



Technical Assistance Report

Project Number: 42158
Capacity Development Technical Assistance (CDTA)
September 2009

Nepal: Support to Local Governance and Community Development Program

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 7 September 2009)

Currency Unit	–	Nepalese rupee/s (NRe/NRs)
NRe1.00	=	\$0.01278
\$1.00	=	NRs78.2160

ABBREVIATIONS

ADB	–	Asian Development Bank
LGCDP	–	Local Governance and Community Development Program
MLD	–	Ministry of Local Development
PCU	–	program coordination unit
PPPUE	–	Public–Private Partnerships for Urban Environment
TA	–	technical assistance
UNDP	–	United Nations Development Programme

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Capacity development technical assistance (CDTA)
Targeting classification	–	General intervention
Sector (subsectors)	–	Public sector management (decentralization, public administration)
Themes (subthemes)	–	Capacity development (institutional development, organizational development), governance (public administration [decentralized])
Location impact	–	Urban (high impact), regional (high impact)

NOTE

In this report, “\$” refers to US dollars.

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I. INTRODUCTION

1. Nepal is currently undergoing a dramatic political transition in which the debate on federalism occupies center stage. A key component of this debate involves the nature of local governance and, more broadly, how communities participate in development. To strengthen local governance and community development in Nepal, in 2008 the Government of Nepal formulated the Local Governance and Community Development Program, which is being supported by several development partners, including the Asian Development Bank (ADB).¹

2. The objectives of the LGCDP are varied, and include (i) empowering citizens and communities to hold local bodies accountable for service delivery;² (ii) improving the capacity of local bodies to manage resources and deliver basic services in an inclusive and equitable manner; and (iii) strengthening policy, institutional, and legal frameworks for decentralization, devolution, and community development. Given the extensive work facing the LGCDP, and the financing gaps for specific capacity development efforts, the Government has requested that ADB provide technical assistance (TA) to support the LGCDP. The Government has reviewed the TA proposal,³ and concurs with the impact, outcome, outputs, implementation arrangements, cost, financing arrangements, and terms of reference for consultants and counterpart support.⁴ The design and monitoring framework is in Appendix 1.

II. ISSUES

3. The political changes taking place in Nepal are producing a heightened awareness of the need to focus on inclusiveness and gender equality. The Constituent Assembly is debating the constitution for a new federal Nepal, but there have been no local elected representatives since 2002, and local service delivery is neither effective nor inclusive. Recipients of services have few institutionalized measures by which they can hold service providers to account, and this further limits the accountability of local bodies, which typically have limited resources.⁵

4. The Government formulated the LGCDP in 2008 largely to address these issues. The LGCDP is supported by multiple development partners, with ADB as the primary donor. While some development partners are providing relevant TA to the LGCDP program coordination unit (PCU), many additional areas require support if the objectives of the national program are to be met (para 2).

5. This proposed ADB TA supports two critical needs: (i) addressing own-source revenue and other constraints of municipalities (while LGCDP intends to enhance the own-source revenue generation capacity of all local bodies, the program's focus on key priorities—such as

¹ ADB's support to the LGCDP is being provided through ADB. 2008. *Report and Recommendation of the President to the Board of Directors on a Proposed Program Cluster and Grant for Subprogram 1 to the Federal Democratic Republic of Nepal for the Governance Support Program*. Manila (Grant 0118-NEP, \$106.3 million, approved on 22 October). The Ministry of Local Development is the executing agency.

² These local bodies include 3,915 village development committees, 58 municipalities, and 75 district development committees.

³ A fact-finding mission visited Kathmandu twice (28 June–3 July 2009 and 31 July–4 August 2009) to consult with government officials on the specifications of the TA, and on the relevant measures and costs related to its components.

⁴ The TA first appeared in the business opportunities section of ADB's website on 20 August 2009.

⁵ Fiscal transfers from Kathmandu are the principal source of revenue of all local bodies in Nepal. In general, local bodies are able to generate only about a quarter of their resource requirements, with substantial variation in their resource endowments (e.g., Kathmandu district alone collects 40% of all revenue in the country, with Parsa district, which handles much of Nepal's overland imports from India, collecting another 20%).

block grant levels and mechanisms—has reduced the priority given to this issue);⁶ and (ii) supporting work undertaken by the Ministry of Local Development (MLD) PCU on environmental and social safeguards in the LGCDP (as mandated by the Environment Protection Act, 1997, and its regulations), which are to be in place in all local development work⁷ and procurement practices, both with respect to the LGCDP and at the local-body level.⁸

6. These issues, and the need to address them with a degree of urgency, have resulted in the Government seeking assistance from ADB. Some specific capacity-building needs in the LGCDP have not been supported by Nepal's development partners; given ADB's sizable commitment to funding the LGCDP, and its requirements with respect to application of the environmental and social safeguards framework that it helped develop, the support provided through this TA is critical.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

7. The overall impact of the TA will be effective support to the development objectives of the LGCDP, which focus on improved service delivery by local bodies. Key performance indicators include (i) greater fiscal space in selected municipalities as a result of private sector participation in service delivery (and, as such, reduced costs for such delivery from own funds); (ii) accurate design and application of environmental and social safeguards; (iii) more accurate application of procurement guidelines for the LGCDP, and improved procurement-related guidance at the local-body level; and (iv) establishment and implementation of a corporate accounting system in selected municipalities.

8. The primary outcome of the TA will be increased capacity of MLD and local bodies (including select municipalities) to effectively implement the LGCDP.

B. Methodology and Key Activities

9. The TA will have the following primary outputs: (i) opportunities for private sector participation identified and suitable projects developed; (ii) corporate accounting system instituted in select municipalities; (iii) environmental and social safeguards framework operationalized; and (iv) procurement guidelines for the LGCDP and for local bodies developed and operationalized.

10. The proposed TA has two components:

- (i) **Component 1.** Support to selected municipalities⁹ to: (i) increase their own-source revenues and provide services more effectively and efficiently through

⁶ This is due largely to a combination of capacity constraints at the executing agency and the expediency of finalizing expanded block grant protocols for fiscal transfers to district and village development committees.

⁷ Subprogram 1 of the Governance Support Program Cluster requires that local bodies adhere to the environmental and social safeguards framework. To help local bodies access LGCDP resources, assistance to the Environment Division of the Ministry of Local Development (the executing agency) is needed.

⁸ This element directly addresses a key concern that development partners currently have about procurement issues in Nepal.

⁹ Selection of municipalities for greater private sector participation will be made through discussions with United Nations Development Programme (UNDP). This TA will link to the UNDP project on Public–Private Partnerships for the Urban Environment (PPPUE), and with the Municipality Planning Division of MLD for corporate accounting standards. The South Asia Financial Sector, Public Management, and Trade Division (SAFM) has made a separate

greater involvement of the private sector in small-scale projects,¹⁰ which will help these local bodies reduce costs in many areas as well as increase revenue collection and services; and (ii) institute corporate accounting in municipalities, now that intergovernmental fiscal arrangements require a greater degree of accountability and transparency in local-level financial management. This will allow municipalities to increase the transparency of their operations, which is a key goal of the LGCDP.

- (ii) **Component 2.** Support to the MLD PCU: (i) to implement the environmental and social safeguards framework, as mandated in the LGCDP; and (ii) to strengthen the procurement capacities of the PCU, and provide relevant guidance on procurement to local bodies.

11. ADB has required that the environmental and social safeguards framework be applied in the LGCDP; after almost a year of program implementation, MLD clearly lacks the capacity to do so itself. Increased clarity regarding implementation of the framework at the central level will assist local bodies as well; this is also true of the support to be provided on procurement.

12. Both components are specifically linked to the LGCDP objectives. LGCDP not only focuses on transparency in financial transactions in local bodies, but both output 3 and the implementation arrangements mention involving the private sector to ensure that the own-source revenues of local bodies—including municipalities—are enhanced.¹¹ Support for implementation of the environmental and social safeguards framework is critical because ADB has mandated that all local development programs that utilize block grants transferred from the center apply the environmental and social safeguards framework with due regard to the Environment Protection Act, 1997.

13. The TA will have the following key activities: (i) through an administrative arrangement with United Nations Development Programme (UNDP)—and, in particular, its project on Public–Private Partnerships for Urban Environment (PPPUE)—engage municipalities in fostering greater linkages with the private sector and fund relevant small-scale projects in municipalities;¹²

project proposal to the Australian Agency for International Development–ADB Development Partnership Facility for South Asia (ADB. 2006. *Establishing the Australia–ADB South Asia Development Partnership Facility*. Manila), which proposes similar support for municipalities, but these arrangements will cover different municipalities through different modalities, with no duplication or overlap.

¹⁰ The projects themselves will be focused on small-scale and basic municipality functions (such as solid waste and drainage management services, and maintenance of parks and vegetable markets) that will be contracted to the private sector (primarily members of the local chamber of commerce). In larger municipalities, private sector involvement could extend to support for service delivery (e.g., billing, collection, and complaint registration). The TA incorporates a seed fund of \$120,000 for these purposes, including 7% for UNDP project management services.

¹¹ The LGCDP document (Government of Nepal. *Local Governance and Community Development Program*. July 2008. Kathmandu) specifies that this participation be in the form of public–private partnerships but there is currently no overarching policy and legal framework on public–private partnerships in Nepal.

¹² This component of the TA is proposed to be implemented through UNDP because (i) the UNDP project has successfully used this approach in several municipalities; (ii) that project has a ground-based system that this TA can draw upon; (iii) pooling of resources will provide municipalities with better access to resources; and (iv) engagement by municipalities in these projects will improve if duplication among development partners is eliminated. In this regard, the cooperation between ADB and UNDP will take the form of an administrative arrangement that follows the memorandum of understanding (MOU) already agreed upon by ADB and UNDP. The MOU, which will guide the arrangement, contains specific provisions regarding the PPPUE (e.g., ADB will participate in the PPPUE steering committee, and UNDP will receive 7% for project management costs). The arrangement permits UNDP to procure goods and services (including consulting services) in accordance with UNDP. 2006. *United Nations Development Programme Procurement Manual (User Guide)*. New York, rather than ADB's *Procurement Guidelines* (2007, as amended from time to time) for that part of the TA that is being implemented through UNDP. ADB. 2007. *Use of the United Nations Development Programme Procurement User*

(ii) recruit and train focal points on private sector participation and support their work in municipalities; (iii) assess application of corporate accounting in municipalities, and pilot this in a few municipalities; (iv) develop operational plans for implementing the environment and social safeguards across local bodies; (v) prepare relevant procurement guidelines for application in LGCDP activities.

C. Cost and Financing

14. The TA is estimated to cost \$600,000, of which \$550,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-IV). The Government will provide the equivalent of \$50,000 to finance part of the local currency costs for counterpart staff, office facilities, administrative support, facilitation for meetings, etc. The detailed cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

15. MLD is the executing agency for the LGCDP and this TA project. Selected municipalities will implement component 1 (specified in para. 10) as per UNDP's project on PPPUE, which has successfully implemented similar initiatives in several municipalities, and ADB funding will be channeled through UNDP for this TA activity. Similarly, the PCU will implement component 2 in close coordination with the LGCDP National Advisory Committee, which includes representatives from MLD and development partners supporting the LGCDP.¹³ The Government will provide in-kind support for the ADB TA (para. 14). UNDP and Denmark are providing direct support for PCU operations as part of their TA to the LGCDP, and component 2 of the TA will fill gaps in this support.

16. Consulting services required for the TA include (i) 180 person-months of engagement with the private sector, (ii) 18 person-months of environment specialist services, (iii) 18 person-months of procurement specialist services, and (iv) 6 person-months of corporate accounting expert services. Individual consultants will be recruited to provide the required consulting inputs. The terms of reference of the consultants are in Appendix 3. Selection of the consultants will be done by (i) UNDP for consulting expertise relating to engagement with the private sector, and usage of seed funds for innovative private sector participation through its existing projects on PPPUE in accordance with the *UNDP Procurement Manual (User Guide)* (footnote 12); and (ii) ADB in consultation with MLD, for all others in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time).

17. Except as set forth in footnote 12, necessary equipment for this TA will be procured using the shopping method, and will be in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time). At the end of the TA, all equipment will be retained by the agencies that are using them. Disbursements under the TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook*.¹⁴ The TA is expected to be implemented over 18 months, from October 2009 to March 2011.

Guide for Procurement of Goods, Equipment, and Services Using Funds Transferred by the Asian Development Bank to UNDP under the Memorandum of Understanding between ADB and UNDP. Manila.

¹³ These development partners include the Canadian International Development Agency, Denmark, the Department for International Development of the United Kingdom, Norway, and the Swiss Agency for Development and Cooperation.

¹⁴ ADB. 2008. *Technical Assistance Disbursement Handbook*. Manila.

18. The TA performance will be periodically appraised by ADB review missions, MLD staff, and other development partners. A significant part of the monitoring and evaluation system will rely on the regular monitoring that will be undertaken through the LGCDP (and ADB's support program); this will be done through the monitoring and evaluation protocols that are specified in the joint financing arrangement for the LGCDP, which was signed in early September 2009. UNDP will review the implementation progress of those parts of the TA for which it will receive funds from ADB. These review arrangements will be specified in the administrative arrangement to be prepared for this component of the TA. ADB will participate in such reviews.

E. Assumptions and Risks

19. The following assumptions are inherent in the TA: (i) that nongovernment organizations and other groups monitor for, and impartially bring to light instances of, poor service delivery; (ii) that the Government is willing and able to make a long-term commitment to MLD capacity enhancement; (iii) that relevant agencies follow up on public feedback regarding improving services for disadvantaged populations; (iv) that UNDP will continue to fully support effective implementation of the PPPUE project; and (v) that adequate coordination exists across government agencies and local bodies.

20. Risks that are evident in the TA include the: (i) local bodies lack the appetite for substantive reforms due to existing political conditions at the local level; (ii) communication with stakeholders, including local bodies, is inadequate; (iii) LGCDP ownership at MLD may wane; and (iv) municipalities may not be properly and adequately engaged with the private sector. Primary mitigating measures for these risks include

- (i) continuing engagement with the Government, MLD, development partners, local bodies, and others on TA progress, which is to be undertaken within the context of LGCDP implementation, and also independently within this TA;
- (ii) assistance for MLD in better implementing the information and education campaign activities provided for in the LGCDP;
- (iii) active involvement by ADB in the monitoring protocols of UNDP's PPPUE project, to the extent provided for by the administrative arrangement; and
- (iv) bringing all potential issues to the immediate attention of the National Advisory Committee (which also serves as the steering committee for the LGCDP) so that the Government and development partners can jointly provide the needed guidance.

IV. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$550,000 on a grant basis to the Government of Nepal for Support to Local Governance and Community Development Program, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact Effective support for the development objectives of the LGCDP, which focus on improved service delivery by local bodies</p>	<p>Greater availability of technical assistance to local bodies</p> <p>Reduced financial burden on selected municipalities</p> <p>Accurate design and application of environmental and social safeguards</p> <p>Increased willingness of, and scope for, women's groups (and others) to hold local bodies to account regarding service delivery</p>	<p>Public perception surveys</p> <p>Formal and nonformal feedback from local bodies</p> <p>Reports from government agencies as well as independent watchdog groups</p> <p>ADB's project evaluation missions</p> <p>Steering committee reports</p>	<p>Assumptions End users have adequate scope, tools, and leverage to report poor service delivery</p> <p>Nongovernment organizations and other groups monitor and impartially bring to light instances of poor service delivery</p> <p>Risk Local bodies lack the appetite for substantive reforms (due to existing local-level political conditions)</p>
<p>Outcomes Increased capability in MLD and local bodies (including municipalities) to implement the LGCDP effectively</p>	<p>Decrease in processing time for services provided by local bodies</p> <p>MLD is able to implement LGCDP provisions without excessive delays</p>	<p>Public consultation feedback</p> <p>Steering committee reports</p> <p>Reports and statements of government agencies</p> <p>ADB review missions</p>	<p>Assumptions Government is willing and able to make a long-term commitment to MLD capacity enhancement</p> <p>Relevant agencies adhere to public assertions about improving services for disadvantaged populations</p> <p>Risks Communication with stakeholders is inadequate</p> <p>LGCDP ownership at MLD may wane</p>
<p>Outputs</p> <p>1. Private sector opportunities identified and suitable projects developed.</p> <p>2. Corporate accounting system instituted in select municipalities.</p> <p>3. Environmental and social safeguards</p>	<p>At least 10 small-scale projects with private sector participation implemented during the TA period</p> <p>A corporate accounting system is in place and operational in selected municipalities</p>	<p>Steering committee reports</p> <p>ADB review missions</p> <p>Reports from the Local Development Training Academy and other meso-level agencies</p> <p>UNDP reports on project</p>	<p>Assumption There is adequate coordination across government agencies and local bodies</p> <p>Risks There is inadequate communication and engagement with stakeholders, including local bodies</p>

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>framework for LGCDP operationalized.</p> <p>4. Procurement guidelines for LGCDP and for local bodies developed and operationalized.</p>	<p>All relevant staff of municipalities undergo relevant training in the use of corporate accounting systems and computerized accounting databases</p> <p>Regulations, guidelines, and budgets of the environmental and social safeguards finalized</p> <p>Minimal delays and mismanagement of resources LGCDP procurement</p>	<p>activities related to public-private partnerships</p> <p>Stakeholder responses in workshops, surveys, and consultations</p> <p>Reports of nongovernment organizations and other watchdog groups</p> <p>Reports from municipalities</p>	<p>Municipalities are not properly and adequately engaged with the private sector</p>
<p>Activities with Milestones</p> <p>Output 1. Private sector opportunities identified and suitable projects developed</p> <p>1.1 Enter into an administrative arrangement with UNDP's project on PPPUE (Q4 2009)</p> <p>1.2 Recruit focal points for enhancing private sector participation through UNDP (by Q4 to the end of 2009)</p> <p>1.3 Scope out suitable partnership opportunities and help in financing through UNDP (from Q4 2009)</p> <p>Output 2. Corporate accounting system instituted in select municipalities</p> <p>2.1 Review scope for putting in place corporate accounting systems (from Q4 2009)</p> <p>2.2 Institute corporate accounting systems on a pilot basis (from Q1 2010)</p> <p>Output 3. Environmental and social safeguards framework for LGCDP operationalized</p> <p>3.1 Assess existing capacities in the Environment Division of MLD, and in district offices (Q4 2009)</p> <p>3.2 Develop relevant operational and training plan (Q1 2010)</p> <p>3.3 Provide support to district technical offices (continuous from Q2 2010)</p> <p>3.4 Recommend any amendments to the existing framework, and redesign operational and training plans accordingly (from end of Q1 2010)</p> <p>Output 4. Procurement guidelines for LGCDP and for local bodies developed and operationalized</p> <p>4.1 Ascertain capacity development needs in procurement for LGCDP implementation (Q4 2009)</p> <p>4.2 Develop procurement plans and guidelines (by end of Q1 2010)</p> <p>4.3 Provide relevant training (continuous from Q2 2010)</p> <p>Perform TA Supervision and Administration</p> <p>(i) Designate the National Advisory Committee of the LGCDP as steering committee for this TA (Q4 2009)</p> <p>(ii) Engage necessary consultants for TA activities (starting Q4 2009)</p> <p>(iii) Conduct reviews:</p>			<p>Inputs</p> <p>ADB (\$550,000)</p> <p>National consultants (222 person-months, [\$104,400])</p> <p>Local Travel (\$30,000)</p> <p>Reports and Communications (\$5,000)</p> <p>Workshops, training, conferences (\$140,000)</p> <p>Equipment (\$60,000)</p> <p>Seed funds for innovative private sector interventions (\$120,000)</p> <p>Surveys and accountability mechanisms (\$45,000)</p> <p>Administrative support (\$5,000)</p> <p>Contingencies (\$40,600)</p> <p>Government (\$50,000)</p> <p>Government's in-kind contribution (counterpart staff, office accommodation and</p>

Activities with Milestones	Inputs
(a) steering committee review (quarterly), (b) UNDP reviews under the project on PPPUE (quarterly), and (c) ADB review missions (at least two per year) (iv) Prepare and submit: (a) TA inception report (Q4 2009), (b) TA interim report (Q2 2010), (c) Draft TA final report (one month before TA completion), and (d) (iv) TA tripartite and final report (within one month of TA completion)	transport, administrative services)

ADB = Asian Development Bank, LGCDP = Local Governance and Community Development Program, MLD = Ministry of Local Development, PPPUE = Public-Private Partnerships for Urban Environment, Q = quarter, TA = technical assistance, UNDP = United Nations Development Programme.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
A. Asian Development Bank Financing^a	
1. Consultants	
a. Remuneration and Per Diem	
National Consultants (222 person-months) ^b	104.4
b. Local Travel	30.0
c. Reports and Communications	5.0
2. Equipment ^c	60.0
3. Workshops, Training/Seminars and Conferences	
a. On procurement guidelines and application	40.0
b. For corporate accounting system	40.0
c. For environmental and social safeguards	60.0
4. Seed fund for innovative private sector interventions	120.0
5. Surveys and accountability mechanisms	45.0
6. Miscellaneous Administration & Support Costs	5.0
7. Contingencies	40.6
Subtotal (A)	550.0
B. Government Financing (in kind and cash)	
1. Office Accommodation and Transport	10.0
2. Remuneration and Per Diem of Counterpart Staff	20.0
3. Administrative Support, including communications	10.0
4. Contingencies	5.0
Subtotal (B)	50.0
Total	600.0

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-IV).

	Person- months	Amount	Total
^b National Consultants			
Private sector focal points (10 private sector participation experts for 18 months; funding for which to be channeled through United Nations Development Programme project on Public-Private Partnerships for Urban Environment)	180	0.18	32.4
Procurement specialist	18	1.50	27.0
Corporate accounting expert	6	3.00	18.0
Environment specialist	18	1.50	27.0
Total	222		104.4

^c For corporate accounting systems in selected municipalities.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Objectives and Scope

1. In order to meet the stated technical assistance (TA) outcomes, the following expertise will be procured as consulting services:¹ (i) private sector focal points to work in selected municipalities; (ii) environment specialist to work in the Environment Division of the Ministry of Local Development (MLD), in close collaboration with the Program Coordination Unit of the Local Governance and Community Development Program (LGCDP); (iii) procurement specialist to work in the PCU; and (iv) corporate accounting expert to work with selected municipalities.

B. Terms of Reference

1. Private Sector Focal Points (10 national, 18 person-months each)

2. The TA seeks to place several private sector focal points in selected municipalities to help conceptualize, develop, and fund small-scale projects for private sector participation. The private sector focal points will (i) ensure that all aspects of private sector participation are explained to, and facilitated with, municipalities; (ii) work with the local chamber of commerce and other interested and relevant stakeholders to further catalyze private sector interest in the local economy (including in opportunities that have to do with the delivery of services by the local body); (iii) liaise with the United Nations Development Programme (UNDP) project to ensure that seed funds for private sector participation are being used effectively; (iv) coordinate with all stakeholders once the relevant projects are running, and monitor as needed; and (v) provide input to the regular reports to be submitted on the TA, including on seed fund usage.

3. The private sector focal points will have the following qualifications and experience: (i) experience in private sector development issues, preferably in a local government setting; (ii) familiarity with local governance issues, particularly in municipalities and in the context of the Local Self-Governance Act, 1999 and the Local Body (Financial Administration) Regulations; (iii) a basic degree in public administration, economics, business, or a related sector, and broad experience gained from working for at least 5 years in a relevant professional setting; and (iv) sound knowledge and familiarity with the governance system of Nepal, including first-hand knowledge of the situation in the municipalities.

2. Corporate Accounting Expert (national, 6 person-months)

4. A corporate accounting expert will be recruited for the TA to help municipalities apply relevant standards in their financial work. The corporate accounting expert will (i) work with the Municipality Planning Division to ensure development of all relevant materials for corporate accounting systems in municipalities; (ii) coordinate procurement of relevant corporate accounting software and equipment for selected municipalities; (iii) work with the Urban Development through Local Efforts project funded by German Development Cooperation through GTZ to ensure that lessons are applied to other municipalities, and that there is no duplication of assistance; (iv) liaise with all relevant government agencies to ensure that TA activities are aligned with government outcomes on financial accountability in municipalities; (v) work with the District Treasury Control Office in districts where individual municipalities are targeted to ensure that they are managing their corporate accounts as per central guidelines;

¹ Management services for the work on private sector participation (including consultant selection and use of seed funds to encourage the private sector) will be rendered by the UNDP project on PPPUE.

(vi) contribute to development of relevant training programs, as needed, on the use of corporate accounting software and systems; and (vii) provide inputs, as needed, to the TA reporting arrangements.

5. The expert will possess the following qualifications and experience: (i) proven academic and professional background in financial accounting in the context of the Nepalese government; (ii) prior experience in the municipality financial sector (advantageous); (iii) familiarity with the relevant legal basis of financial transactions in local bodies, including the Local Body (Financial Administration) Regulations and the Local Self-Governance Act, 1999; and (iv) familiarity with cash-based double-entry accounting system, as well as the accrual method of accounting.

3. Procurement Specialist (national, 18 person-months)

6. The procurement specialist will work under the direct supervision of the LGCDP program manager in the PCU, and will perform the following tasks: (i) prepare a strategy for implementation of an e-bidding system to improve public procurement related to LGCDP (in consultation with the Public Procurement Monitoring Office); (ii) train local-body officials on procurement to enhance capacity of local bodies to undertake procurement efficiently, including through e-bidding; (iii) help develop operational manuals for local bodies to undertake procurement; (iv) administer the overall bidding process of LGCDP procurement; (v) develop the LGCDP annual procurement plan as part of the annual strategic implementation plan (to be submitted to development partners); (vi) evaluate procurement activities in collaboration with relevant staff members of the PCU; and (vii) perform any other related assignment as delegated by the LGCDP program manager.

7. The procurement specialist will possess the following qualifications and experience: (i) demonstrated familiarity with procurement issues as detailed in the Public Procurement Act, 2007 the Local Self-Governance Act, 1999 and the Local Body (Financial Administration) Regulations; (ii) prior experience in managing procurement matters for donor-funded projects in Nepal; (iii) knowledge of e-bidding processes and constraints; (iv) experience in providing training in procurement-related areas; (v) knowledge of, and experience in, the preparation of procurement plans; and (vi) good knowledge of the present risks inherent in public procurement systems in Nepal.

4. Environment Specialist (national, 18 person-months)

8. The environment specialist will work under the direct supervision of the section head of the Environment Division at MLD and will perform the following tasks: (i) support MLD in implementing the relevant LGCDP environment and social safeguards, including reviewing the framework in light of ADB's *Safeguard Policy Statement* prior to embarking on capacity development activities;² (ii) support MLD in executing initial environment examinations prepared by local bodies; (iii) help train local officials on initial environmental examinations to build the capacity of local bodies; (iv) support local bodies in institutionalizing bioengineering activities in their local infrastructure projects; (v) prepare the environment and social safeguards section of the LGCDP annual strategic implementation plan; (vi) provide technical support for MLD in monitoring environment-related aspects of local-body work; (vii) help update the current job scope and divisional outcomes of the MLD's Environment Division; (viii) liaise with relevant focal points in central government agencies to ensure that work on the safeguard framework is

² ADB. 2009. *Safeguard Policy Statement*. Manila.

mainstreamed; and (ix) perform any other related assignments as delegated by the program manager of LGCDP.

9. The environment specialist will possess the following qualifications and experience: (i) extensive familiarity with the Local Self-Governance Act, 1999 the Environment Protection Act, 1997 and its regulations, and other relevant legislative instruments on environmental matters in Nepal; (ii) professional familiarity with environmental impact assessments and initial environmental examinations, particularly in the context of work on them by local bodies; (iii) familiarity with application of training methodologies at local level; (iv) familiarity with the operating environments of donor-funded projects; and (v) prior experience in applying environmental and social safeguards in development projects.