



Government of Nepal
Ministry of Federal Affairs and General Administration (MOFAGA)
Provincial and Local Governance Support Programme (PLGSP)

2nd National Advisory Fiduciary Risk Management Sub Committee
(NAFRMSC)

29 November 2021

Aide Memoire

The 2nd National Advisory Fiduciary Risk Management Sub Committee (NAFRMSC) Meeting of the Provincial and Local Governance Support Programme (PLGSP) was held under the chair of Mr. Eak Narayan Aryal, Secretary of the Ministry of Federal Affairs and General Administration (MoFAGA), Government of Nepal (GoN), on 29 November 2021. The main purpose of the meeting was to provide updates on the implementation status of PLGSP's Financial Management Improvement Plan (FMIP).

Joint secretaries of MoFAGA, senior officials of sectoral ministries, representatives of the Joint Financing Agreement (JFA) development partners (DPs), UNDP, and representatives of local government associations participated in the meeting. Considering the COVID-19 pandemic, the meeting was organized in-person and online. The discussion notes of the meeting are presented in Annex 2. The list of participants is provided in Annex- 3.

Meeting Decisions:

The meeting concluded with the following decisions:

1. The meeting received and acknowledged the progress updates on decisions made by the first National Advisory Fiduciary Risk Management Sub Committee (NAFRMSC) meeting.
2. The meeting noted the progress updates on PLGSP and asked the PCU to coordinate with the PPIUs for expediting the implementation of annual plan and budget.
3. The meeting received and noted the presentations on the updated status of PLGSP's fiduciary risks reduction action plan(FRRAP) and the fiduciary risks assessment frameworks of provincial and local governments .

4. The meeting asked PCU to update the FRRAP including the fiduciary risks of the Innovation Partnership Fund (IPF).
5. The committee welcomed the approval of fiduciary risks assessment framework for local government by the Ministry and noted a model provincial fiduciary risk assessment framework prepared by MoFAGA for provincial governments and asked the PCU to support PLGs to roll out these frameworks.

Annex-1

Opening and Closing Remarks

Opening remarks:

Mr. Chiranjivi Timsina, the National Programme Manager (NPM) of PLGSP, welcomed all participants at the 2nd NAFRMSC meeting and briefly presented the agenda of the meeting. Dr. Gopi Krishna Khanal, NPD PLGSP, Joint Secretary of MoFAGA addressed the meeting by welcoming the participants and appreciating their in-person and virtual presence.

Mr. Eak Narayan Aryal, Secretary of MoFAGA, addressed the meeting. He stated that the NAFRMSC provided a platform for discussion about the fiduciary risks, different dimensions of public financial management (PFM), and its reform. He stated that various government-led sectoral programs have been introduced with the aim of promoting people-centric development that deliver tangible results for citizens. Accordingly, the PFM reform initiatives introduced by the GoN provides support to minimize the fiduciary risks. He shared that this national programme also aimed to support the PLGs in improving their overall governance system.

He further mentioned that Fiduciary Risk Assessment in LGs is a priority activity. He informed the meeting that Fiduciary Risk Assessment Procedure 2077 was approved and Online Portal system was launched recently by Honorable Minister of MoFAGA. He stated that the Ministry has taken initiative to prepare the guidelines on local level Public Expenditure Tracking System (PETS) and internal control procedures. He also stated that the public assets management system, revenue improvement system and reporting systems have been implemented in the LGs with high priority. Fiduciary Risk Assessment Application will support on improvement of LGs fiscal governance, and represented an important milestone.

He highlighted that PLGSP has been successful to coordinate Federal, Province and Local Governments mentioning that the FRA implementation in all tiers of Government is on board and it will focus mostly in Irregularities of Local Government. Regarding the human resource gap, Provincial Public Service Commission (PPSC) has started the vacancy announcement for Province and LGs, and gave assurance that the human resources situation will improve after the process.

He recapped that PLGSP should focus on delivering results, engage in collaboration and coordination with stakeholders, and make concerted efforts to minimize fiduciary risks.

Ms. Cynthia Rowe, DP Chair, British Embassy Kathmandu, in her opening remarks expressed her great pleasure in joining this very important meeting and acknowledged the opening remarks from NPD, which were appreciated by DPs especially given the high priority of Fiduciary Risk Assessment Framework (FRAF).

Closing remarks:

Ms. Cynthia Rowe, DP Chair, British Embassy Kathmandu, thanked the Committee for a very insightful, lively and participatory discussion and thanked for PLGSP proactive guidelines, Financial Management Implementation Plan (FMIP) and IPF implementation guideline.

She highlighted that DPs look forward to further collaboration and partnerships with stakeholders present in the meeting, to honor commitments and ensure successful implementation of the PLGSP.

Dr. Gopi Krishna Khanal, NPD, Joint Secretary of MoFAGA, in his closing remarks, thanked all the participants for their feedback, suggestions, concerns, and commitments for effective implementation of Fiduciary Risk Reduction Action Plan (FRRAP). He gave an assurance that the valuable feedback and suggestions received from all stakeholders would be addressed to the fullest extent possible. He thanked all participants for their continuous collaboration and support and close the meeting .

Annex 2: Discussion Notes

1. Mr. Chiranjivi Timisina, PLGSP NPM, shared the agenda as follows:

1. PLGSP Progress update
2. Progress on PLGSP Fiduciary Risks Reductiopn Action Plan
3. Decisions
4. AOB
5. Closing remarks

Mr. Chiranjivi Timsina presented :

- A review of progress on the first NAFRMSC meeting decisions.
- Highlights on PLGSP APR 2020/21
- Progress on Fiduciary Risks Reduction Action Plan

Open discussion

1. Mr. Bernardo Cocco, Deputy Resident Representative UNDP, TA Partner, greeted the participants and expressed pleasure in participating in the 2nd NAFRMSC meeting. He stated that the meeting was an important event to discuss the FRRAP. From UNDP's side, as the PLGSP TA Partner, he reiterated its commitment to support and contribute to implementing the FRRAP and conducting orientations.
2. Mr. Krishna Chandra Neupane, Secretary, ADDCN, thanked NPM for the comprehensive presentation, recommended further discussion regarding the ToR of Mid Term Review, third party monitoring suggesting to engage LGs network /associations in relevant areas of PLGSP.
3. Rajendra Pyakurel, Executive Director, National Association of Rural Municipality in Nepal (NARM) highlighted that, the quality assurance needs to be the central to working with the LGs. He mentions that the performance of PCGGs impacts the LGs.
4. Nawaraj Gelal, Chair, Association of District Coordination Committee of Nepal (ADDCN), gave thanks for comprehensive presentation and suggested improvement of FRA process of LGs. Clarity is needed in the planning and implementation FRAF.
5. Mr. Mahadev Panta, Joint Secretary, Office of the Prime Minister and Council of the Ministers (OPMCM) commented that from his experience of working with PLGSP, areas such as law making are working well and this success harmonizes Federal, Province and Local Government levels. However, expenditure is low and noted that this is mostly dependent upon other ministries and suggested PLGSP to improve the coordination.
6. Mr. Bishnu Dutta Gautam, Joint Secretary, MoFAGA, also mentioned the slow speed of expenditure and highlighted on the need to expedite the implementation and financial delivery in coming days. He further pointed out that the recods related to capacity development activities and documentation should be maintained in MoFAGA.

Annex 3: List of participants

S.N	Name	Position	Organization
In-person attendance			
1.	Mr. Eak Narayan Aryal	Secretary	MoFAGA
2.	Mr. Gopi Krishna Khanal	Joint Secretary/National Programme Director	Local Level Capacity Development Division(MOFAGA/PLGSP)
3.	Mr. Rajeev Pokharel	Joint Secretary	Employee Administration Division
4.	Mr. Bishnu Dutta Gautam	Joint Secretary	Planning and Development Assistance Coordination Division
5.	Mr. Narayan Prasad Aryal	Joint Secretary	Division of Administration Reforms, Manpower, Planning and Development
6.	Mr. Chiranjivi Timsina	Under Secretary/National Programme Manager	MoFAGA/PLGSP
7.	Mr. Prahalad Kumar Karki	Under Secretary	Foreign Aid Coordination Division, MoFAGA
8.	Mr. Baburam Gyanwali	Under Secretary	Division of Finance and Administration
9.	Mr. ShyamDahal	Section Officer	MoFAGA
10.	Mr. Mahadev Pant	Joint Secretary	Office of the Prime Minister and Council of Ministers
11.	Mr. Baburam Subedi	Joint Secretary	Ministry of Finance
12.	Mr. Tilak Prasad Chapagain	Section Officer	Ministry of Finance
13.	Mr. Bishnu Prasad Sharma	Joint Secretary	Ministry of Urban Development
14.	Mr. Prakash Kumar Sanjel	Joint Secretary	Ministry of Agriculture and Livestock
15.	Mr. Kumar Prasad Koirala	Under Secretary	Ministry of Women children and Senior Citizens
16.	Mr. Yubraj Subedi	Joint Secretary	Ministry of Education Science and Technology
17.	Mr. Navaraj Gelal	Spokesperson	Association of District Coordination Committees of Nepal
18.	Mr. Krishna Chandra Neupane	Executive Secretary General	Association of District Coordination Committees of Nepal

19.	Mr. Rajendra Pd. Pyakuyral	Executive Director	National Association of Rural Municipality in Nepal
20.	Mr. Than Prasad Panjnani	Co- M.L.N	Office of Comptroller and Auditor General
21.	Mr. Madan Bhujel	Joint Secretary	National Natural Resource and Fiscal Commission
22.	Mr. Jayaram Ghimire	Director	Office of the Auditor General
23.	Mr. Bishnu Prasad Koirala	Joint Secretary	Public Procurement Monitoring Office
24.	Mr. Rupesh Kumar Sah	Provincial Program Manager	Office of Chief minister and Council of Minister - Province 2
25.	Mr. Scheme Shrestha	Provincial Program Director	Office of Chief minister and Council of Minister - Bagmati Province
26.	Mr. Kamansingh Thapa Magar	Provincial Program Manager	Office of Chief minister and Council of Minister - Lumbini Province
27.	Mr. Ananda Saru	Provincial Program Director	Office of Chief minister and Council of Minister - Karnali Province
28.	Mr. Tek Tamata	Portfolio Manager	UNDP
29.	Mr. Krishna Bhattarai	TA Coordinator	UNDP
30.	Ms. Shradha Rayamajhi	National Programme Officer	Embassy of Switzerland, SDC
31.	Ms. Dagny Mjos	Minister Counsellor/ Head of Development Cooperation	Royal Norwegian Embassy
32.	Mr. Raj Kumar Dhungana	Governance Advisor	Royal Norwegian Embassy
33.	Ms. Cynthia Rowe	Team Leader, Governance, Politics and Services Team (GPST)	FCDO, British Embassy
34.	Mr. Egbert Pos	Governance Advisor and Deputy Team Leader for GPST	FCDO, British Embassy
35.	Mr. Madhu Bishwakarma	Governance Advisor	FCDO, British Embassy
36.	Ms. Shailee Manandhar	Senior Programme Manager	FCDO, British Embassy

37.	Mr. Ian MacDougall	Federal Governance Specialist & Development Partner Co-ordinator	UNDP/ PLGSP
38.	Mr. Basant Raj Poudel	Account Officer	PLGSP
39.	Mr. Hari Prasad Guragain	Administrative Officer	PLGSP
40.	Mr. Chandra Kanta Sharma Paudel	C&M Specialist	PLGSP
41.	Mr. Baburam Shrestha	PFM Specialist	PLGSP
42.	Ms. Dixita Silwal	HR and Liaison Specialist	PLGSP
43.	Ms. Kriti Thapa	GESI Specialist	PLGSP
44.	Mr. Nagesh Badu	IT & e-Gov Specialist	PLGSP
45.	Ms. Sakun Shrestha	Program Associate	PLGSP
46.	Mr. Umesh Thagunna	IT Intern	PLGSP
47.	Mr. Rajendra Aryal	StoreKeeper	PLGSP

Virtual Attendance: Development Partners:

S. N.	Name	Position	Organization
1.	Ms. Preeti Das	Programme Officer	FCDO, British Embassy
2.	Ms. Odile Humblot	Programme Manager - Governance	European Union
3.	Mr. Bernardo Cocco	Deputy Resident Representative	UNDP

Virtual Attendance: PCU/ PPIU/PCGG PLGSP

S.N	Name	Position	Organization
1.	Mr. Saroj Guragain	Provincial Program Director	Province 1- OCMCM
2.	Mr. Surendra Bhandari	Finance Officer	PLGSP - PCU
3.	Mr. Pranay Sharma	Governance cum Legal Expert	PPIU# Province 1
4.	Mr. Subash Yadav	Governance cum Legal Expert	PPIU- Lumbini Province
5.	Ms. Hansa Malla	Governance cum Legal Expert	PPIU# KARNALI Province
6.	Mr. Dinesh Suddhakar	Governance cum Legal Expert	PPIU- Sudurpaschim Province
7.	Ms. Anita Guragain	Local Governance Expert	PCGG - Province 1
8.	Ms. Shilpa Kunwar	Local Governance Expert	PCGG# KARNALI Province
9.	Ms. Rajani Thapa	Monitoring and Reporting Expert	PPIU- Gandaki Province

10.	Mr. Prakash Budthapa	Monitoring and Reporting Expert	PPIU- Karnali Province
11.	Mr. Basanta Acharya	Monitoring and reporting expert	PPIU- Sudurpaschim Province
12.	Ms. Punam Chaudhary	Public Financial Management Expert	PPIU- Province 1
13.	Mr. Krishna Awasthi	Public Financial Management Expert	PPIU- Gandaki Province
14.	Mr. Hari Narayan Kurmi	Public Financial Management Expert	PPIU- Lumbini Province
15.	Mr. Jay Krishna Jha	Public Financial Management Expert	PPIU- Karnali Province
16.	Ms.Sarita Dahal	GESI Expert	PCGG- Gandaki Province
17.	Ms. Narmaya Sunar	GESI Expert	PCGG- Lumbini Province
18.	Mr. Dil Prasad Magar	Curriculum Development Expert	PCGG- Gandaki Province
19.	Mr. Bishnu Neupane	Curriculum Development Expert	PCGG- Lumbini Province
20.	Mr.Ganesh Prasad Joshi	Curriculum Development Expert	PCGG- Karnali Province
21.	Mr. Bigyan Satyal	IT & e-Governance Expert	PPIU- Gandaki Province
22.	Mr. Gopal Gaire	Capacity Development Expert	PCGG- Lumbini Province
23.	Ms. Minita Chaudhary	Adm. Finance Assistant	PPIU- Gandaki Province
24.	Mr. Sonelal Kamat	Programme Assistant	PCGG- Lumbini Province
25.	Mr. Chalitra Joshi	Adm. Finance Assistant	PPIU- Lumbini Province