements and types of revenue
4. Appropriate capacity building services are provided to all levels of the local government service delivery system	4.1. Design and allocation of CD grants for LGs	4.1.1. Prepare formula for CD grants 4.1.2. Inform LGs of CD grant system 4.1.3. Disburse CD grants to LGs 4.1.4. Monitor the utilisation of the grants and adjust (on an annual basis)	
	4.2. Earmark LGs' access to TA funds (embedded in block grants)	4.2.1. Elaborate capacity building block grant strategy and implementation arrangements 4.2.2. Communicate to DDCs, VDCs and municipalities on the size of the block grants earmarked for TA	
	4.3. Provide support to DDCs for backstopping and mentoring of VDCs and provide support to municipalities	4.3.1. Prepare guidelines for DDC backstopping and mentoring of VDCs and guidelines for municipalities 4.3.2. Disseminate guidelines to DDCs, municipalities and VDCs 4.3.3. Build a facilitating team within DDC and municipalities including line agencies' officials if needed/necessary, using contracted NGOs/companies to support the teams in up-start phase. 4.3.4. Train DDCs in backstopping and mentoring of VDCs and municipalities	

		4.4. Prepare LGs GE/SI Capacity Development (CD) plans	4.4.1. Provide support to develop a CD planning methodology for LGs 4.4.2. Support the HR units in the DDCs and municipalities to develop CD plans and use the CD grants 4.4.3. Provide Training in LG CD planning processes 4.4.4. Provide support to the HR unit of the DDCs and municipality and VDC CD functions 4.4.5. Backstop LG CD planning activities
		4.5. Provide GE/SI core training services to LGs	4.5.1. Contract core CD service providers 4.5.2. Supervise activities of CD service providers 4.5.3. Monitor and evaluate performance of CD service providers
		4.6. Provide core capacity-building to local level line departments to deliver public services	4.6.1. Review interactions between line-departments and core administration at the DDC and municipal level 4.6.2. Elaborate training materials on these issues 4.6.3. Support line departments (HR, etc.) 4.6.4. Provide standard training for all DDCs and municipalities
		4.7. Provide core training services to community organisations, user groups and other local service delivery (production) agencies (including private /SME sector)	4.7.1. Elaborate training materials on various forms of service delivery production (planning, budgeting, implementation, M&E etc.) for COs, user groups and private contractors 4.7.2. Support training of these providers (contracted NGOs and companies)
		4.8. Design standard training modules for the demand side training	4.8.1. Prepare core training curricula 4.8.2. Define certification process for service providers

	5. Local government infrastructure and service delivery mechanisms and processes are fine-tuned	5.1. Update PEM and PFM systems and procedures	5.1.1. Fine tune procurement and implementation procedures 5.1.2. Fine tune bottom-up planning & budgeting procedures 5.1.3. Fine tune Operation and Maintenance (O&M) and asset management procedures 5.1.4. Fine tune social inclusion mechanisms (dalit, women and DAG committees) in planning and budgeting systems 5.1.5. Fine tune LG reporting, monitoring and evaluation systems
		5.2. Test safety net and social assistance programmes	5.2.1. Carry out scoping study for safety net and social assistance programmes 5.2.2. Design safety net programme pilot 5.2.3. Implement safety net pilot in selected VDCs 5.2.4. Monitor and evaluate safety net pilot 5.2.5. Adjust design and implement
		5.3. Pilot sector support (e.g. education, health, etc.) at the local level	5.3.1. Carry out scoping study for sector conditional grants 5.3.2. Design sector conditional grant pilot in close cooperation with the LMs 5.3.3. Implement sector conditional grant pilot 5.3.4. Monitor and evaluate sector conditional grant pilot and provide input to policy development (output 6)
		5.4. Test DDC local development coordination functions (line agencies, NGOs, etc.)	5.4.1. Identify coordination needs and mechanisms 5.4.2. Design improved coordination mechanisms 5.4.3. Support implementation of improved coordination mechanisms 5.4.4. Monitor and evaluate DDC coordination activities 5.4.5. Assign tasks to divisions, sectors and officials 5.4.6. Evaluate performance on the basis of satisfactory tasks completion and quality of work standards 5.4.7. Activate sectoral agencies effectively and accountably

C. Strengthened policy and national institutional framework for decentralisation, devolution and community development.	6. Policy framework for decentralisation provides a more enabling environment for effective, transparent and accountable local governance	6.1. Prepare decentralisation and sector devolution policy	6.1.1. Review previous policies on decentralisation 6.1.2. Elaborate overall sector policy for decentralisation 6.1.3. Elaborate sector devolution guidelines (including procedures for HR/staffing, funding flows, functional assignment etc.) in close interaction with LMs 6.1.4. Prepare local government audit strategy
		6.2. Establish decentralisation SWAp	6.2.1. Review of all development partner funding within decentralisation sector 6.2.2. Establish system for meetings between DPs and GoN 6.2.3. Ensure linkages to decentralisation policy (and the policy components in 6) 6.2.4. Develop investment plan for the decentralisation sector linked to GoN's budget 6.2.5. Establish systems and procedures for up-date of the annual work plans and budgets 6.2.6. Develop aligned procedures for DP modalities (PFM) 6.2.7. Prepare joint funding arrangements (studies, reviews, initiatives to strengthen GoN systems) 6.2.8. Develop results framework (see under M&E above) 6.2.9. Develop reporting systems for the use of funds 6.2.10. Conduct orientation/training on SWAp 6.2.11. Provide GoN officials (MLD, etc.) with exposure to experience with SWAp
		6.3. Prepare more effective policy environment for "demand" side of local governance	6.3.1. Review existing policies and programme experiences 6.3.2. Elaborate policy and guidelines on demand side of local governance and disseminate
		6.4. Prepare improved staffing policies for local governments	6.4.1. Support development of appropriate staffing policy for key seconded civil servants 6.4.2. Support establishment of performance-linked incentives for seconded and local staff 6.4.3. Support policy thinking on local service arrangements 6.4.4. Support development of appropriate arrangements (salary scales, job descriptions, recruitment procedures, etc.) for local government staff
		6.5. National Capacity Development Strategy for local governments developed	6.5.1. Support development of CD Strategy and framework, including elements of the activity 4.1.

		6.6. Conduct outcomes and impact studies of local governance and community development programmes and outputs (evidence-based policy-making)	6.6.1. Outsource for conducting studies on the outcomes and impacts of the various components and outputs of the programme and other related programmes 6.6.2. Document and publish outcomes and impacts in MLD annual reports
		6.7. Fine-tuning of local government infrastructure and service delivery mechanisms and processes informs national policy processes	6.7.1. Monitor and document lessons learned from Outputs 3 and 5 activities
	7. Capacity of central government and national non-government institutions to provide appropriate support to local governments is enhanced	7.1. Provide support for GoN local governance policy analysis and policy making functions	7.1.1. Build capacity of MLD, MoF, LMs, NPC, PMO and other CG officials 7.1.2. Support MLD's Policy Coordination Committee (PCC) and enhance its capacities to coordinate and replicate decentralisation and local governance support activities 7.1.3. Provide technical assistance and advisory services 7.1.4. Support development of social mobilisation policy 7.1.5. Support development of policies and procedures for donor harmonisation 7.1.6. Support policy processes (e.g. consultations with ADDCN, MuAN and NAVIN)

		7.2. Provide support to LBFC	<p>7.2.1. Provide technical assistance in defining LBFC role, functions and composition and linkages with other institutions</p> <p>7.2.2. Provide training and capacity-building to LBFC officials</p> <p>7.2.3. Support LBFC functioning within important areas such as studies, coordination, networking (e.g. with other fiscal commissions and related institutions), advising, assessments, monitoring, etc.</p> <p>7.2.4. Provide support to development of an intergovernmental fiscal grant and development grant policies and an up-date of the fiscal decentralisation road map</p> <p>7.2.5. Support annual reviews of the development of fiscal decentralisation policy</p> <p>7.2.6. Support operationalization of the new role assigned to the LBFC with respect to annual assessments of LBs performance (MC/PM system)</p> <p>7.2.7. Support follow-up and update the refinement and implementation of selected recommendations from the LBFC</p>
		7.3. Provide support to LB associations (ADDCN, MuAN, NAVIN)	7.3.1. Support the LB associations – ADDCN, MuAN and NAVIN within their core areas such as policy development/advocacy/development of governance policies and support to regulations, capacity building of members LBs and quality support, dissemination, knowledge and learning share
		7.4. Support implementation of National Capacity Development Strategy for local governments	<p>7.4.1. Strengthen MLD's HR department</p> <p>7.4.2. Identify qualified CD service providers (LDTA etc.)</p>

		7.5. Design and implement MLD LG performance monitoring and evaluation system	7.5.1. Review and design monitoring indicators, encompassing the results of the MC/PM system 7.5.2. Build capacity of the MLD monitoring team in results-based monitoring 7.5.3. Organise training on results-based monitoring 7.5.4. Prepare LG reporting system – fiscal as well as physical output progress reports in cooperation with other agencies, particularly MoF and NPC 7.5.5. Review/refine LG reporting system 7.5.6. Support DMIS development and functioning in MLD and linkage to DPMAS
		7.6. Mainstream gender equality and social inclusion (GE/SI) and child/youth inclusion (CYI) in MLD	7.6.1. Support GoN's Gender Responsive Budget Committee 7.6.2. Train staff in GESI/CYI related issues for better and GE/SI sensitive budgeting, planning and monitoring 7.6.3. Review institutional arrangements for implementation of GESI/CYI strategies 7.6.4. Implement MLD GESI/CYI strategy 7.6.5. Review possibilities for strengthening of MLD's support role in this area vis-à-vis LBs.
		7.7. Organise capacity building programme for decentralisation focal units of various line ministries including NPC, MoF, PMO, MoGA, MoWC&SW, MoE, MoHP, and MoAC	7.7.1. Establishment of contacts and organise meeting of focal points 7.7.2. Assess core areas for capacity building 7.7.3. Prepare course manuals 7.7.4. Outsource capacity building to appropriate agencies 7.7.5. Conduct CD programmes 7.7.6. Support central level agencies in important areas such as studies, coordination, networking (e.g. with other international institutions), advising, assessments, monitoring, etc.
		7.8. Provide OAG with capacity building support	7.8.1. Review OAG local government audit capacities 7.8.2. Provide OAG with capacity building services

	<p>8. Support provided for programme implementation</p>		<p>8.1.1. Review the organisation of MLD, the structures and the links with LGCDP</p> <p>8.1.2. Recruit core technical support staff with support (public financial management, procurement and project management)</p> <p>8.1.3. Ensure basket funds for procurement of short term TA</p> <p>8.1.4. Provide logistical support to MLD (office space, computers and other software)</p> <p>8.1.5. Establish linkages to specific non-MLD project management functions, e.g. the semi-autonomous facility</p> <p>8.1.6. Ensure funding for all staff contracted for SM</p> <p>8.1.7. Train MLD core responsible staff in all aspects of project management, community development and local governance.</p>
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