

Innovation Partnership Fund Implementation Guidelines

**Innovation Partnership Fund Implementation Guidelines
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Preface

The **IPF Implementation Guidelines (IPF-IG)** has been developed based on the framework for Innovation Partnership Fund (IPF) as per the PLGSP Programme Document. These guidelines set out the framework and principles underlying the IPF, together with the structures and procedures for the management of the IPF scheme.

The IPF is aimed at piloting new and innovative approaches to service delivery, local economic development and governance at Provincial and Local Government levels and does not substitute or replicate core budgets.

The Implementation Guidelines are aimed at both:

- a) **Federal and Provincial government agencies** responsible for managing the IPF, including the call for proposals, the assessment and awarding of IPF grants and the overall supervision and reporting of results; and
- b) **Provincial and Local Governments (PLGs)** formulating proposals for innovative approaches and applying for funding under the IPF scheme.

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Abbreviations

ASIP	: Annual Strategic Implementation Plan
CAO	: Chief Administrative Officer
CIAA	: Commission for the Investigation of Abuse of Authority
CM	: Chief Minister
DPs	: Development Partners
FCGO	: Financial Controller General's Office
GESI	: Gender Equality and Social Inclusion
GRB	: Gender Responsive Budget
IPF	: Innovation Partnership Fund
IPF-IG	: Innovation Partnership Fund Implementation Guidelines
IPFTC	: Innovation Partnership Fund Technical Committee
IT	: Information Technology
LGs	: Local Governments
M&E	: Monitoring and Evaluation
MoFAGA	: Ministry of Federal Affairs and General Administration
MoU	: Memorandum of Understanding
MTEF	: Mid-Term Expenditure Framework
NEC	: National Executive Committee
NSC	: National Steering Committee
NGOs	: Non-Governmental Organizations
OAG	: Office of the Auditor General
OCMCM	: Office of the Chief Minister and Council of Ministers
PCC	: Provincial Coordination Committee
PCU	: Program Coordination Unit
PCGG	: Provincial Centre for Good Governance
PGs	: Provincial Governments
PLGs	: Provincial and Local Governments
PLGSP	: Provincial and Local Governance Support Program
PPD	: Provincial Program Director
PPIU	: Provincial Project Implementing Unit
PPM	: Provincial Program Manager
SDGs	: Sustainable Development Goals
SNGs	: Sub-national Governments
TC	: Technical Committee
ToR	: Term of References

Definition of Terms

Applicant	The applicant for funding to the scheme must be either a single Local Government or Provincial Government entity or a partnership of more than one of these government entities.
Concept Note	An outline of a proposal for funding containing a brief description of the idea of the project, the objectives to be pursued, the approach to be implemented, the stakeholders to be involved, and a rough estimate of the approximate financial requirements of the proposal.
Cost-sharing	Contribution of a certain percentage of the total cost for the project to be implemented by the agencies applying to the fund. The applicant can mobilize the cost-sharing resources from their own budget, non-governmental organizations, private companies, and cooperatives.
Expert	A person who has expertise on the issues to be addressed by the project proposals.
GESI	Gender Equality and Social Inclusion means changing the unequal power relations between women and men and between different social groups. It focuses on the need for action to re-balance power relations and ensure equal rights, opportunities and respect for all individual regardless of their social identity.
Governance	Governance refers to how and who makes and implements public decisions. This includes how policies and goals are set, how resources are allocated and the rules and conditions under which activities are implemented.
Grant	The amount provided by IPF to the Provincial Government entities and Local Governments based on their successful application for IPF grant to achieve the results set out in the agreed project.
Innovation	Innovation relates to a new way of working or approach that intends to be different from both previous and ongoing activities. It means the application of new knowledge, technologies, and processes to address the current situation differently, such as new forms of collaboration, removing duplication, reduction of waste in service delivery and piloting new methods of participation or engagement. Innovation also refers to new approaches, methods, and tools to identify the problems of service delivery and scale up with improved efficiencies and effectiveness to contribute to the outcomes of PLGSP.
Innovation Partnership Fund	The Innovation Partnership Fund (IPF) or “fund” is the scheme, provided under PLGSP, to promote innovation as described in the PLGSP program document and in this implementation guidelines.

Local Economic Development	Local Economic Development (LED) refers to economic development that is decided upon and implemented locally by local actors for creating jobs and promoting entrepreneurship.
Local Government	Local Government (LG) in Nepal includes metropolitan cities, sub-metropolitan cities, municipalities, and rural municipalities.
Provincial Government	The concerned Provincial Government (PG) of Nepal
Program Document	The PLGSP guiding document signed by the Government of Nepal and its development partners (UKAID, Norway, SDC, EU, and UNDP) to implement PLGSP.
Project	An innovative project proposed by an applicant PLGs, for funding under IPF and to be implemented by the applicant PLGs.
Report	The progress and financial reports prepared by the PLG on trimester basis as per the set procedures of the Government of Nepal. There may be other reports such as mid-term and post-performance of the project and submitted through Provincial Programme Implementation Unit (PPIU). It also refers to the report submitted after monitoring and evaluating the project.
Resource-constrained local governments	A resource-constrained LG is a LG with annual own-source revenue of less than 2.5 million rupees. Own-source revenue consists of any resources collected locally through local taxes and service fees that excludes amount of shared taxes to provincial government.
Service delivery	Service delivery relates to the provision of public services. The PLGSP Programme Document provides further that “the activities under service delivery reforms to be financed from the IPF can be financed with a partnership approach for sub-projects such as the use of ICT, innovations in sectors like education, health, agriculture, livestock or development of good governance mechanisms”. This will also include service delivery innovation including local economic development, entrepreneurship and employment opportunities and local infrastructure services that are based on local contexts and are climate resilient.

About Innovation Partnership Fund

Background

1.1 Nepal's Constitution has established a federal model of governance, with three spheres of government working together in coordination, cooperation so as to coexist. In addition to the Federal Government (FG), there are now seven Provincial Governments (PG) and 753 Local Governments (LG), with the state power divided between them by the Constitution.

1.2 Process of developing the IPF guidelines: The PLGSP has developed the IPF Implementation Guideline through a highly consultative process, including collaboration with government stakeholders, academia, development partners and civil society. The PLGSP PCU has benefitted from direct support from Kathmandu University and International IDEA/Coherence Project in the drafting of the guideline, as well as in organization of consultations with federal, provincial and local governments and their associations.

1.3 The final guidelines have also been widely consulted with federal government agencies, provincial government and local government associations, with their feedback incorporated in this version. PLGSP development partners and technical assistance partner have also been consulted and directly contributed to the development and finalization process.

2. Provincial and Local Governance Support Programme:

2.1 The Provincial and Local Governance Support Programme (PLGSP)

The PLGSP is intended to build the capacity of the Provincial and Local Government (PLGs) so that they can play their full role in the new system of governance.

2.2 Provincial Programme Implementation Units (PPIU)

PPIUs have been established under the overall management of the Provincial Programme Director/Secretary, Governance Reform Division, Office of the Chief Minister and Council of Ministers (OCMCM). IPF will be administered by the PGs through the PPIUs.

2.3 Provincial Centre of Good Governance (PCGG)

PCGGs have been established in each province through an Act by the respective Provincial Assembly or by the PG's executive order. The role of the PCGG is to serve the Capacity Development (CD) needs of the PLGs. PCGGs will respond to demand from PLGs by offering a 'menu' of Capacity Development services. PCGGs will also serve as a resource centre for providing knowledge inputs needed to strengthen PLG's organisation and administration.

2.4 Innovation Partnership Fund (IPF)

As per the PLGSP Programme Document, the programme will establish the **Innovation Partnership Fund (IPF)** to:

- a) Promote **innovation** in governance, service delivery and local economic development; and
- b) Encourage **collaboration** between provincial and local governments and between local governments themselves.

2.5 IPF- Overall Purpose:

The **overall purpose** of the IPF is to support good governance, as set out in Article 51(b) of the constitution, through the creation of a “**special purpose vehicle**” for financing innovations that build the capacity of PLGs to govern and provide services to their electorates. The IPF will take a partnership approach, where interested LGs and PG agencies initiate and cost share for innovation in good governance, effective service delivery and local socio-economic development. Federal government and respective PGs facilitate and provide funding to support the implementation of innovative ideas as IPF projects.

The purpose of this Operational Guideline is to provide strategic and technical guidance and direction for the implementation of the IPF.

2.6 Support for the Implementation of Federalism

While the constitution makes federal, provincial and local government autonomous, they nonetheless must cooperate in a range of areas from spatial planning to economic development to the delivery of concurrent functions. The constitutions and subsequent functional unbundling reports set out specific functions for each sphere of government. PLGSP engages all three levels of government structures and intends to strengthen the institutional systems, inter-government mechanism and process that promotes government coming together to agree strategies, policies and programmes.

By providing a role for each of the federal, provincial and local governments in the operation of the IPF, the fund will create practical grounds for collaboration and cooperation between all three spheres and thus further successful implementation of federalism in Nepal.

2.7 Principles Framing the IPF Scheme

The **key principles** governing the operation of IPF are to:

- **To create special purpose vehicle for funding innovation:** The fund will be a special purpose funding vehicle for financing innovations at sub-national levels to demonstrate, learn and replicate good innovative practices. This will be a risk fund where the SNGs will participate with the partnership approach to take risks for governance innovations.
- **To encourage PLG ownership:** Under the IPF modality, LGs (sometimes in partnership with CSOs, NGOs, private sector, and cooperatives) and PGs must develop their own proposals, apply for funding, and share the costs of innovative projects. This ensures that only genuinely innovative and demand driven projects are supported.
- **To allow variation depending on context:** Local governments in Nepal vary in size and capacity, from large metropolitan governments with populations close to 1

million, to small rural governments with populations less than 10,000. An IPF modality allows Local Governments to decide for themselves, based on their specific requirements, where innovative approaches may be most effective. The service is not centrally ‘planned and delivered’ to PLGs, but rather conceived by PLGs themselves.

- **To allow innovation and learning:** The existence of seven PGs and 753 LGs provides a unique opportunity for innovations in governance, service delivery and local economic development. New ways of working, if successful, can be adopted for scale-up by PGs or the Federal Government. If unsuccessful, lessons can be learned and shared with other local governments.
- **To promote federal-provincial-local cooperation:** While the Constitution makes Federal, Provincial and Local Governments autonomous, they nonetheless must cooperate in a range of areas from spatial planning to economic development to the delivery of concurrent functions. Similarly, due to the small size of many local governments relative to the functions assigned to them, there is a lot of scope for cooperation among the local governments and the LGOA provides for joint service arrangement among them for the effective delivery of services. By providing a role for each of the Federal, Provincial and Local governments in the operation of the IPF, the Fund will create practical grounds for collaboration and cooperation between all three spheres.
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3. IPF Approach

The approach taken by IPF to implement these principles is to establish:

- **A (competitive) challenge fund mechanism** that requires PLGs to actively make proposals for funds to support innovation. Recognizing that many LGs currently may not have sufficient capacity to develop high quality proposals, the IPF will use a two-stage process. In the first stage, PLGs will submit their ideas for an innovation project (through a simple Concept Note) for initial scrutiny and screening. If successful, the experts deployed by PLGSP in PPIUs and PCGGs can provide technical backstopping support to design and to build the concept into full proposal to the local governments that are resource constrained (with own source revenues of less than Rs.2.5m a year). IPF funding will be directed to supporting the strongest, most innovative proposals only and this will limit the number of successful proposals.
- **Separate windows for sole and multiple applicants** and to encourage applications from multiple applicants. Offering two ‘windows’ mitigates the competitive dynamic by ensuring collaboration between LGs is explicitly recognised and positively rewarded¹. By encouraging collaborative proposals, IPF will facilitate cooperation between local governments, especially neighbouring local governments, and with Provincial Governments, as foreseen in Clause 26 of the LGOA.
- **A partnership approach and co-financing arrangements** are designed to enhance innovation in governance, service delivery and local economic development ensuring the transparency of IPF funds. As such, PLGs must not use

¹ See for example “Policy Experimentation in China’s Economic Rise” by Sebastian Heilmann: <https://link.springer.com/article/10.1007/s12116-007-9014-4>.

IPF funds to substitute regular services or budgets which should be met from their own sources as per LGOA.

3.1 Objective and Scope:

- The IPF will encourage progressive and innovative local governments to use their initiative to propose creative and innovative ways of working within their own governments and in association with other governments and to secure additional resources for piloting and implementing those ideas.
- The IPF will **reward innovation and promote cooperation**. This will require elected leaders to both exercise ownership and show initiative by respecting and reinforcing the cooperative principle of Nepali federalism by not imposing on different spheres of government but allowing different approaches within the Constitution and law to develop in response to local conditions. The two-stage process, and provision of support to resource-constrained LGs to help them design their proposals, creates a level playing field.
- IPF aims at making PLGs more accountable, inclusive, efficient and effective in delivering services to their citizens by strengthening their individual and institutional capacities in designing and implementing innovation in the areas of governance, service delivery and local economic development.

3.2 The Institutional Scope

The institutional scope of the IPF is to promote, encourage and invest in innovation related to:

- **local governance processes** in the areas of planning and decision making, effective implementation, accountability, transparency, mainstreaming gender equality and social inclusion, and new ways of working.
- **inter-governmental relationships** among PGs and LGs leading to shared development outcomes by promoting cooperation and collaboration among LGs and partnership approaches between LGs and PGs.

The **technical focus** of the IPF relates to innovation in governance, service delivery and Local Economic Development (LED) (See Figure 1, below).

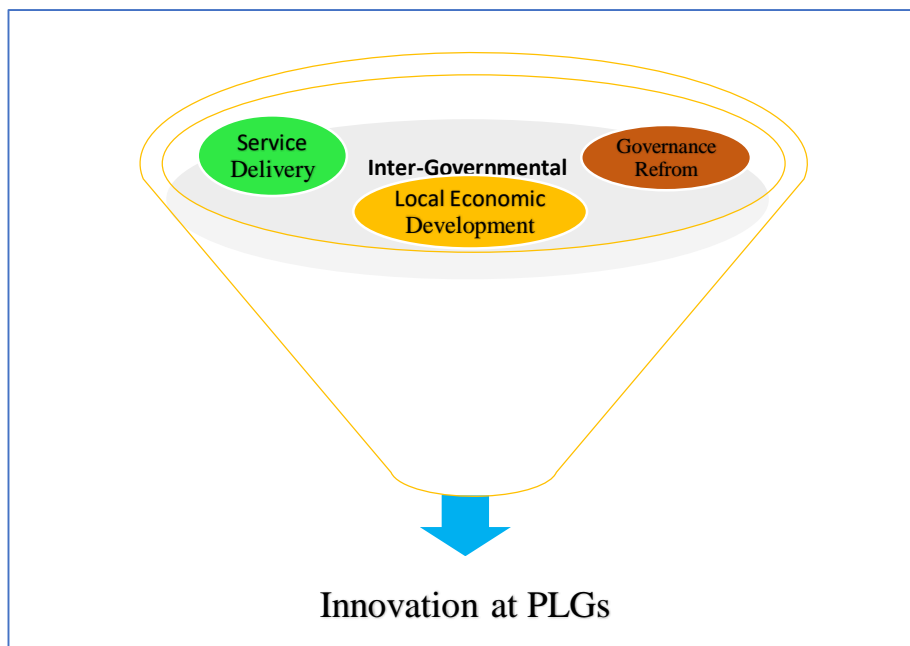
- **Governance**
 - Deliberative decision-making processes, i.e., for vision, strategy, periodic plan, MTEF, annual plan and budget (political accountability),
 - Business processes and ways of working of the elected representatives and bureaucrats (administrative accountability),
 - Participatory processes and citizen's monitoring to promote participation, transparency and right to information, through social audit, public hearing, etc. (Social accountability),
 - Gender Equality and Social Inclusion,
 - Use of new technology in improving governance
 - Citizen charter, code of conduct, feedback mechanism, and other methods of increasing accountability.
- **Service delivery**
 - Use of ICT and digital/e-governance, including new technologies for service delivery,

- Use of environment friendly technologies,
 - Implementation processes such as results-oriented management practices, etc.,
 - Service delivery approaches and practices.
 - Innovative approaches in any areas under the responsibilities of PLGs
- **Local Economic Development**
 - Innovation in entrepreneurship and employment opportunities,
 - New ideas to promote inclusive economic growth including agriculture and livestock development, socio-economic development, tourism promotion, etc.

Service delivery includes sole and shared functions related to services such as primary education, primary health, livestock development, agriculture extension, LED, hygiene, and sanitation, etc.

Shared services are defined under IPF to include local economic development, health, education, agriculture, the management of forests and water resources, climate resilient infrastructures, management of pandemic and natural disasters, as well as social development. Scope of IPF is elaborated in Annex-1.

FIGURE 1 AREAS OF INNOVATION AT PLGS.



4.0 Innovation in IPF

Innovation in IPF refers to:

“New ways of working or approaches intended to bring transformation in the areas of good governance, service delivery and local economic development.”

This definition specifically excludes proposals that are not innovative or which continue ‘business as usual’, or substitute or augment existing core or programme funding.

It means the application of new knowledge, technologies and / or processes to address the current situation differently.

Innovation also means new approaches, methods and tools to identify the problems of governance, service delivery and local economic development and scale up with improved efficiencies and effectiveness to contribute to the outcomes of PLGSP, such as new forms of collaboration, removing duplication, reduction of waste in service delivery and piloting new methods of participation or engagement.

This requires new approaches and or new schemes, projects in the areas of local service delivery, local governance and local economic development.

The deepening of governance reforms can only be materialized when risks are taken with possible mitigation measures for introducing innovations in processes, systems, and structures. Hence, innovation in the spirit of PLGSP means the following:

- **Conceptual and policy innovation:** a new way of looking at problems, challenging assumptions, thinking, and working collectively and collaboratively to solve problems; evidence-based policy deliberation and policy development, thinking or behavioural intentions, new or improved way to mobilize institutions or sectors to operate and interact with stakeholders; new or improved ways for reaching a wider population and new approaches to citizen engagement in decision making processes.
- **Accountability innovation:** a new way of thinking and application of the process of political, administrative, and social accountabilities.
- **Strategic and planning innovation:** a constructive approach to develop strategy and implementation plans in a collaborative way, to provide new or improved services for local citizens, or deliver services in a new or innovative ways; to manage natural disaster (floods, landslides, fires) and pandemic (such as Covid-19) response and recovery; climate smart approach to infrastructure development, although IPF funding may not be used directly to fund such infrastructure.
- **Administrative or organizational innovation:** a new process to improve efficiency and effectiveness of administrative cultures, practices, and behaviours; new or improved cost-effective measures; experiments with new practices in executing infrastructure projects or social sectors (like those in health or education sectors) to learn from innovative ways to best perform these jobs and propagate same at a larger scale in the future. This includes innovations where LGs cooperate with each other as envisioned in the Constitution and LGOA, to benefit through efficiency gains and cost-savings, from the many interdependencies between neighbouring local governments, created by geography and trade.

- **Economic and technological innovation:** This includes supporting for new ideas and innovative practices through business incubation, adoption of blue ocean strategy², new product development, value chain and use of new technology for socio-economic transformation. Examples and ideas on the type of innovation sought under IPF are provided in Annex 2.

5.0 The IPF Scheme

Applicants: All local governments will be eligible to compete for funding from the IPF, although only the most innovative proposals will be supported. CSOs, NGOs, Private Sectors and Cooperatives and PGs agencies cannot independently apply for IPF and must be partnered with at least one LG as lead and contribute at least 30% of project costs (see Note 1).

Size of grants: The **maximum contribution** from IPF funding for each project shall not exceed 15 million Nepalese Rupees for Sole Applicant projects (Window A) and 40 million Nepalese Rupees for Multiple Applicant projects (Window B). The **minimum threshold** for any IPF project shall be at least 20 million Nepalese Rupees, including the cost sharing elements as per section 5.1 below.

Duration of grants: Grants are provided to specific projects to achieve defined results. Larger projects which extend into two or more Financial Years will be broken down into phases, with clear results and budgets specified for each Phase / Financial Year. The number of projects granted IPF funding each year will be limited, based on an assessment of their innovative potential, PLGSP capacity and funds available. The project period should not exceed two years. For a single year project, it should be part of annual plan and budget. For a multiyear project, a procurement master plan should be prepared and approved in accordance with the rules and regulations of the Government of Nepal and provision of funds should be ensured in the medium-term expenditure framework. However, since IPF is being introduced from 2078/79 fiscal year as a pilot, exception to these conditionality will be made considering that the PLGs have not been made aware of this before. The project funded by the IPF cannot go beyond the timeline of the PLGSP.

Eligible for IPF support: Section 3.5 above provide the scope of IPF. This section focuses on the provision of the PLGSP Programme Document that has elaborated eligibility and scope of IPF as follows:

- **Technological and IT-related infrastructure** to support innovation provided such support enhances innovative approaches and governance reform processes. Specifically, funding should be for new technological devices, software and small office equipment or computer or associated installation (e.g. cabling, WiFi routers, etc).
 - a. **New technology for innovation in LED** such as equipment for business incubation, provided that such technology should be justified as an integral part of innovation.
 - b. Any other innovative areas as outlined in Appendix 2
 - c. **Specialist staff: if the** cost of the specialist human resources is an embedded part of the innovative project it should be included in the budget breakdown of the project proposal. Such as IT professional to develop new software for the project, cost of an

² Blue ocean strategy is about moving away from old ways of working to innovating/looking at things differently. It is about defining and tapping into new opportunities. The strategy does not concern with competition rather encourages to think differently and collaborate. This approach can facilitate innovation in local economic as well as social development thinking and ways of working.

engineer for infrastructure proto-type innovation or cost of social development, are allowable within the limits proscribed

- d. Professions for an innovative idea on managing hygiene more effectively, etc.

Ineligible for IPF support: The following **expenditure is ineligible** for funding under IPF:

- The IPF does not support construction or infrastructure, (such as roads, bridges, irrigation, dams, hydro-power, electrification, viewing towers, welcome gates, buildings, recreation, waste management, water treatment) or the purchase of vehicles.
- However, it may finance the provision of systems, technology or service enabling equipment, if this is demonstrably an integral part of the innovation project and where a strong argument has been made that the method of provision itself will be highly innovative.
- This allows for limited infrastructure / capex, equipment, WIFI, computers & cabling necessary to support the intended innovation where this can be demonstrated.
- Where such components can be demonstrated to be essential and embedded within the innovation project, the cost for the innovative infrastructure can be borne from the PLGs' cost sharing contribution.
- **COVID-19 pandemic and other natural disaster response:** The IPF will not be utilized for the payment of staff and supplies for the ongoing covid-19 as well as natural disasters like flood/landslides, fire response and recovery activities of local governments. While the IPF is not intended as Disaster Relief Fund, local governments can submit proposals for investment in innovative approaches to preparedness to natural and other disasters, controlling of pandemic, for example, through new systems, ways of working, new technology, innovative equipment and processes that help to make Covid-19 response and recovery and other disasters related initiatives more effective.
- **Vehicles:** The IPF will not finance vehicles.
- **Regular staff:** The IPF fund will not be used for the payment of regular or established staff required to implement the IPF project. Local governments will be responsible for managing their own staff involved in regular implementation.

5.1 Cost-Sharing

Cost-sharing arrangements have been set out in Annex 14 of the PLGSP Programme Document. This Implementation Guidelines has taken that as a guideline, updated and summarised in Table 1 below. This establishes different cost-sharing proportions for different types of PLGs based on their size and capacity.

Table 1. Cost-sharing arrangements

Applicant	Contribution from PLGSP	Contribution from LGs	Remarks
LGs with less than NPR 2.5 million own source revenue (Small LG)	75%	25%	Since PLGSP will contribute significantly to the resource-constrained LGs, a separate subsidized window is not proposed. These groups of LGs will also receive technical support for proposal development from PPIU/PCGG should they require these services.
LGs with equal or more than NPR 2.5 million own source revenue (Larger LGs)	70%	30%	Larger LGs are those with more than NPR 2.5m of own source revenue, but are not metro or sub-metros
Metro/Sub-metro	65%	35%	

Note 1: PLGs intending to submit proposals in partnership with CSOs, NGOs, Private Sector and Cooperatives will ensure that at least 30% of the cost share portion must be contributed by the partners. For example, if a larger LG submits the proposal in partnership with an NGO for NPR 5 million, then such LGs cost share will be 30% as per the table above, and thus the 30% of 5 million will be 1.5m, and out of 1.5m, NGOs cost share of 30% will be 450,000.

Note 2: In cases where small LGs partner with larger LGs and/or PGs, then cost sharing should be at least 35%.

6. Governance and Organization

PLGSP document has made provision for various structures and committees at federal, provincial, and local government spheres. Structures and committees that are relevant for IPF implementation are provided as follows:

6.1 Ministry of Federal Affairs and General Administration

The Ministry of Federal Affairs and General Administration (MoFAGA) is the executing agency of the PLGSP framework including the governance of IPF at the federal sphere. The Ministry will oversee the overall status of the IPF and provide administrative and programmatic feedback and support to PLGs for effective implementation of the IPF.

The MoFAGA will be specifically responsible for

- Approve of IPF Implementation Guidelines,
- Tracking on the progress of IPF,

- Approval of terms of reference of IPF experts to be financed by the PLGSP.

6.2 National Steering Committee

National Steering Committee (NSC): The NSC of PLGSP headed by the Hon'ble Minister of MoFAGA will provide the overall strategic direction and guidance for IPF. It will also oversee the IPF implementation progress.

The key functions of the NSC are:

- Provide strategic direction to IPF,
- Promote intergovernmental coordination for implementation of the IPF,
- Create an enabling environment for smooth implementation of IPF,
- Provide policy framework for IPF,
- Facilitate to replicate the IPF best practices into other innovative programs of public sectors,
- Prohibit local governments from future application for a fixed period of time where there has been malpractice,
- Decide to commission research and evaluation services to assess the impact of IPF project funded by PLGSP as part of annual independent Third Party Monitoring, and
- Ensure wider public dissemination of learning for other local governments from IPF operations and best practices, and lessons learned.

6.3 National Executive Committee (NEC):

The NEC will oversee the implementation of IPF, assisted by the PLGSP Programme Coordination Unit (PCU). This committee will:

- Endorse the IPF Implementation Guidelines and recommend to MoFAGA/NSC for approval
- Decide on the allocation of funds to each province each year under each window.
- Track funds and assess the performance of each Provincial Fund.
- Facilitate audit of each project by the OAG.
- Assist MoFAGA in prohibiting local governments from future applications for a fixed period of time where there has been malpractice and to ensure that such malpractices have been dealt with and relevant officials made accountable.
- Support to commission research and evaluation services to assess the impact of project awarded funding, ensuring wide and public dissemination of learning for other local governments.

6.4 Programme Coordination Unit (PCU):

PCU will provide technical support on demand basis for the effective implementation of IPF. PCU will operate as a federal government secretariat and assist to facilitate the work of NSC, NEC, and MoFAGA with regard to the effective implementation of PLGSP including the IPF scheme.

6.5 The Provincial Coordination Committee (PCC)

PCCs have been established in all provinces for the effective management of the whole PLGSP, as envisaged in the PLGSP Program Document. The PCC of the PLGSP, chaired by the provincial Chief Minister, will serve as the IPF board. The IPF board will be responsible for awarding the project to implementing agencies as per the recommendation of the IPF Technical Committee. The PCC are responsible for implementation within the Province and may develop supplementary operational guidelines in addition to (and in line with) this Implementation Guidelines.

This committee will be chaired by the Chief Minister (CM) or a Minister designated by the CM.

6.6 The IPF Board

The IPF Board will take the main responsibility to oversee and guide the effective mobilization and operation of the IPF. It will extract lessons learned, transpose into the advancement of federalism.

The functions of the IPF Board are as follows:

1) Overall strategic guidance:

- (a) ensure effective engagement of PG, PCC and LG in annual IPF strategy in coordination with MoFAGA
- (b) provide strategic guidance to the PPIU for implementing the IPF effectively;
- (c) ensure funds are available and utilized by the PPIU as per the program objectives.
- (d) provide feedback on the quality and the scope of the IPF activities.

2) Technical approval:

- a) provide necessary suggestions to the PPIU in regard to conceptualize innovation, management of IPF fund and effective implementation of IPF projects;
- b) approve the recommendations of PPIU regarding concept notes/proposals for further processing;
- c) make a final decision after the analysis of the received proposals from the PPIU;
- d) Agree 'calls for concepts', on the basis of the approved guidelines, and publicise calls for concepts, through federal, provincial and local media;
- e) PCC will delegate the task of assessment and approval of the Concept Note to the Principal Secretary and PPD;
- f) Review and approve the full proposals received from the LGs or the agencies of the PG on the recommendation of PPIU and following a thorough assessment and marking by the IPF-TC;
- g) With the support of the PPIU (Secretariat), Team Leader to undertake Quality Assurance assessments and periodically monitor IPF projects, to ensure consistency with IPF guidelines and processes, transparency and accountability, but also publicise successes;
- h) Where problems or non-compliance is found, review, document and inform to the NEC and MoFGA with a recommendation for action;

The IPF Board will meet at least once in every three months (quarterly). The IPF Board can invite subject experts of different areas to the meeting as per the need. The IPF Board can provide meeting allowances to the meeting attendees as per the provision of Government of Nepal.

6.7 The Provincial Programme Implementation Unit (PPIU)

- The PPIU will function as the secretariat to manage the operations of the IPF. **The general role of the PPIU is to support for provincial capacity for management and technical expertise**, set up the ‘call for proposals’, ensure assessment of Concept Notes, by the IPF-TC, submission for approval of the concept note to the Principal Secretary through the PPD, and upon approval invite for submission of detailed proposal. Upon receipt of the full proposals, PPIU will ensure that the IPF-TC assesses the proposal, process for approval by the PCC, and upon approval by the PCC enter into agreement with selected PLGs, oversee and report on implementation and share lessons both within and outside the province.

The specific role of the PPIU will be to:

- prepare a detailed plan, timetable, and templates for the process of soliciting and assessing proposals and signing grant Agreements under the IPF (Templates for the concept note/ full proposal are included in the Annexes 5 & 6),
- announce calls for concept notes from local governments. The call can be published both in provincial newspapers and the official website of the province/ PLGSP. Ensure that all the LGs have clear information on how to access the IPF resources by arranging one day orientation program and providing the template of the concept note and proposals along with the budget range on the website along with the call,
- receive, categorize and arrange the collected concept notes, based on issues and select innovative concepts with the help of IPF-TC; obtain approval of the principal secretary through the PPD;
- inform applicants of the results, provide feedback and request full project proposals to be submitted by a given deadline,
- solicit full proposals, by intensive communication and liaison with local governments, and CSOs, NGOs, private sector organisations and cooperatives.
- categorize and arrange the full project proposals; assist in formation of the IPF-TC as directed by the PCC;
- compile full proposals received from the LGs and share with IPF-TC for review, assessment and marking; support the IPF-TC to assess the full proposals; forward the full proposals and recommendations as to successful applicants to the chair of the IPF Board for ratification and approval (Annex 6); inform applicants of the results, provide feedback,
- review and shortlist applications, following the criteria set in the Implementation Guidelines (and by the PCC as appropriate), maintaining a record of each appraisal for publication online, and utilising the services of independent experts as required for the effective implementation of IPF,
- arrange and support the holding of PCC meetings.
- publish on a dedicated website the applications received, and the reasons for both short-listing/award and rejection.
- finalise and sign agreements with applicants; add conditions where necessary,
- communicate awards and manage the allocation of funds/services.
- receive narrative and financial reports from PLGs receiving grants notifying the PCC of any issues or problems or non-compliance.
- manage finances and submit technical and financial reports each trimester to the PCC and PCU of PLGSP and ensure that audit reports are received on time.

- disseminate findings on the performance of local governments on the use of IPF and manage cross-learning among the LGs, e.g., by organizing innovation marketplace at the provincial level.
- operate as IPF Secretariat and will have an IPF expert and administrators to manage the fund. The PLGSP TA team stationed at PPIU will be mobilised to support the IPF operation at PPIU.
- ensure good fiduciary risk management practices on the use of funds and therefore should ensure regular monitoring of the performance and use of funds by the recipient P/LGs.
- provide regular backstopping support and supervision for effective implementation of IPF project.

6.8 Provincial Centre for Good Governance (PCGG):

The PCGG is a semi-autonomous institution established by the law approved by the Provincial Assembly or by the Executive Order of the respective Provincial Governments. PCGG will arrange a resource pool in coaching and mentoring the local governments as well as provincial government agencies. PCGG will deliver training, orientation, and capacity development activities to the provincial and local government elected representatives, technical and administrative staff.

The PCGG will be responsible to provide all technical support required by the PCC (IPF-Board), assist the PPIU and IPF-TC in line with the IPF Implementation Guidelines.

The PCGG will provide support to the PPIU in the management of the IPF as requested by PPIU and provide capacity development support as required during IPF implementation by LGs.

6.9 IPF-Technical Committee (IPF-TC):

The PCC will form an IPF Technical Committee (IPF-TC) in all provinces to review and assess concept notes, as well as to appraise and score full proposals submitted by the PLGs. Suggested members of the IPF-TC are as follows:

1. Provincial Programme Director, Coordinator
2. Provincial Treasury Chief, PCC
3. Provincial Planning Commission, representative
4. Senior Women Development Officer from Ministry of Social Development
5. Provincial Programme Manager (PPM), Member Secretary

At least one member of the technical committees should be female. Two independent experts as decided by PPIU, can be invited from time to time as required for the technical assessment meetings. These can be from other sectoral ministries or departments, academics, independent professionals. For example, technical proposals regarding new approaches and processes for, say, a more effective Covid-19 response and recovery, might require inputs from public health professionals or socio-economic specialists. Experts as such invited should not have any conflict of interest to the respective proposal being assessed.

The coordinator of the IPF-TC can invite relevant experts to meetings of the IPF-TC as and when necessary. A roster of such experts will be maintained by PCGG.

6.10 Provincial Government Agencies and Local Governments

Provincial government agency in partnership with local governments may apply for IPF grants. The LG (LG Executive Committee) as lead applicant will be responsible for applying for and the implementation of the IPF project. Application decisions should be made in the interest of the whole constituency through deliberation within the P/LG Executive.

Although proposals must be submitted by a lead LG, joint proposals (under Window B) will need to be managed by a joint IPF Design and Implementation Committee with representation from all concerned P/LGs.

The purpose of the IPF is to fund innovation in local governance. As a result, local governments should arrange for the consultation meetings with the local stakeholders and partners, including deliberations within the boundary of LG (LG Executives) for drafting of the concept note/proposal.

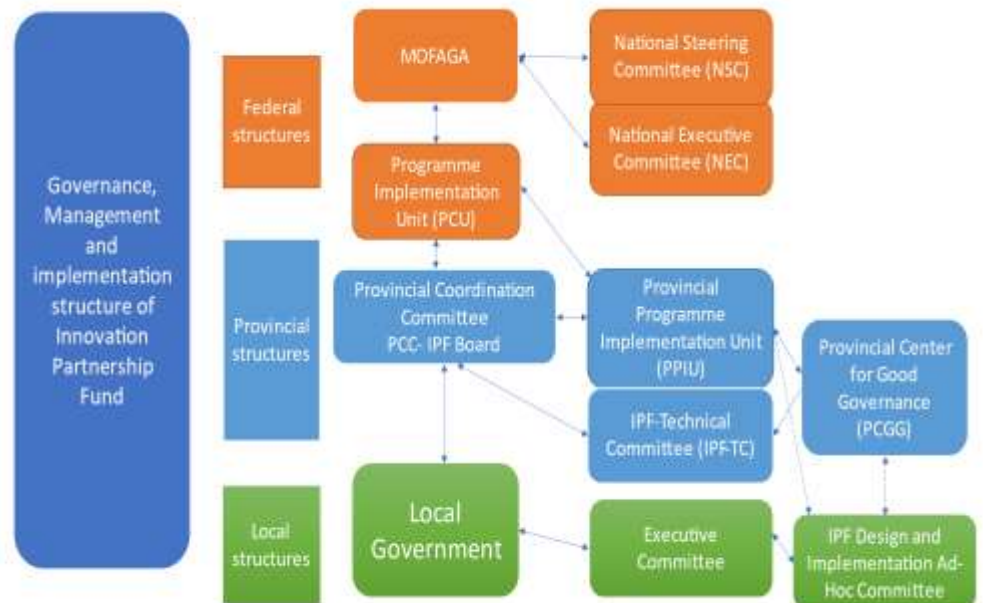
Local governments are expected to:

- a) Assign responsibility to relevant staff to develop the innovation project concept note/proposals on the basis of this Guidance,
- b) Submit the concept note/proposals to PPIU via CAO,
- c) Negotiate the draft agreement document with PPIU,
- d) Provide authority to CAO for signature on the agreement and submit to PPIU,
- e) Coordinate with other concerned authorities in case of joint proposals,
- f) Assign responsibilities to the LG Monitoring and Evaluation Committee,
- g) Undertake regular monitoring and evaluation of the project,
- h) Collect trimester, mid-term and final progress report from staff and provide necessary feedback,
- i) Submit trimester technical and financial progress reports, mid-term and final report to provincial PPIU via CAO, and
- j) Carry out any other activities that is necessary for effective implementation, monitoring, reporting and learning on the IPF project.

6.11 Summary of IPF Structures

The structures supporting the IPF at Federal, Provincial and Local levels are shown in Figure

FIGURE 2. SUMMARY OF IPF STRUCTURES



7. Risk Mitigation Strategies

The risks associated with the IPF scheme were analyzed and provided under Appendix -10). The following strategies have been incorporated into the IPF scheme design to mitigate risks.

7.1 Fiduciary Risks Mitigation

1. Recipients of an IPF grant should follow the financial management and procurement guidelines of Government of Nepal.
2. All IPF grants will be audited by the Office of Auditor General (OAG), with financial statements presented according to a format stipulated by the Financial Comptroller General's Office (FCGO).
3. Public auditing will be compulsory for all IPF projects. Respective PLGs will be responsible for this.
4. A Fiduciary Risk Assessment of the IPF could be conducted by JFA-DPs, in coordination with MoFAGA.
5. Building on the recommendations of the IPF Fiduciary Risk Assessment, the PLGSP Fiduciary Risk Reduction Action Plan will be updated.

7.2 Programming Risks Mitigation

1. The local government will be made aware of their roles and responsibilities by issuing guidelines on IPF.
2. The PCGG/PPIU will organize orientation on IPF guidelines. The IPF implementation

experts at PPIU will provide technical backstopping to PLGs for submitting the proposal.

3. PLGs will conduct annual public hearing where IPF will be one of the topics of discussion.
4. The new concept that is innovative will facilitate improvement in governance, service delivery and socio-economic development process.
5. Both successful and failed innovation projects will be shared as lessons for the next year IPF interventions.
6. In case of delayed fund release, the project can be initiated through the matching funds of the local governments with the permission of PPIU.

7.3 Motivational risks mitigation

1. The provincial and local representatives will be oriented on the value of innovation and facilitated to effectively implement the IPF project.
2. The provincial and local governments will be motivated to institutionalize the local participation and grass-roots accountability through a partnership with the civil society organizations.
3. The provincial and local governments will be encouraged to consider innovation for socio-economic growth in partnership with cooperatives and private sectors.
4. The partnership and collaboration approach will capacitate the project partners to undertake the substantive programme functions for sustainability.

7.4 Political Risks Mitigation

1. PCC-IPF Board supported by PPIU will ensure a fair process of selecting concept notes without any political bias through the mobilization of an independent IPF-Technical Committee. Concepts will be blinded by the PPIU before sharing for review by the IPF-Technical Committee.
2. Concepts will be selected technically by the Principal Secretary with the recommendation of the PPD in line with the set criteria provided under the forthcoming sections.
3. Full proposals will also be assessed by the IPF-Technical Committee, and PPIU will ensure quality assurance of the process by the IPF-TC. PPIU will then submit to the PCC-IPF Board for approval.

8. Procedures for submission and assessment of proposals

8.1 Allocation of Funds to Provinces

The NEC will earmark the funds available to each province under IPF and inform PCC-IPF Board and the PPIU.

Performance-based allocation: In line with the spirit of the programme document, IPF fund allocation from federal to the province will be performance-based. Building on the ‘minimum condition performance measures’ system, allocation to each provincial fund could, from year 2 onwards, take into account previous year performance. This could include minimum

conditions such as transparent reporting on the use of IPF grant funds, and performance measures, such as utilization of IPF funds and numbers of IPF applications received.

The NEC will allocate the funds available for grants under the IPF in each year's ASIP for Provincial Programme activities under PLGSP. The NEC will allocate funds for the provincial IPF taking into account provinces' population, relative unit costs (e.g. of staff and services) and previous performance.

The IPF allocations will start at a moderate scale in the Year 2021-22 and will be up-scaled in subsequent years, based on the experience of execution of the IPF projects during the first year. This will enable PCGG /PPIU staff and provincial and local governments to become familiar with the IPF approach and their roles; systems and procedures to be defined; and lessons from the first rounds of grants to be learned.

The total funding available for the IPF will be built into the provincial conditional grants from the federal budget and will be included in the "Sub-national" budget book (PLMBIS).

8.2 Call for Project Concept Notes

Before calling the concept note, PPIU will organize an orientation on IPF guidelines including the process, assessment criteria, conditions and other requirements to access the IPF grants to LGs in clusters. This will help them to initiate dialogues on the scope of the IPF within their organization and also with other potential partners to access and utilize the grants.

Following the completion of the first level orientation, PPIU will make a call for innovative proposals to be submitted in the form of a Concept Note (see template in Annex 4) from Sole Local Governments for Window A and from Joint Local governments or joint Local governments and Provincial entities for Window B. Local Governments will be informed directly of the call for Innovative Concept Notes. Public notices will be published through provincial or national newspapers and the websites of the Office of Chief Minister as well as of PLGSP.

The call will inform the focus of the IPF including detailed guidelines, together with the criteria for assessment, an outline of the process and timetable and also a time (within 3-4 days of call publication) to meet on cluster basis to clarify the requirements with focus on how to prepare and better structure the innovative concept note as per the given template. In the pre-set time, PPIU will orient the interested LGs and their possible partners on developing a competitive concept note as per the given template. PPIU shall give particular emphasis to resource constraint LGs.

The PPIU will call for a concept note from the LGs in their respective Province. Concepts notes must be submitted by the LGs within 15 days.

The PPIU will acknowledge receipt of the submitted Concept Note/ by email.

8.3 Assessment of Concept Notes

The PPIU will assess each concept note and assign it to either Window A or B on the basis of whether the applicant is;

Window A: Sole applicant comprising one of the following:

- i. Local government individually
- ii. Local government in partnership with NGOs or private companies or cooperative

Window B: Joint Applicants comprising one of the following:

- iii. Two or more Local Governments
- iv. One or more Local Governments in partnership with a provincial entity, in which case a LG should act as the lead agency

The PPIU will review and screen each Concept Note. The following criteria will be used to assess Concept Notes (Table 2)

Table 2: Criteria for Screening Concept Notes

Criteria	Yes /No	Remarks
Innovation		The Concept Note demonstrates genuine innovation and aligns with the goals and principles of IPF. The proposed innovation is “more innovative” than activities funded as regular projects and has the potential to make LG more effective, accountable, transparent, and inclusive.
Governance arrangements		A LG “Design and Implementation Committee” is established. For window B this should include representatives from all concerned elected representatives and staff.
Aligned with LG objectives		Approved by the LG Executive
Current year annual plan and budget has been approved by local assembly		LG without the AWPB approved by the Municipal Assembly will not be eligible for IPF.
The LG has uploaded the score of LISA on the web portal		
The LG has uploaded the score on Fiduciary Risk Assessment on the web portal		
The LGs have achieved at least 50 % score on LISA and FRA		

Criteria	Yes /No	Remarks
Focus on needs of women, Dalits, other socio-economically disadvantaged groups		The concept note highlights how it is inclusive to benefit women. Dalit and disadvantaged group of the people
Costs lie within scheme range		
Costs are eligible		
Shared funding commitment agreed		In case of partnership with private sector and NGOs there must be a letter of tax clearance of last fiscal year.
The LGs have audited their financial transaction from OAG		OAG audited statement should be attached to the Concept Note. PPIU should check if audited statement are good with no major irregularities.

*Note 1: Answer to all criteria must be **YES** for the concept note to be shortlisted*

Note 2: In case of FRA for fiscal year 2078/79, it will be considered ‘Yes’ if it is imitated to enter the assessment findings into the portal.

PPIU will assess the concept note submitted by the LGs within seven days by using the concept note selection criteria as above. PPIU will then submit to PPD and principal secretary for their approval.

8.4 Invitation to Submit Full Proposals

Applicants who met the Concept Note screening process will be informed of the procedures and deadline for submission of a full proposal. PPIU will normally request for submission of full proposal by email, and where this is not practical will inform by text message and by phone call. Submission timeline will be 15 days.

The call will inform the focus of the IPF including detailed guidelines, together with the criteria for assessment, an outline of the process and timetable and also a time (within 3-4 days of call publication) to meet on cluster basis to clarify the requirements with focus on how to prepare and better structure the innovative full proposal as per the given template. In the pre-set time, PPIU will orient the selected applicants for the full proposals and their possible partners on developing a competitive full proposal as per the given template. PPIU shall give particular emphasis to resource constraint LGs.

The PPIU will also inform the LGs whose concept notes are declined with underlying reasons and feedback. Concept notes that are relevant to the scope of IPF but cannot be entertained due to insufficient budget during year 1, may be considered during year 2, and such LG may be advised accordingly.

8.5 Documentation Required for Full Proposals.

Technical and financial proposals should be submitted in accordance with IPF principles and this Implementation Guidelines. Further, the documentation for each proposal should include:

- a) a **Technical proposal** including the description of the project and its rationale on (See Annex-5 for the full proposal template):
 - Why it is innovative and how innovation can take place,
 - How learnings from innovation can be replicated,
 - How it contributes to the 15th Plan and/or National SDGs,
 - How this empowers women, Dalit and disadvantaged groups,
 - Explains about LISA and FRA score and narratives, and
 - Any other technical reasoning to make a good case for IPF funding.
- b) an **Implementation and management plan** with a detailed annual implementation plan, responsibility matrix and monitoring and evaluation plan of the proposed project, showing how the project will be implemented and overseen;
- c) a **Financial proposal** including the cost of the project and the amount of matching fund and its sources, explains about GRB (gender-responsive budgeting) in a separate section
- d) Approved **procurement plan** in the format prescribed by the PPMO.
- e) **Compliance evidence**, including:
 - a **letter** with the official stamp and signature of the CAO
 - i) The **Memorandum of Understanding (MoU)** between LGs and partners for the proposal submission stating their financial and non-financial contribution.
 - i. **Window A, Sole applicants:** The MoU should be approved by respective executive committee of each partner organization. The details of the partners demonstrating the relevant experiences in the proposing scopes. Where appropriate, legal documents of partner organizations such as VAT registration, Tax clearance/Audit report (previous year) should be included.
 - ii. **Window B: Multiple applicants:** The MoU should be approved by respective executive committee of each partner local Government and organization. The MOU should state the LG that leads the project, the names of the collaborative partners and the contributions and cost sharing arrangements between them. The MoU should also set out details of the joint committee formed to steer the IPF project, its members and responsibilities

8.6 Assessment of Full Proposals

The PPIU will assess the full proposals on the basis of the criteria as provided in table-3. The PCC headed by the Chief Minister or other minister as delegated by the CM will work as IPF Board.

The PPIU will convene the IPF-TC to review, assess, and mark the proposals for funding decisions to be made by the IPF-Board. The IPF-TC will assess proposals based on the scope

and criteria set out in this Implementation guidelines and / or provided to them by the PPIU. The PPIU and IPF -TC may solicit anonymous peer reviews of proposals from suitable experts, if required

The main responsibilities of IPF-TC with regard to assessing proposals are as follows:

- a) assessing and scoring the detailed proposals submitted by PLGs, based on IPF criteria,
- b) coordinating with the PPIU and IPF Board to identify and invite innovation expert or the concerned experts on the IPF projects, and
- c) providing guidance to independent experts as necessary.

Review, assessment, approval, and award process should be managed within 15 days.

The assessment criteria consist of the following essential criteria. The essential criteria (Table 3) must be met by all applicants.

Table 3. IPF Proposal Evaluation: Essential criteria to determine priority LG applicants.

SN	Criteria	Total Marks	Scoring guidelines
1	Innovation	20	1. Very highly innovative (entirely new concept, not tested yet), fits fully with IPF scope =100%
			2. Highly innovative (prototype for piloting), fits fully with IPF scope = 80 % marks
			3. Innovative (successfully working in other similar areas, planned to bring and adapt), fits fully with IPF scope = 60 % marks
			4. Low innovative (already piloted in small areas, planned to expand in new areas and clients), fits with IPF scope = 40 % marks
			5. No innovation (only plan to expand what they have done normally = 0 %
2	Replicability	10	1. Offers opportunity for replication in other LGs = 100%
			2. Offers opportunity for replication in all wards = 80 %
			3. Offers opportunity for replication in more than 50 % wards = 60 % marks
			4. Replication in less than or equal to 50 % wards = 40 % marks
			5. No scope of replication= 0%
3	Contributes to SDGs	10	1. Supports directly a minimum of 50 national indicators of SDGs = 100%
			2. Supports directly a minimum of 30 national indicators of SDGs = 80%
			3. Supports directly a minimum of 20 national indicators of SDGs = 60%
			4. Supports directly a minimum of 10 national indicators of SDGs = 40%
			5. Does not directly support any national indicators of SDGs = 0 marks
4	Empowers women, Dalits, other socio-economically disadvantaged groups	10	1. Out of total beneficiaries, at least 60 % are from women dalit and socio-economically disadvantaged groups= 100 % marks
			2. Out of total beneficiaries, at least 50 % are from women dalit and socio-economically disadvantaged groups= 80 % marks
			3. Out of total beneficiaries, at least 40 % are from women dalit and socio-economically disadvantaged groups= 60 % marks
			4. Out of total beneficiaries, at least 30 % are from women dalit and socio-economically disadvantaged groups= 40 % marks

SN	Criteria	Total Marks	Scoring guidelines
			5. Out of total beneficiaries, below 30 % are from women dalit and socio-economically disadvantaged groups= 0 % marks
5	GRB budgets	5	1. The proposed budget is > 80 % GRB responsive = 100 % marks
			2. The proposed budget is 60 -79 % GRB responsive = 80 % marks
			3. The proposed budget is 40 -59 % GRB responsive = 60 % marks
			4. The proposed budget is 10 -39 % GRB responsive = 40 % marks
			5. The proposed budget is <9% GRB responsive = 0 % marks
6	Score on LISA	10	1. Total LISA score is >80= 100%
			2. Total LISA score is more than 60 and up to 80= 80%
			3. Total LISA score is more than 40 and up to 60 = 60%
			4. Total LISA score is more than 20 and up to 40 = 40%
			5. Total LISA score is equal or less than 20= 0%
7	Score on FRA	10	1. Total FRA score is >80= 100%
			2. Total FRA score is more than 60 and up to 80= 80%
			3. Total FRA score is more than 40 and up to 60 = 60%
			4. Total FRA score is more than 20 and up to 40 = 40%
			5. Total FRA score is equal or less than 20= 0%
8	PL progress in delivering capex budget / spend	10	1. Capital expenditure is >60= 100%
			2. Capital expenditure is more than 50% and up to 60%= 80%
			3. Capital expenditure is more than 40% and up to 50% = 60%
			4. Capital expenditure is more than 30% and up to 40%= 40%
			5. Capital expenditure equal or less than 30%= 0%
9	Percentage infrastructure /Capex proposed for IPF bid	10	1. Infrastructure expenditure is >60= 0%
			2. Infrastructure expenditure is more than 50% and up to 60%= 40%
			3. Infrastructure expenditure is more than 40% and up to 50% = 60%
			4. Infrastructure expenditure is more than 30% and up to 40%=80%
			5. Infrastructure expenditure equal or less than 30%= 100%

SN	Criteria	Total Marks	Scoring guidelines
10	Audit arrears	5	1. No audit arrears= 100%
			2. Audit arrears is up to 1%= 80%
			3. Audit arrears is more than 1% and up to 2%= 60%
			4. Audit arrears is more than 2% and up to 3% = 40%
			5. Audit arrears is more than 3%= 0%
	Total	100	

Note: For PLG applicants to be successful, at least, 60% score is essential in total, although limited funding may mean that not all bids exceeding this threshold will be supported in year one.

8.7 Finalizing Agreements between PCC and LGs

All applicants will be informed of the decision by the PPIU. PPIU will also draft an IPF agreement with the selected PLGs and enter into an agreement as per the decision to award by the IPF Board.

8.8 Feedback to Unsuccessful Applicant PLGs

Feedback will be provided to unsuccessful PLGs during full proposal process by providing explanation as to why they did not score 60% to be selected or why bids exceeding this threshold have not been supported. This may also include suggestions for particular issues and a recommendation to resubmit in the next year. The PCC will assign a dedicated IPF focal point to provide any further clarification required by LGs with regards to unsuccessful proposals. The PCC focal points can also coordinate with PLG to provide further support for future applications.

All proposals, appraisal scores and decisions should be published on a dedicated website, to ensure maximum transparency and reduce the number of complaints from unsuccessful applicants. It is the responsibility of the PPIU to fully address the complaints of the LGs about the proposal. LGs can submit written complaints to principal secretary.

9. Procedures for the Management of IPF Grants

In this section, the arrangements for the management of IPF grants, including the flow of funds, reporting and audit has been described to be set out in the grant agreement.

9.1 Fund Flow Process

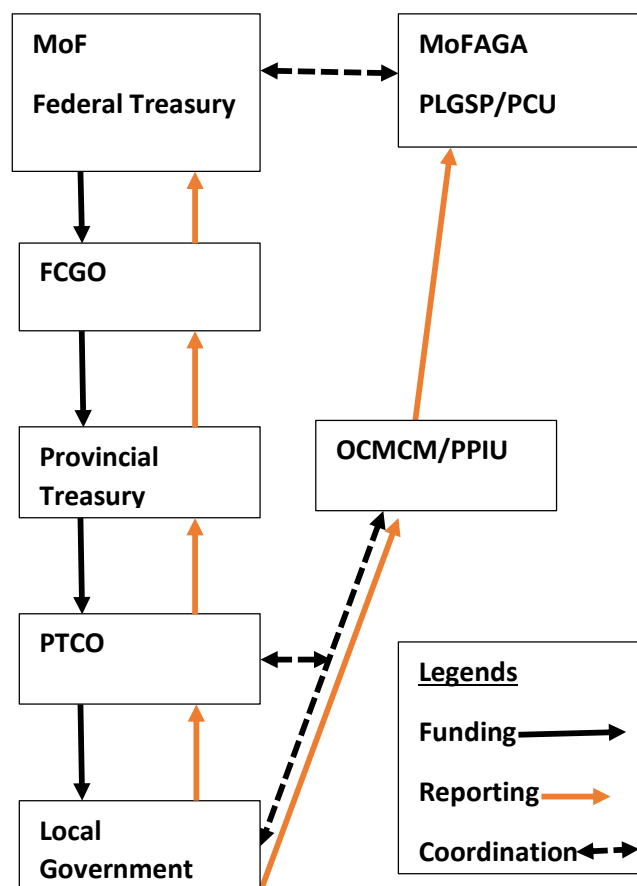
The IPF fund will be administered by the PGs through the PPIU under the overall guidance of the Provincial Program Directors (PPD).

The NEC of PLGSP in MOFAGA will allocate the annual amount of IPF funding to each Province. The allocation will be reflected in the approved ASIP of PLGSP.

The Financial Comptroller General (FCGO) will be responsible to transfer the fund to respective provinces as a conditional grant through the provincial Treasury.

The PPIU will authorize the release of funds from the provincial treasury to the district treasury to make funds available to respective local governments. In the case of a joint project, the amount will be transferred to the bank account of the leading local government (Figure 3).

FIGURE 3. FUND FLOW TO THE LGS FOR THE IPF



9.2 Planning and Budgeting

The IPF project should be reflected in the annual plan and budget of local government and should be duly approved by the local assembly. However, for the first year the LG Executive can select the proposed project for IPF without this provision. From the start of the next electoral cycle, IPF projects should be reflected in the medium-term expenditure framework (MTEF) of respective local governments.

The provincial allocation for projects must also be reflected in annual budget and MTEF of provincial governments. The Provincial agency can submit the proposal with the approval of their ministry for the first year.

The local governments that receive the fund through the PLGSP should follow the Government of Nepal's planning, budgeting, accounting, and reporting procedures, as applied for local governments. Unspent allocations should be returned to provincial governments / PPIU and returned to MoFAGA, as per the treasury system of Government of Nepal.

The PPIU will facilitate the applicant local governments and their partner organizations in case of any conflict arising during the implementation.

9.3 Accounting and Reporting

The LGs implementing the programme should follow the accounting and reporting procedures and standards of Government of Nepal.

The LG will send the project financial reports to PPIU, provincial FCGO and PCU. The report should also include the progress against the targets, issues /challenges encountered and the learning from the implementation of the project under IPF.

The PPIU should consolidate the reports from the funded PLGs and submit the financial report to PLGSP's Program Coordination Unit (PCU) in Kathmandu on trimester basis.

The PCC, with the support of the PPIU, will ensure transparency and accountability of all IPF projects.

9.4 Procurement Management

The government of Nepal's procurement laws will be applied for any procurement under the IPF project. The LG must prepare the annual master procurement plan of IPF projects in the prescribed format laid down by the Public Procurement Management Office in Kathmandu.

For a multi-year project, the LG should prepare the multiyear procurement plan. However, the project period should not exceed two years.

9.5 Auditing and Monitoring

The auditing of the IPF will be according to the law of Nepal. The Office of Auditor General (OAG) will conduct such audit. MoFAGA will ensure the audit of each IPF project is conducted by OAG.

LG will be responsible to facilitate the OAG audit as well conduct of the public audit of all IPF projects.

The PPIU and PCU will monitor the IPF implementation at local level. NEC will assess the overall performance of each provincial IPF project.

The Projects will be regularly monitored by the existing monitoring and evaluation committee at the local government. The Monitoring and Evaluation Committee chaired by the deputy mayor/ vice chair of the LGs will regularly monitor the ongoing activities and the progress. The CAO will be responsible to submit the monitoring report to PPIU.

The OCMCM/PPIU will monitor and track the progress of the IPF in coordination with the Provincial Planning Commission.

Delivery on the key performance indicators by the applicants must be aligned with the fund disbursement schedule in the MoU. PLGSP/PCU can hire an independent external evaluator to evaluate the overall performance of the IPF project implemented by the PLGs. The evaluator will check the performance indicators measuring the expected outputs set out in the MoU.

10. Monitoring, Evaluation and Learning

10.1 Framework

One of the major advantages of the IPF approach is that it allows innovation, variation, and comparison of different approaches. However, the benefits from this can only be realized if lessons are learned by studies, analyses, documentations and sharing of experience.

10.2 Local Monitoring

The LG Executive will be responsible for on the ground supervision and monitoring to the innovative project. The LG Executives already has an existing Monitoring Committee, which is chaired by the Deputy Mayor/Vice Chair. A condition of the grant will be that this committee is tasked with monitoring and learning from the innovative intervention. The LG Executives will ensure a brief quarterly, mid-term, and annual report to the PPIU.

10.3 Provincial Communication and Knowledge Management

PPIU will need to take responsibility for effectively communicating about IPF to all local governments. Respective PPIU may as such arrange to convene a meeting of all the mayors, chairs and CAOs at the beginning of the IPF establishment process, and subsequently arrange such event annually.

First year event will need to comprise of information about IPF and dissemination of the Implementation Guidelines. The event will include details about the application processes involved for concept note, full proposals, screening/approval, financing, implementation, monitoring, reporting, learning and communication processes.

Subsequent annual events should comprise of the presentation of annual progress of IPF, learnings, and recommendations, and also clarifying application processes and revised guidelines, if any, for the year.

PPIU will need to take due responsibility for managing knowledge through an e-document system. PPIU will need to keep records of implementation guidelines, concepts notes, full proposals, agreements, periodic financial report and narrative report, monitoring reports, and any other relevant documentations.

PPIU, after due analysis of various reports, must organize learning and reflection sessions amongst various stakeholders within the province including engaging NARMIN and MUAN representatives.

10.4 Provincial Monitoring and Evaluation

The **PPIU**, upon the receipt of the progress reports from the implementing bodies, will verify and prepare an integrated and analytical progress report to submit to the provincial PCC and Federal PCU/PLGSP for review and feedbacks on trimester basis.

The progress report will consist of:

- a) a **fact sheet** measuring quantitative progress against the key performance indicators as stated in the MOU for the agreed project signed between the Provincial government and fund awardees; and
- b) a **financial report**, setting out budgets, expenditure and variances, and showing Audit and other compliance obligations;
- c) a **narrative** capturing the qualitative aspects of the progress, covering progress against the targets, coordination with other development partners, case studies, issues / challenges encountered; and
- d) a **lesson learned report** setting out lessons and show casing both successes and failures from the experience of implementation of the project under IPF.
- e) Third party monitoring of PLGSP to be commissioned by MoFAGA/PLGSP will also assess the IPF grant utilization at the local level.

Reporting templates are given in the Annexes 6.

10.5 National and Provincial Learning

The PCU and PPIU will be responsible to share lessons and learning within the province and across the country. This will be undertaken through (a) sharing events and trainings; and (b) development of a website setting out ideas and lessons from the experience of previous rounds of IPF funding.

11. Sustainability

While implementing the IPF, PLGSP will also strengthen the capacity of the PLGs in designing innovation, identifying and managing risks and applying the partnership approach to mobilize additional resources which enables them to continue their initiatives after the project ends.

Further, building on the experiences and lessons learned from the initial implementation of the IPF as part of the PLGSP, DPs and MOFAGA may collaborate to initiate similar initiatives in the future.

Annex 1: Scope of the IPF

1. The general scope of the Innovation Partnership Fund

The general scope of the Innovation Partnership Fund is set out in the PLGSP programme document as follows:

1. To **fund innovation** in PLGs. The concept of risk used here is that for new ideas to be tested one has to anticipate both success and failure. Successful ideas will be scaled up and unsuccessful ideas will be dropped by ensuring other SNGs are informed so that they don't repeat the failed ideas.
2. To **encourage ownership** by the SNGs so that governance and service ideas are generated from within and are in the genuine interest and needs of the SNGs. Innovative ideas will therefore come from the SNGs. The SNGs should be committed to implement the idea by cost-sharing and making necessary arrangements for not only implementing the idea but also establishing a monitoring and learning process.
3. To **allow variation** depending upon the context. SNGs vary hugely from a large metropolitan government with about a million population to small rural governments with about 10,000 population and cover diverse geographic and socio-economic contexts. As such, IPF will allow for diverse provincial and local governments (PLGs) to conduct research and studies and generate new ideas for effective governance and service delivery in their local context.
4. To allow **innovation and learning**. The diverse nature of 7 Provincial Governments and 753 Local Governments provide an opportunity to test new ideas and, if new ideas are successful in some PLGs, to scale this up to others. Some ideas when tested can turn out to be not relevant, and these can also be shared so that other PLGs do not repeat the same. This provides an abundance of opportunity amongst the PLGs for significant improvements in governance, service delivery, local economic development processes and Provincial development. If practiced well, funding to innovation can provide good returns on investment with a few PLGs testing new ideas that can then be replicated amongst hundreds of PLGs or adapted in view of the context.
5. To **promote federal, provincial, and local cooperation**. Execution of projects, through a scheme managed by provincial Government, under the oversight of federal Government will recognize the coexistence of the three spheres of governments and bring them together to collaborate, coordinate within the spirit of Constitution. This will also facilitate improved understanding of the shared role, discussions, and negotiations in a true spirit of the Constitution amongst the three spheres of governments.

A new process and approach **to help recover from Covid 19**: As identified under PLGSP definition, the IPF could be used for an additional objective such as the effective recovery from Covid-19 for both the PGs and LGs. As a result, it is proposed to include an additional objective related to new processes or approaches to develop an effective Covid-19 recovery strategy and action plan for the PLGs.

2. Institutional Scope of Innovation Partnership Fund

The institutional scope of the innovation partnership fund is as follows.

1. The IPF will encourage innovation in local governance processes in the areas of decision making, effective implementation, accountability transparency, gender equality and social inclusion, and ways of working, and many others.
2. The IPF will invest in innovation in shared development outcomes by promoting cooperation and collaboration among the local governments.

3. The IPF will provide space to apply innovation in partnership approaches together with CSOs, NGOs and private sector, etc.
4. The IPF will promote inter-governmental relationships among PGs and LGs,
5. The IPF will bring in innovation in the ways of working of provincial government agencies for rewarding innovation and creativity.

3. Technical Scope of Innovation Partnership Fund

The technical scope of IPF consist of innovative use of ICT, participatory decision-making processes, citizen's monitoring, GESI, use of environment friendly technologies, e-governance, result-oriented management practices, etc. and social sector innovations in primary education, primary health, livestock development, agriculture extension, local economic development, hygiene, and sanitation, etc. As an example of supporting hygiene and sanitation, it will not be about funding for hygiene and sanitation activities, which should be part of PLGs annual work plan and budget, rather it should be about testing new ideas and approaches to ensure hygiene and sanitation interventions can be more efficient and effective for the citizens.

The IPF will bring in social sector innovations in primary education, primary health, livestock development, agriculture extension, local economic development, hygiene, and sanitation, etc.

Annex 2: Areas of Innovation processes and Contribution of Innovation in Public Governance

1. Innovation in local economic development

1. Inclusive economic growth
2. Development and commercialization of agriculture value chains system
3. Market center development for agriculture products in the catchment area of certain LGs
4. Small and medium size enterprises development
5. Use of energy and technology in the promotion of enterprises
6. Livelihoods improvement and social mobilization
7. Local agriculture and livestock productivity enhancement
8. Local Economic Development (LED)
9. Employment and skill development
10. Entrepreneurship development
11. Skill development, skill mapping
12. Introducing income generating activities
13. Tourism development
14. New startup business incubation, blue ocean strategy

2. Local governance process innovation

There are three key areas for local governance process innovation: local government decision making and law-making, implementation of the decisions, and oversight and monitoring processes. For each of these areas the following criteria for innovation will be followed:

1. Decision and law making : leading to allocation of resources and rules – including consultation with wards, citizens, bureaucrats, interest, and community groups to understand and define problems and set the agenda.
 2. Implementation of these decisions : enforcement of laws, commissioning / procurement of services and management of projects.
 3. Oversight and monitoring process
3. Promoting innovation with synergy in partnership with CSO, private sector, Cooperatives and NGOs.

4. Contribution of Innovation in Public Governance

1. **Service delivery:** Innovation will foster Ideas that help explore new ways of working amongst the elected representatives and civil servants for effective service delivery and development activities implementation. Innovation supports in the development and application of innovative ideas for effective and efficient local governance processes towards improved service delivery and development within LG constituency. Innovation contribute ideas that enhance their ability in tackling the problems that hinder effective service delivery.

2. Innovation reassures ownership of the local governments by genuinely supporting the new approaches of their interest, ensuring a good success rate but also allowing failures and quick recovery and learning.
3. Innovation helps local governments develop their basic functional capability in a way that retains their strong ownership by the local government itself.
4. Innovation facilitates in generating innovative ideas around continuous learning and improvement through an approach to establish the processes of effective knowledge management. Innovation take into consideration sustainable development goals that are applicable for local context and how these will be contributed to and reported on.

5. Innovation in partnership with other local governments

1. Help to promote cooperation and coordination with neighboring local governments to generate new partnership ideas and sharing knowledge, experience, and learnings for effective and efficient governance processes for effective service delivery,
2. Help share learning and good practices around service delivery, human development and local economic development aspects,
3. Facilitate in replicating new and innovative ideas across local governments,
4. Arouse interest to test new solutions either locally sourced or technologically driven across local governments,
5. Develop an attitude to learn where results will not be determined by the quantity or failures,
6. Build an entrepreneurial ecosystem to promote start-ups and young innovative minds,
7. Adopt blue ocean strategy in service delivery, local economic development and ..

6. Innovation in partnership with Provincial Government

Encourage collaboration between provincial and local governments:

1. In ensuring PGs and LGs play their respective roles more effectively in the spirit of the Constitution including help test ideas so that PGs focus more on strategic provincial role, and LGs focus more on providing services and implementing development within LG, and for PG to focus on developments across many LGs.
2. Bring innovation in implementing and strengthening social accountability process and promoting good governance. In using the resources available more effectively and generating innovative ideas in managing fiduciary risks, promoting inclusive governance processes assuring gender equality and social inclusion, transparency, and civic engagement in monitoring, and
3. Any other innovative idea within the spirit of the Constitution for effective and efficient local and provincial governance processes.

7. Quality of citizen engagement and Innovation

1. Ideas around promoting right to information and transparency (including the development of citizen charter), gender equality and social inclusion integration process to transform the lives of socio-economically disadvantaged people accountability processes (political, administrative, and social) within the LG,
2. Promote innovation to strengthen and institutionalize inclusive governance that includes inclusive economic growth.
3. Innovation in community mobilization and livelihood improvement
4. Support ideas to deepen the role of the citizens in governance process by increasing the space and opportunities for participation, deliberation, and influence
5. Engage with local representative groups to discuss the local issues,

6. Foster people-centric planning and promote open and digital platform for public consultation for critical issues,
7. Bring innovation to implement e-governance
8. Bring innovation in public financial management system
9. Bring innovation on socio-economic development
10. Innovative approach to execute social accountability measures

8. Innovation in local governance

1. Innovative approaches to implement LISA indicators
2. Innovation to improve fiduciary governance
3. Innovation in local infrastructures and spatial planning
4. Innovation in sector development such as STEM in education and health.
5. Others areas of Innovation
 - Solid waste management
 - Investment in capacity building facilities such as training centers in new areas
 - City renovation plan and initiatives
 - Creating thematic model villages or wards
 - Digital provision and digital governance
 - Electronic public information services for better interaction with public and every individual citizen
 - Enforcement of earthquake safety measures and developing disaster management approaches
 - Experimenting/piloting new ideas of public service delivery
 - GESI driven community mobilization such as rolling out citizen awareness center (CAC)
 - Fiduciary governance and local public financial management
 - Innovation in the sectors such as health, education, sanitation and other areas of service delivery
 - Heritage conservation and environment preservation
 - Innovative business registration and e-procurement
 - Integrated urban development planning
 - Innovation in the execution of components of integrated local development planning
 - Inter-government joint investment and planning
 - One-stop service delivery for social services
 - Public access to information
 - Risks sensitive land zoning
 - Scale-up of local innovative initiatives
 - Testing of new solutions of the local problems
 - Urban planning and design including house pooling, land pooling, integrated settlement

Annex 3: Potential Risks and Mitigation Measures in IPF

PLGSP document has identified number of risks and challenges, as follows:

- a) Very small, low-capacity LGs may not be able to compete for IPF funding,
- b) Nascent LGs will be struggling with basic capacity to function and will not have the time and space for thinking about innovation,
- c) Competitiveness may limit collaboration,
- d) Management and operation of IPF will be labor intensive, and
- e) Fiduciary risks, funding may be diverted by LGs: misuse of funds by the LGs or recipients colluding (LG and NGOs) or by provincial government agencies

From the period when PLGSP was designed to the current stage, a few other risks have been identified, as follows:

- a) Funds may be diverted to political interests or prioritized for populist activities by the party in power,
- b) Not fully understanding innovation and hence the reluctance to cost share
- c) Covid-19 pandemic, as resources are scarce to effectively respond to the pandemic by the provincial and local governments, funds could be diverted for response and recovery instead of their effectiveness of the process,
- d) The year that IPF is starting, i.e., 2078/79 FY, LGs will be preparing for elections. As such, LG may be less interested to apply for IPF funds as they prepare for elections or priority of innovation and collaboration may shift over to diverting funds for populist activities, and

Following table lays out in summary the risks identified above, and how these should be mitigated:

Risk summary	Mitigation approach	Risk commentary
1. Accessibility for small LGs: Challenges for very small, resource-constrained LGs not understanding or being able to compete for IPF funding	PLGSP will share guidelines and provide support to such LGs. Support will include in developing concepts and proposals. Cost-share proportion is also significantly lower for these groups of LGs than for others.	Guideline about IPF, and support in the concept and proposal process and reduced cost-sharing by the small LGs is likely to incentivize participation in IPF.
2. Basic capacity vs innovation: Nascent LGs not having basic capacity to function may not be able to focus on innovation	This risk is similar to '1' above, including that the required capability to consider innovation and to facilitate that innovation will be relevant and useful for improved performance by the LG. Support will need to be provided to develop concepts and proposals.	As per point '1' above and the understanding and value of innovation will incentivize LGs.
3. Competitiveness may limit collaboration: Innovative ideas need critical thinking and a zeal for competitiveness, which may undermine consideration for collaboration	There are two Windows for competition for innovation, collaboration and supportive approaches. Application of appropriate windows will keep competitive spirit for	Multiple window approach will help to mitigate risks here. This will need to be communicated well by

and cooperation	innovation, and then also promote collaboration and cooperation.	PCU and PPIU.
4. Diversity and demand of 753 LGs: Management and operation of IPF will be labor intensive as seven provinces will be managing, and working with 753 LGs with policy direction from the FG	PPIU is likely to be overloaded with the sheer intensity of the work. As such adequate human resource capacity and effective communication package is key to effectiveness and efficiency of IPF.	Trained and adequate human resources will help to mitigate these risks better. A strong and effective communication package will be in place at PPIU to inform the local governments about the opportunity.
5. Fiduciary risks: Funding may be diverted by LGs, including misuse of funds by the LGs or recipients colluding (LG and NGOs) or by provincial government agencies	A detailed fiduciary risk assessment has been carried out for PLGSP. Similarly, FRA for IPF will also need to be carried out as effective use of funds is key to IPF success and overall effectiveness of PLGSP.	Implementation of FRA study for IPF and application of FRA study recommendations will be important to manage this risk.
6. Political interests and biases: LGs led by the party in power may be prioritized over others, and as IPF will be starting in 2021/22 during a year when LG elections will be starting as well as preparations for elections will be ongoing. As such, chances of funds diverted for political interests or for populist projects rather than innovation and collaboration	<p>All concepts and proposals should be assessed by an independent panel of experts as part of IPF-TC.</p> <p>Experts for IPF-TC should be selected applying a merit-based approach by PCCG. Concepts and proposals should be blinded by PPIU before sharing with IPF-TC.</p> <p>Independent experts should be fair and professional in their review, assessment and marking of the concept and proposal by strictly adhering to the scope and criteria provided in the IPF Operating Guidelines.</p> <p>A ToR for IPF-TC should be developed by PPIU with the help of UN-TA IPF specialist.</p> <p>With regard to political interests and biases during election and populist projects, PCC/IPF-Board, PPIU and IPF-TC should be extra careful in not only critically reviewing the proposal under the context but also consider additional level of monitoring.</p> <p>The other way to avoid political biases in IPF during election year will be to start slowly during year 1, test the effectiveness or otherwise of the use of</p>	<p>Application of the mitigation measures will help to manage the political risk better.</p> <p>A separate strategy may need to be applied for election year IPF financing, like periodic monitoring, etc.</p> <p>Monitoring should not just be about IPF implementation, but should be about how decisions on IPF funds have been made by PCC, how IPF-TC assessed the concepts and proposals.</p>

	IPF, and make adjustment for full implementation during Year 2 of IPF.	
7. Limited understanding of innovation may reduce interest to cost share: Innovation is new for Nepal and for provincial and local governments. Without seeing clear benefits, LGs may be reluctant to cost share, or may consider IPF as any other project	IPF guidelines for interested LGs should be prepared in Nepali and communicated well about the scope, process and benefit of innovation, including examples to show what innovation means and to illustrate how some LGs have used innovative practices already.	Guidelines and effective communication will help to mitigate this risk.
8. Covid-19 contexts may lead to the use IPF for staffing, equipment, and response: Under the current context this risk is quite potential which may lead to the use of IPF funds for humanitarian work rather than its intended purpose	The Implementation Guidelines will need to clarify that IPF can be used to finance new ideas, processes, approaches for a more effective recovery and response and should not be used for staffing, equipment and supplies i.e., it is not about overall response but about how to make the response effective.	As such a good monitoring is required to safeguard from this risk.
9. Use of IPF for infrastructure works rather than innovation in local governance: IPF may be used for infrastructure work increasingly, which will undermine the spirit of IPF and innovation and collaboration	IPF guidelines for LG applicants will need to make it clear as to what is innovation in infrastructure, prototype, and feasibility work. LGs are required to consider that their cost-share element may be utilized for infrastructure innovations but will also need to be ensured that IPF is not about merely infrastructure or construction work.	Application of the mitigation measures will help to manage the infrastructure risk better.

Annex 4: Format of Concept Note

The concept note should be developed based, but not necessarily limited, on the following points.	
Project details:	
	Title:
	Location:
	Proposer (address, name, contact e-mail, telephone # of the contact person of the lead applicant)
	Joint proposals (address, name, contact e-mail, telephone # of the name of the contact person of the partners organization)
	Date submitted:
Concept description (What?) (250 words)	
	Background ?
	Purpose?
	What was the process followed to develop the concept and What will be done (major activities)?
	How will it be implemented (Plan with responsibility) ?
	Duration:
	Budget total:
	Cost sharing: Budgeted lead applicant: Budget partner: Budget IPF: Total:
	Expected results? (specify expected outputs, outcome and impact of the proposed concept Who will benefit? (specify house hold, individuals, others, to be benefitted)
	Will it promote GESI? How?
	Explains how it contribute to LISA and FRA score ?
	Explain how it contributes to national plan / National SDG ?
Justification and rationale (Why?) (2500 words)	
	Why is it innovative? Explain
	Why is it important to the LGs or the applicants (as appropriate)?

	How might it be replicated?	
Strategic fit (200 words)		
	Fit with LG strategy?	
	Has the executive approved the Concept Note?	
	Fit with provincial strategies and frameworks	
Implementation (How?) (2500 words)		
	Have the LG and/or PG agency (as appropriate) formed” design and implementation committee” for IPF?	
	What are the expected difficulties / risks? And what would be mitigation measures?	
	Are Human resources available?	
	Is Technical knowledge available – if not where will it be sourced?	
	Is the concept feasible in the proposed context?	

Annex 5: Format of Full Project Proposal

The full proposal should be developed based, but not necessarily limited, on the following points.

1. आयोजनाको संक्षिप्त परिचय

Proposer (address, name, e-mail/telephone # of the contact person of the lead organization)	
Joint proposals (address, name, e-mail/telephone # of the contact person of the partner organization)	
Date submitted:	

१. आयोजनाको नाम (Project Name)	
२. आयोजनाको पृष्ठभूमि (Project Background)	
३. आयोजनाको खर्च संकेत (Project Expenditure Code)	
४. आयोजनाको औचित्य (Project Rationale)	
५. आयोजनाको छनौट प्रकृया (Project Selection Process)	
६. आयोजनाको LISA तथा FRA मूल्यांकनको नतीजा संग सम्बन्ध (Project Relation with Assessment Findings of the LISA and FRA)	
७. आयोजनाको नवप्रवर्तन पक्ष – सेवा प्रवाह, शासनप्रणाली र आर्थिक विकास (Innovation in Project: Service Delivery, Governance, Economic Development))	
८. आयोजनाको प्रतिकृति संभावना (Possibility of Project Replicability to other LGs)	
९. आयोजनाको कूल बजेट (Project Budget)	
१०. आयोजनाको रहने स्थान (Project Location)	
११. आयोजनाको मुख्य उद्देश्य (Project Objectives)	
१२. आयोजनाको अपेक्षित प्रतिफल (Project Outputs)	
१३. आयोजनाको अपेक्षित उपलब्धि (Project Outcomes)	
१४. आयोजनाको अपेक्षित प्रभाव (Project Impact)	
१५. आयोजनाका लाभग्राही (Project Beneficiaries in disaggregated #)	
१६. आयोजनाको राष्ट्रीय दिगो विकास लक्षका सूचकहरुमा योगदान (Project Contribution in Achieving the SDG Goals)	
१७. आयोजना कार्यन्वयन गर्ने निकाय (Implementing Agencies)	
१८. आयोजनाको अनुगमन तथा मूल्यांकन गर्ने संयन्त्र (M&E Mechanism)	

१. आयोजनाको बजेट खर्चको बाँडफाँट

जनशक्तिको खर्च (Expenditures on Human Resources)			
विवरण(Description)	एकाई (Unit)	दर (Rate)	रकम (Amount)
जनशक्ति	संख्या		
१.			
२.			
३.			
४.			
५.			
उपकरणको खर्च (Expenditures on Equipment)			
विवरण(Description)	एकाई (Unit)	दर (Rate)	रकम (Amount)
१.			
२.			
३.			
४.			
५.			
६.			
निर्माण खर्च (Construction Cost)			
विवरण(Description)	एकाई (Unit)	दर (Rate)	रकम (Amount)
१.			
२.			
३.			
४.			
५.			
तालिम खर्च (Training Cost)			
विवरण(Description)	एकाई (Unit)	दर (Rate)	रकम (Amount)
१.			
२.			
३.			
४.			
५.			
परामर्श खर्च (Consultancy Cost)			
विवरण(Description)	एकाई (Unit)	दर (Rate)	रकम (Amount)
१.			
२.			
३.			
४.			

५.			
अनुगमन खर्च (Monitoring Cost)			
विवरण(Description	एकाई (Unit)	दर (Rate)	रकम (Amount)
१.			
२.			
३.			
४.			
५.			
कार्यक्रमसंग सम्बन्धित खर्च मात्र समावेश गर्नु पर्दछ । जस्तै निर्माण कार्यमा तालिम खर्च नहुन सक्छ (Only the programme related cost must be included, for example- training would not require in the construction work)			

२. आयोजनाको अनुगमन तथा मूल्यांकन तालिका (Monitoring and Evaluation Schedule of the Project)

विवरण	समय तालिका (Time Line)	Unit पटक	अनुगमनमा संलग्न जनशक्ति (Human Resource for Monitoring)	
			विवरण (Description)	संख्या (Number)
१. सम्भाव्यताको लागि स्थलगत भ्रमण (Field Visit for Feasibility Study)		१		
२. लागत अनुमान तयार पार्न स्थलगत अनुगमन (Field Visit for Cost Estimation)		१		
३. प्रगती अनुगमन (Progress Monitoring)				
४. जाँचपासको लागि भ्रमण (Field Visit for Technical Evaluation)				
५. सार्वजनिक परीक्षणको भ्रमण (Travel for Public Auditing)		१		

६. आयोजना हस्तान्तरणमा भ्रमण (Field Visit for Project Hand-over)		१		
७. प्रगति समिक्षा (Progress Review)		१		

३. आयोजनाको कार्यन्वयन तालिका (Project Implementation Schedule)

क्रियाकलाप (Activities)	समय Time	जिम्मेवारी Responsibility	प्रतिफल (Output)
१. अवधारणा पत्र तयार (Prepare Concept Paper) _			अवधारणा पत्र (Concept paper)
२. लागत अनुमान तयार पार्ने (Prepare Cost Estimate)			लागत अनुमान (Cost Estimate)
३. परामर्स सेवा भए कार्य शर्त र RFP तयार गर्ने (Prepare RFP for Consulting Service)			TOR and RFP
४. तालिम कार्य भए तालिमा योजना तयार पार्ने (Prepare Training Plan)			Training Plan
५. उपकरण खरिद भए स्पेसिफिकेशन सहित बिड डकुमेन्ट तयार गर्ने (Prepare Bid Document with Specification for Equipment Purchase)			Specification and bid document
६. निर्माण कार्य भए स्पेसिफिकेशन सहित आवश्यक कागजात तयार गर्ने (Prepare Drawing, design, Bid Document with Specification)			Bid document with specification, drawing and design
७. सूचना वा प्रस्ताव आव्हान (Call for Proposal Submission)			Call Published in newspaper paper or website
८. प्रस्तावको मूल्यांकन (Proposal Evaluation)			Evaluation
९. सम्झौता समय (Date for Agreement)			Agreement
१०. कार्यन्वयन (Implementation)			Implementation

११. जाँचपास (Technical Evaluation)			Technical Examination
१२. सार्वजनिक परीक्षण (Public Hearing)			Public Audit
१३. फरफारक (Project Clearance)			Clearance

४. आयोजना जोखिमको लेखाजोखा

सम्भावित जोखिम (Potential Risks)	जोखिमबाट आउन सक्ने परिणाम (Consequences)	जोखिम न्यूनीकरणको रणनीति (Risks Reduction Strategy)
१.		
२.		
३.		
४.		
५.		

५. विविध: (Miscellaneous विविधः)

विषय	विवरण	कैफियत
१. Contribution in the economic and social development sector for marginalized group of the people (सीमान्तकृत वर्गको आर्थिकसामाजिक क्षेत्रमा योगदान)		
२. Percent of budget in GRB (लैङ्गिक सम्वेदनशील बजेटको प्रतिशत)		
३. LISA Score (संस्थागत स्वमूल्याङ्कन प्राप्त गरेको अङ्क)		
४. FRA score (वित्तीय सुशासन मूल्याङ्कनमा प्राप्त गरेको अङ्क)		
५. Percent of programme budget expenditure of the previous fiscal		

year (गत आ व को पूँजिगत खर्चको प्रतिशत)		
६. प्रस्तावमा भौतिक पूर्वाधारमा छुट्याइएको खर्च प्रतिशत (Percent of total budget allocated in the infrastructure)		
७. Percent of audit arrears in the fiscal year before the previous fiscal year) गत आर्थिक वर्ष भन्दा अघिल्लो आर्थिक वर्षको बेरूजु प्रतिशत		

Annex 6: Mid-Term / Final Progress Report Format

- A. Report Title Progress Report Template
- B. Introduction Background
- C. Specific Objectives
- D. Project Outputs
- E. Project Outcomes
- F. Project Implemented Modality / Used Approaches
- G. Description of the Progress Against each of the Targeted Results (outputs and outcome),
(Please include pictures and short case studies in related parts)
 - Activity 1.
 - Activity 2.
 - Activity 3.
- H. Challenges Faced
- I. Lesson Learned
- J. Coordination
- K. Conclusion
- L. Recommendations
- M. Annexes

Authorized Signature
Stamp