



GOVERNANCE PROCESSES FOR FORMULATION OF ENERGY ACT, POLICY, REGULATION, DIRECTIVE, PLAN AND BUDGET IN NEPAL

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ACRONYMS

AEPC	Alternative Energy Promotion Centre
DOED	Department of Electricity Development
FG	Federal Government
FY	Fiscal Year
GESI	Gender Equality and Social Inclusion
GoN	Government of Nepal
IDE	Infrastructure Development and Environment
LG	Local Government
LGoA	Local Government Operation Act
LNOB	Leave No One Behind
MoEAP	Ministry of Economic Affairs and Planning
MoEWRI	Ministry of Energy, Water Resources and Irrigation
MoIAL	Ministry of Internal Affairs and Law
MoPID	Ministry of Physical Infrastructure Development
MW	Mega Watt
NEA	Nepal Electricity Authority
NPC	Nepal Planning Commission
NPR	Nepali Rupees
NREP	Nepal Renewable Energy Programme
OCMCM	Office of the Chief Minister and the Council of Ministers
PEP	Province Energy Profile
PG	Province Government
PPP	Province Periodic Plan
PPPC	Province Policy and Planning Commission
QA	Quality Assurance
RE	Renewable Energy
RM	Rural Municipalities
UM	Urban Municipalities
WRED	Water Resource and Energy Development

SUMMARY

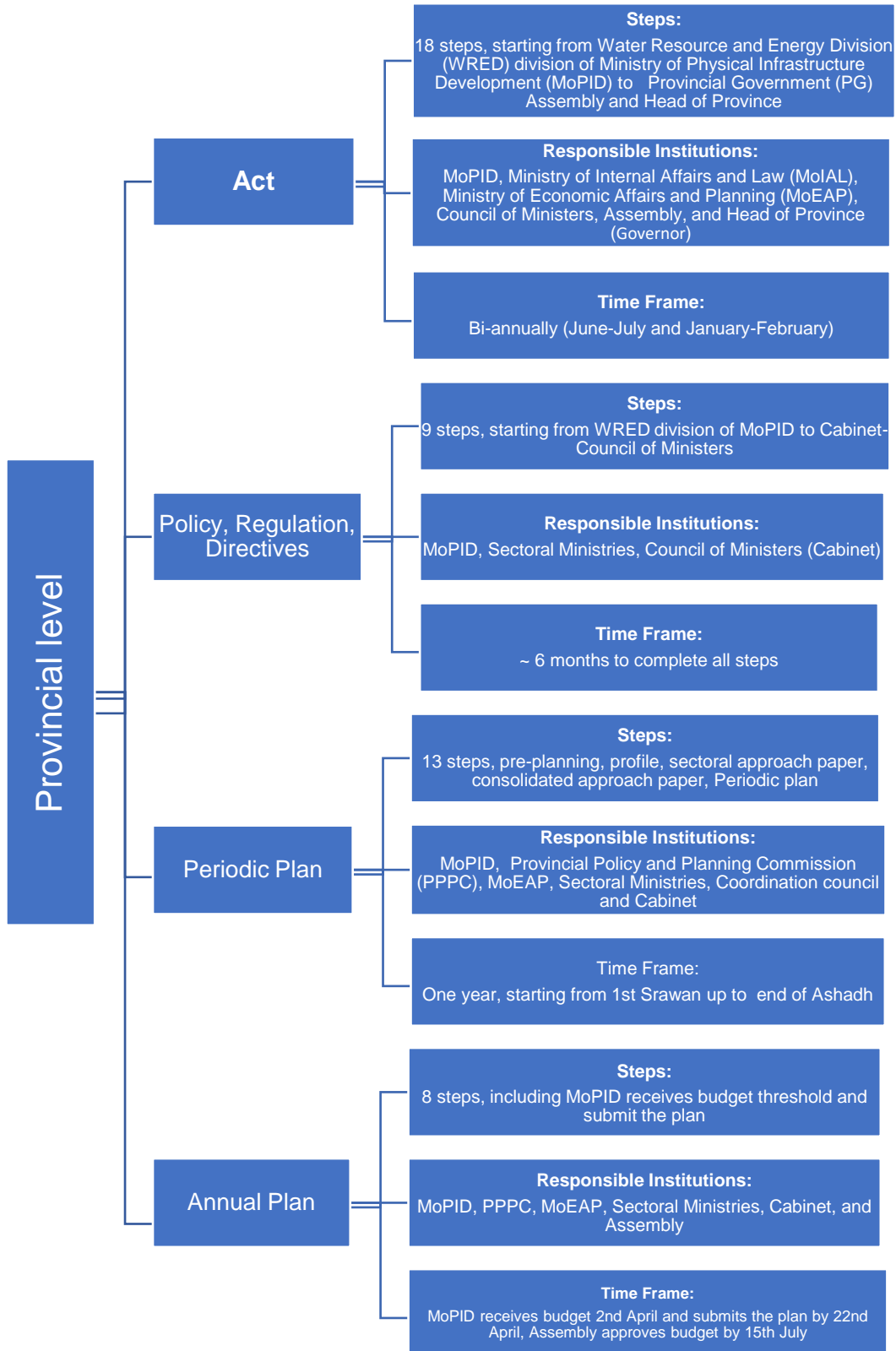
Provincial and Local Governments are mandated to formulate Acts, policies, regulations and directives, plans and budgets to deliver essential services to the public. Article 59 of the Constitution of Nepal has entrusted federal, provincial and local governments with the authority to draw up annual budgets and formulate and implement policies and plans on matters related to financial powers within their respective jurisdictions.

Under the exclusive and concurrent constitutional mandates of the Province Governments, there are 99 different subjects on which provincial laws are to be drafted and adopted. This includes areas related to energy-based Acts, policies, regulations and directives. Similarly, as a local legislature, the Local Government Assembly enacts laws under two jurisdictions; i) exclusive with 22 specific functions of local governments and ii) concurrent with 15 shared functions with federal and provincial governments.

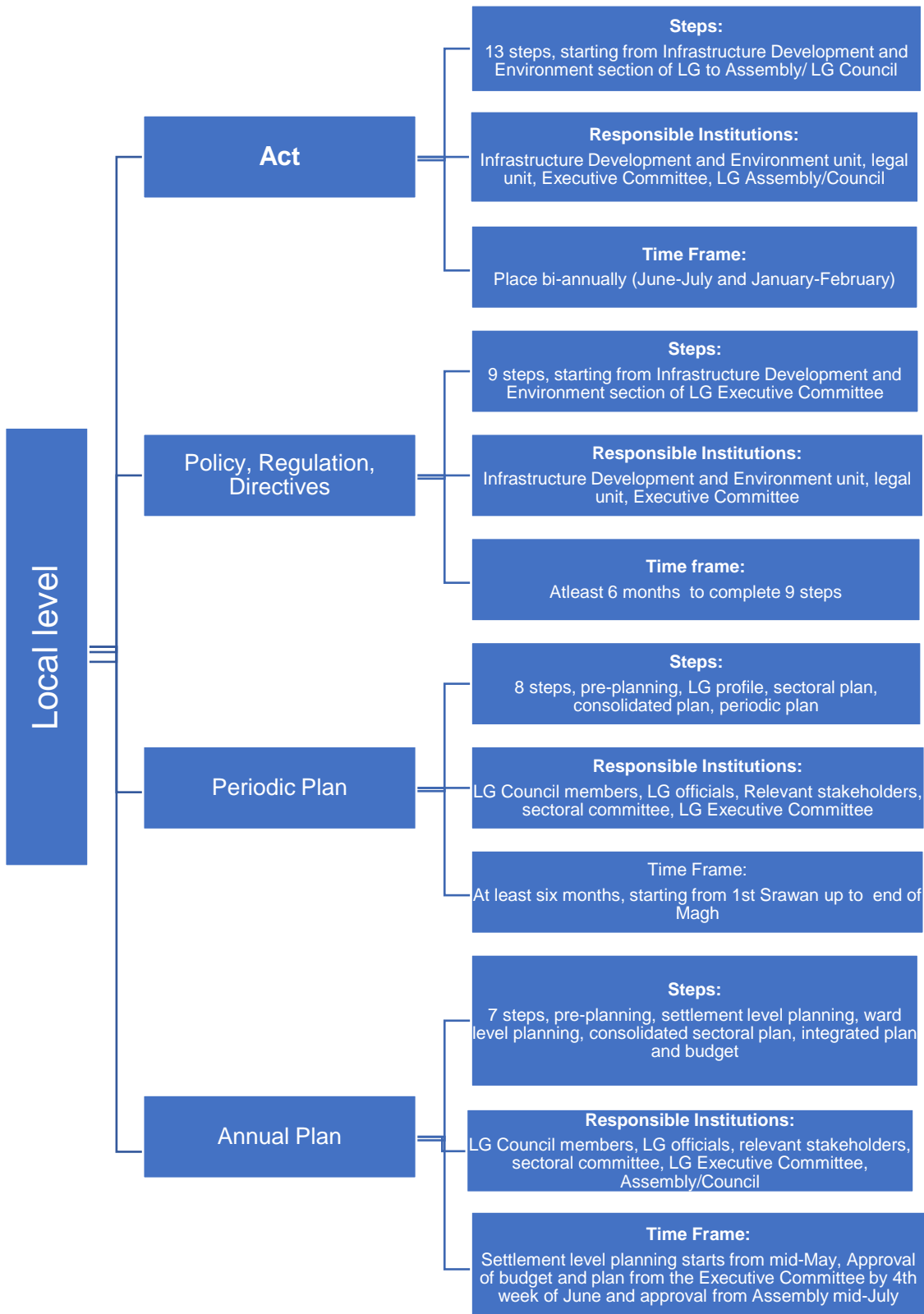
Specific to planning and budgeting purposes, a total of 6 policies and laws that are directly dealing with these system and processes have been approved by the Government of Nepal for periodic (long term) and annual development plans. These includes: i) Finance Act, 2018; ii) Inter-governmental Fiscal Arrangement Act, 2017; iii) Local Government Operation Act, 2074; iv) Unbundling Report (GoN approved in 2018); v) Province Level Planning Guideline, 2075; and vi) Local Level Planning Guideline, 2075.

This document reviews all of the above approved government documents and recommends practices/steps for development of energy specific Acts, policies, regulations, directives, plans and budgets through process flow charts and tables, including timeframes. This document also recommends specific and appropriate governance areas for supporting the development of the various enablers of the provincial and local governments.

Summary of enabling environment processes at the Provincial level



Summary of enabling environment processes at Local level



1. BACKGROUND

The Constitution of Nepal (2015) elaborated three major elements of federalism i) administrative, ii) political, and iii) fiscal. The political element reinforced the replacement of the unitary system by the federal structure with the country restructured into 7 provinces, 77 districts, and 753 local governments (LG) consisting of Rural Municipalities (RM) and Urban Municipalities (UM).

The Constitution provides the authority to the Provinces to make the laws in matters as enumerated in Schedule-6 and the concurrent powers of the Federation and Province enumerated in Schedule-7. The clause 226 provides the authority to LG¹ Assembly to make necessary laws on the matters set forth in the lists contained in Schedule-8 and Schedule-9 (see in Annexes 11 and 12 respectively). Any law made by the Provincial Assembly, LG Assembly pursuant to clause (3) or (5) is not to be inconsistent with the Federal law, and if so, shall be invalid to the extent of such inconsistency.

Similarly, as per Article 59 of the Constitution, authority is provided to the federal government (FG), provincial governments (PG), and LGs to draw up annual budgets, formulate and implement policies and plans on any matters related to financial powers within their respective jurisdictions. Furthermore, The National Planning Commission (NPC) Planning Guideline 2075, Local Government Operation Act 2074 and the model annual planning procedures issued by the Ministry of Federal Affairs and General Administration (MoFAGA) details the PG and LG's periodic and annual planning process with a timeline.

1.1 OBJECTIVE

This document reviews the major approved documents related to governance system and processes for formulation of act, policy, regulation, directive, plan, and budget and recommends best available practices/steps.

1.2 METHODS

To prepare this document, secondary information sources were used particularly the following: i) Finance Act, 2018; ii) Inter-governmental Fiscal Arrangement Act, 2017; iii) Local Government Operation Act, 2074; iv) Unbundling Report (Approved in 2018 by Government of Nepal); v) Province Level Planning Guideline, 2075; and vi) Local Level Planning Guideline 2075.

¹ This can be Municipal /Rural Municipal (Village) Assembly

2. KEY FEDERAL, PROVINCIAL AND LOCAL LEVEL INSTITUTIONS RELATED TO ENERGY

2.1 MINISTRY OF ENERGY, WATER RESOURCES AND IRRIGATION

At the **federal level**, the Ministry of Energy, Water Resources and Irrigation (MoEWRI) was established in 2017 after merging two former ministries - Ministry of Energy and Ministry of Irrigation. The MoEWRI's primary responsibilities include the formulation of legislation, policies and standards, energy infrastructure construction, sector coordination, national/regional/international transmission lines, trade on energy and international agreements on water resources, execution of federal and inter-provincial multipurpose projects, energy tariff and service standards, renewable and alternative energy, and investments in electricity development.

Currently, there are eight organizations and three departments directly under the MoEWRI with the recent inclusion of the Alternative Energy Promotion Center (AEPIC) in 2018. The Ministry has three departments: i) Department of Water Resources and Irrigation, ii) Department of Electricity Development (DoED) and iii) Department of Hydrology and Meteorology. The eight organizations are: i) Water and Energy Commission Secretariat (WECS), ii) Water Resource Research and Development Centre (WRRDC), iii) Ground Water Resources Development Board (GWRDB), iv) AEPIC, v) Nepal Electricity Authority (NEA), vi) Vidhyut Utpadan Company Limited (VUCL), vii) Rastriya Prasaran Grid Company Limited and viii) Hydroelectricity Investment and Development Company Limited. The summary of roles and responsibilities of these entities are laid out in Annex 10.

2.2 MINISTRY OF PHYSICAL INFRASTRUCTURE DEVELOPMENT

At the **provincial level**, according to the Business Allocation Rules 2017, the Ministry of Physical Infrastructure Development (MoPID) is responsible for the following - research, policy, planning, implementation, maintenance, coordination, investment promotion, and regulation of energy, irrigation, drinking water and sanitation, urban development and physical planning, transport management, roads and bridges. This ministry is also responsible for planning and executing energy programs and projects. The aforementioned roles were further made more specific and elaborated by the National Planning Commission Guideline, 2076, defining the size of hydro/renewable energy up to 20 MW, construction and management of small transmission line above 11 kV to 33 kV and rural and community electrification.

2.3 URBAN /RURAL MUNICIPALITIES

At the **local** level, according to the Local Government Operation Act 2074, the urban and rural municipalities are responsible for the following:

- Formulation, implementation, monitoring and regulation of policies, laws, standards and plans related to hydro-power projects up to 1MW (*this is based on the approved LGoA 2074, the new mandate is awaiting approval from the parliament*) and alternative energy;
- Management, operation and regulation of local electricity distribution system and services;
- alternative energy related technology development and transfer;
- Capacity development and promotion and other functions related to drinking water, micro hydro projects and alternative energy.

3. PROVINCE GOVERNMENT IN FEDERALISM

There are 7 PGs, one in each of the seven provinces. They serve as a bridge between federal and local governments. The provincial structure is organized into legislative and executive functions. However, the formal structure of judiciary in Nepal remains integrated that includes - the Supreme Court, High Court and District Court. Some judicial authority is entrusted to the judicial committees at the local level.

3.1 PROVINCE ASSEMBLY

There are two specific purpose of the Assembly:

- i) Formulation of Acts, and
- ii) Approval of the annual budget and plan

As stipulated in the Constitution, the Provincial Assembly, which serves as the provincial parliament, constitutes members elected directly from each of the constituencies and members elected based on proportional representation. The Assembly elects its own Speaker and Deputy Speaker. There are five thematic/sectoral committees in the Provincial Assembly (Box 1).

Box 1: Thematic Committees of the Provincial Assembly

1. Provincial Affairs Committee
2. Public Accounts Committee
3. Finance and Development Committee
4. Education, Health and Agriculture Committee
5. Industry, Tourism and Environment Committee

There are bi-annual assembly sessions in general but not exceeding 6 months interval from one to next. The summer session is known as 'Budget session' and winter as 'Bill session (document preceding Act)'. However, any session of parliament can discuss and change budget priorities, principles, if deemed necessary. Special sessions can be summoned, if requested by one-fourth members of the respective house/assembly.

Note: The length of the parliamentary session may depend based upon the business of the respective Assembly office. Due to specific budget submission timelines mandated by the constitution and prevailing other laws during May-June annually, each sphere of government must summon their budget session within June each year.

A legislation drafting committee was formed initially by the Government of Province 3² which identified 99 different subjects on which provincial laws are to be drafted and adopted. This includes legislation regarding the following amongst others:

- i) Provincial and local government employees
- ii) Provincial police
- iii) Right to information
- iv) Standards for physical infrastructure
- v) Social security
- vi) Small and cottage industries
- vii) Forest and environment
- viii) Employment promotion
- ix) Agriculture, and
- x) Livestock et.al.

These provincial level laws should comply with FG level principles, standards and norms without any contradictions. The PGs publish all the laws adopted by the Provincial Assembly in their gazette. Some of the key Acts approved by the Provincial Assembly and published by the PGs are shown below:

² The reference is taken from published document of Province -3 which was ahead than other Provinces. The 99 different subjects are common for all provinces as per the Constitution.

Box 2: Some examples of Provincial Laws Adopted by the Provincial Assembly (Province 3)

1. Provincial Administrative Procedure Act, 2075
2. Province Finance (Procedure) Act, 2074
3. Rural Municipality/Municipality/District Assembly (Operations) Act, 2075
4. Remuneration and Benefits of the Chief Minister and Ministers Act, 2075
5. Remuneration and Benefits of the Officials and Members of the Provincial Assembly Act, 2075
6. Remuneration and Benefits of the Elected Officials of the Local Governments Act, 2074
7. Remuneration and Benefits of the Chief Attorney of the Province Act 2075
8. Province Finance Act 2075
9. Province Appropriation Act, 275 (for 2075/76)
10. Tax and Non-Tax Revenue Act, 2075
11. Province Fiscal Transfer Act, 2075
12. Province Treasury Business Operations Act, 2075
13. Provincial Contingency Fund Act, 2075
14. Provincial Document Certification Act, 2075
15. Provincial Organizations Registration Act, 2075
16. Province Media Communication Management Act, 2075
17. Province Disaster Management Act, 2075
18. Province Vehicle and Transport Management Act, 2075
19. Province Health Services Act, 2075
20. Province Technical and Vocational Education & Training Council Establishment and Operations Act, 2075
21. Province Sports Development Act, 2075

Source: <http://pppc.p3.gov.np>

Note: *These are examples provided from Province 3 which has developed the most thus far*

3.1.1 Process- Formulation of Act at Provincial Level

The Provincial Assembly is authorized to pass Bills related to any sector under their exclusive and concurrent competencies. The Constitution recommends the Province Assembly to follow the steps as outlined in Box 3 for formulation and adoption of Acts. The detailed process with the responsible unit/section is presented in Annex 1.

Box 3: Process of Formulation of Act/s by Provincial Assembly

1. Problem/need identification
2. Obtain consent in principle
3. Pre-consultation with stakeholders
4. Preliminary draft of the Bill
5. Draft bill by respective section/ review by legal section, solicit input within the respective Ministry
6. Approval by Minister
7. Circulate to other relevant Ministry and stakeholders and receive feedback/s
8. Finalization of Draft Bill
9. Review and consent from Ministry of Internal Affairs and Law (MoIAL) and Ministry of Economic Affairs and Planning (MoEAP)
10. Table to Council of Ministers- Province Cabinet
11. Approval/Pass by the Province Council of Ministers
12. Register in the Secretariat of Province Assembly
13. Distribute to all Assembly Members
14. Table to Full House of Province Assembly
15. Principle discussions at full house and forward to the respective sectoral/ thematic committee for further deliberation
16. Deliberation by Sectoral/thematic Committee review/revise and forward to the Full House
17. Passed by the Province Assembly
18. Signed by Speaker/Chief of Province Assembly and submitted to Head of Province for Authentication

What support can be provided in the processes?

For the purpose of energy-related bills, supporting institutions to the GoN agencies can provide specific support from Step 1 to 5 from the steps illustrated in Box 3 and during step 16, while the thematic committee also invites discussions, comments, opinions from wider stakeholders and subject experts. For other steps, the provincial assembly or any related ministry may seek additional specific technical support requiring clarification or further analysis of proposed clauses inside the bills. Some of the details to Step 1-5 are provided below.

Table 1. Proposed support areas to draft energy related bills for PG

Steps	Activities	Support areas
1	Problem/need identification	Provide technical support to the Water Resource and Energy Development (WRED) under MoPID on: <ul style="list-style-type: none"> i) Problem analysis and need identification ii) discussion areas iii) option analysis iv) opportunities and benefits v) hold informed discussions among stakeholders
2	Obtain consent in principle	Obtain specific consents from MoIAL and MoEAP
3	Pre-consultation with stakeholders	Support WRED division to conduct pre-consultation workshop with relevant stakeholders to discuss Problem Statement and analysis in detail. Learnings could be shared from other provinces, FGs, LGs, international, etc. Additional cross cutting discussion and additions on LNOB, GESI, last mile, on-/off-grid priorities, employment, climate, etc.
4	Preliminary draft of the Bill	Support to the WRED division for the preliminary draft of the bill.
5	Draft bill by respective section/ Review by legal section, solicit input within the Ministry	Provide legal inputs (if necessary, hire a legal expert) to review and make a first draft of the preliminary draft of the bill. Support WRED in further clarification wherever required.

3.2 THE PROVINCE COUNCIL OF MINISTERS

The Province Council of Ministers (Cabinet), is responsible for approval of all policies, regulations and directives under the jurisdiction of the provinces approved by the Provincial Assembly. Specific to energy, the MoPID develops drafts of policies, regulations, and directives under its jurisdiction and requests Cabinet approval.

3.2.1 Process of Developing Policies, Regulations and Directives in Provincial level

During the process of drafting the respective legal documents, the MoPID (or any specific Ministry, as per their requirements) conducts a consultative process with political parties, civil society, stakeholders and the population in general, as shown below in Box 4. The detailed steps and activities are provided in Annex 2.

Box 3: Process of developing Policies, Regulations and Directives

1. Problem/need identification
2. Pre-consultation with stakeholders
3. Preliminary draft
4. Review by legal section, intra-ministry discussions/sharing
5. Circulate to other Ministries and stakeholders and receive feedbacks
6. Final Draft
7. Approval and issuance from Council of Ministers - Province Cabinet

What support can be provided in the processes?

For the purpose of enacting energy-related policies, regulations and directives, external institutions can provide specific support from Step 1 to 4 from the steps illustrated in Box 4. For other steps, the provincial assembly or any concerned ministry may request specific technical support requiring clarification or further analysis of proposed clauses within a bill.

Table 2. Proposed support areas to develop PG policies, regulations and directives

Steps	Activities	Support areas
1	Problem/need identification	Provide technical support to the Water Resource and Energy Development (WRED) under MoPID division on: <ol style="list-style-type: none"> i) Problem analysis and need identification ii) discussion areas iii) option analysis iv) opportunities and benefits v) hold informed discussions among stakeholders
2	Pre-consultation with stakeholders	Support WRED division to conduct pre-consultation workshop with relevant stakeholders to discuss Problem Statement in detail. Specific discussion on technology, QA, mechanisms and policy in practice by AEPC. Additional cross cutting discussion and additions on LNOB, GESI, last mile, on-/off-grid priorities, employment, climate, etc. Could be shared learnings from other provinces, FGs, LGs, international, etc.
3	Preliminary draft of the policy, regulations and directives	Support to the WRED division for the preliminary draft of the policy, regulations and directives.
4	Draft policy, regulations and directives by respective section/ Review by legal section, solicit input within the ministry	Provide legal inputs (if necessary, hire a legal expert) to review and make a first draft of the preliminary draft of the policy, regulations and/or directives Support WRED in further clarification wherever required.

3.3 PROVINCIAL PLANS AND BUDGET FORMULATION

3.3.1 Long term Plan or Provincial Periodic/Development Plan

Provinces are normally required to formulate two types of plans as guided by the Province Level Planning Guideline 2075 prepared by the NPC for the development of long term or periodic plans and budget. The preparation of Periodic plan is facilitated by Province Policy and Planning Commission (PPPC) and approved by the Cabinet- Council of Ministers. Similarly, the annual plan prepared by sectoral ministries is approved by the Assembly. Specific to the development of long term or periodic plans, the Province Level Planning Guideline 2075 emphasises the formation of a Steering Committee as shown in Box 5 below:

Box 4: Steering Committee for the Provincial Periodic/Development Plan

- Vice-chair of PPPC, Minister of Economic Affairs and Planning
- Members - PPPC
- Secretary - Chief Minister and the Council of Ministers (OCMCM)
- Secretaries - All sectoral ministries
- Secretary - PPPC

The Steering Committee can form sectoral sub-committees (Box 6) chaired by one of the PPPC members to include concerns and aspirations of all sectors and expedite planning proceedings.

Box 5: Sectoral Sub-committee of the Provincial Periodic Development Plan

- Economic development
- Social development
- Infrastructure development
- Good governance and inter-coordination

The Steering Committee leads the whole process of the periodic plan. An approach paper is the base of the provincial periodic plan (PPP). The sub-committee prepares the sector specific approach paper which is later integrated into the provincial planning approach paper. The PPPC is responsible for the overall coordination and preparation of the final approach paper. The approach paper identifies the main drivers of development and strategies as well as working policies for each sector in the provincial development plan. The approach paper is mainly guided by constitutional mandates, national goals and objectives, and high-level policy commitments made by the GoN as shown in Box 7 below:

Box 6: Alignment of Priorities of the Provincial Periodic Development Plan

1. Constitutional guidelines and directives regarding state police and fundamental rights of the citizens
2. National goals of “Happy Nepali, Prosperous Nepal” adopted by the GoN
3. Policies and programmes adopted by the FG and PG
4. National Periodic Plan
5. Strength and opportunities of the province
6. Implementation of the Sustainable Development Goals by 2030
7. Election Manifesto of the major political parties

The detailed process and steps for developing a provincial periodic plan is provided in Annex 3.

What support can be provided in the processes for Periodic Plan?

For the purpose of energy-related plans, supporting institutions can provide specific support from Step 1 to 6 and Step 12 of Annex 3. The specific steps are illustrated in Table 3. For other steps, the provincial assembly may request additional technical support during the approval process or PPC may request specific technical support during the preparation process requiring clarification or further analysis of proposed plans and activities.

Table 3. Proposed Support Areas to Develop Provincial Periodic Plan (Energy)

Steps	Activities	Support areas
1	Pre-planning workshop of Periodic Plan	Provide technical support to facilitate the workshops for the formulation of: i) long -term provincial development vision, goals, objectives, strategies.
2	Information collection, analyse and develop Provincial Profile	Provide technical support to collect information related to energy and draft the provincial energy profile (part of the provincial profile), including: i) analysis of problem ii) need identification iii) option analysis iv) opportunities and benefits v) discussion areas
3	Formation of the Sectoral Committee and commence work	Provide technical support to the Infrastructure Development Sectoral Committee (as shown in Box 6) especially in the energy sector to commence work.

Steps	Activities	Support areas
4	Preparation of Approach Paper for Periodic Plan	<p>Provide technical support to draft the main drivers of development and strategies as well as working policies of the energy sector for the provincial approach paper.</p> <p>To use evidence such as Provincial Energy Profile, LG opportunities in specific RE and other areas needing RE/energy solutions. This will follow the overall structure of problem statement – solutions - benefits.</p>
5	Planning workshops	<p>Facilitate workshops to collect feedback from Infrastructure Development Sectoral Committee, other relevant sectoral committees, relevant ministries and PPPC members for the energy sector approach paper.</p> <p>Specific discussion on needs, special requirements (LNOB, GESI, last mile, on-/off-grid priorities, employment, climate, cross-cutting, etc.)</p>
6	First Draft of Approach paper from relevant Ministry	Technical support to prepare the first draft of the energy sector approach paper incorporating all the comments/feedbacks.

3.3.2 Annual Plan at Provincial level

The Province Level Planning Guideline 2075 guides the PGs to develop annual plans and budgets. Individuals sectoral ministries within the provinces develop their annual plan and budget which is consolidated by Provincial Ministry of Economic Affairs and Planning as a single provincial annual plan document. This will be forwarded to the Provincial Assembly for its approval. The final provincial annual plan and budget is announced during the Provincial Assembly session during July and later published as the 'Red Book' with allocation of budgets to specific ministries and their projects and programs.

The Annual Plans are mainly guided by provincial visions and periodic plans and the requirement not to contradict national goals and objectives as shown in Box 8 below:

Box 7: Considerable areas for the Province Annual Plan

1. National and provincial development vision
2. Policies and programmes adopted by the FG and PG
3. National and provincial periodic plan
4. Mid-term expenditure frame-work
5. Sustainable development goals - 2030
6. Other laws and policies adopted by FG and PG

The NPC guideline details the eight steps to be followed by the PGs to develop an annual plan and budget, the detailed process with a timeline (i.e. step 1 in January, step 2 in March, step 3 & 4 in April, step 5 in May, step 6 & 7 in June, and step 8 in July) is provided in Annex 4

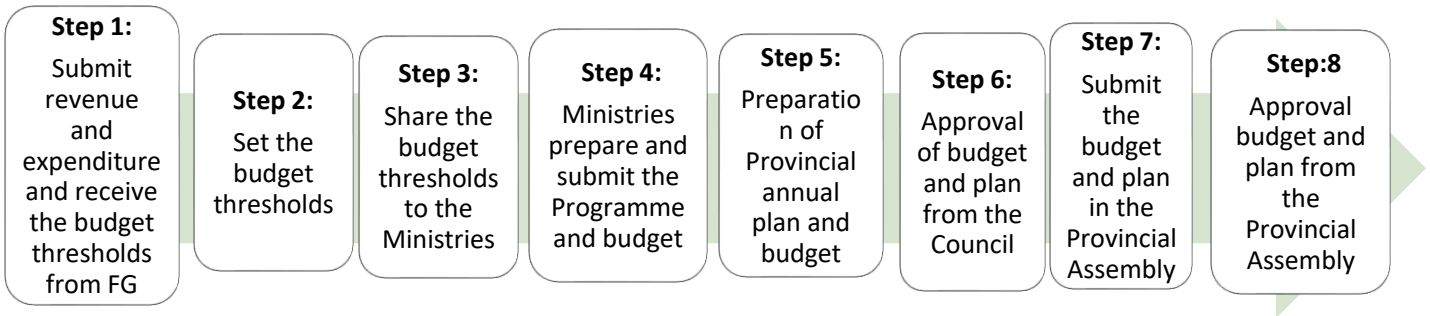


Figure 1: PG Planning Process

What support can be provided in the processes for Annual Plan?

The PG annual planning process commences from mid-January and is completed by 15th July. During this process, each province ministry will receive their budget ceiling set by MoEAP by 2nd April. Each of the ministries prepare activities and budgets and forward the complete plan request to the MoEAP within the budget ceiling. The consolidated plan is presented to the Assembly for approval.

Support can be provided in two phases. Firstly, during preparation of the budget for the annual plan and secondly, during implementation of the activities approved in the final annual plan. Specific to the 8-Step Planning process, technical support can be provided to MoPID in step 4 as mentioned in the following table and also provide technical assistance in effective and timely implementation of the plan and budget, in an accountable and transparent manner.

Table 4. Proposed Support Areas to Develop MOPID Annual Plan (Energy)

Steps	Activities	Timeline
4	Ministries prepare and submit the Programme and budget	Can provide technical support to the WRED division to prepare energy sector annual plan and budget linking with Provincial Periodic Plan or Approach Paper. Provide technical support to collect the information related the energy and identify activities, including:

Steps	Activities	Timeline
		<ul style="list-style-type: none"> i) need identification ii) project areas iii) technologies, resources and post-project iv) assessments, studies, feasibility, etc v) LNOB, GESI, environmental safeguard, employment and other cross cutting vi) Resource mobilization- Grants*, conditional grants, etc vii) option analysis viii) opportunities and benefits ix) discussion areas <p><i>*Note: Please see details of Grants in Annex 9</i></p>
TBD	During implementation (TBD)	Dependent on supporting institutions' interests and capacity/bandwidth, etc.

4. LOCAL GOVERNANCE IN FEDERALISM

Under the newly established federal government structure, there are an autonomous 753 LGs consisting of 460 rural and 293 urban municipalities. The Local Government Operation Act, 2074 paved a strong legal foundation towards institutionalizing the legislative, executive, and quasi-judiciary practice of the LGs. As per the Constitution, the LGs have 15 concurrent and 22 exclusive functions including management of local services, development projects and programs, basic and secondary education, basic health and sanitation, and local economic development.

The LGs have semi-judicial powers for settling various disputes at the local level. The Deputy Mayor or Vice Chairperson of the LG serves as the coordinator of the judicial committee. The judicial committees can settle cases related to boundaries, distribution of water, unpaid wages, rent, damage to crops, and a few other matters.

4.1 LG ASSEMBLY OR MUNICIPAL/RURAL MUNICIPAL ASSEMBLY

The municipal assembly comprises of a Mayor, Deputy Mayor, Ward chairpersons and 4 members from each ward and others are 5 women members elected by the assembly amongst themselves and 3 members belonging to Dalit or minority community. The rural municipal assembly consists of Chairperson, Vice-chairperson, Ward chairpersons, 4 members from each ward with at least 2 women and 2 members from Dalit or minority communities elected by the assembly. The term of a LG Assembly is five years for the date of election.

There are two specific purpose of the Assembly:

- i) Formulate laws, and
- ii) Approve the annual budget and plan

The Assembly sessions take place twice a year but not exceeding 6 months interval from one to next. Normally, the summer session is known as 'Budget session' and winter as 'Bill session (document preceding Act)'. However, any session of the Assembly can discuss and change budget priorities and principles if deemed necessary. Special sessions can be summoned, if requested by one-third member of the respective LG Assembly within 15 days upon a written request by the members.

Any decisions made during the assembly is based on the majority decision. In case of ties, the Chair of the Assembly will give the final verdict. The Chief Administrative Officer serves as the Secretary of the

Assembly. There are mainly four types of committees as provisioned by the LGoA in the LG Assembly as shown in Box 9 below.

Box 8: Thematic Committees of the LG Assembly

1. Accounts Committee
2. Legislation Committee
3. Good-governance Committee
4. Others/special as required

The detail process including timeline of formulating act/law by the LG is provided in Annex 5

4.1.1 Process of formulating Act at Local Level

The LG assembly is authorized for approval of all the Bills related to any sector under the 4 thematic areas outlined in Box 9. The laws made by the Assembly shall not be inconsistent with the federal law or any laws made by the provincial assembly.

The designated executive members/officials of the LG present the bill (draft of the Act) before the Assembly for approval. Once it is approved with majority consensus, the Chair of the Assembly certifies the bill within fifteen days. The approved bill then becomes an Act and is published in the LG Gazette.

Box 9: Process formulating Acts by the LG Assembly

1. Problem/need identification
2. Obtain consent on principles
3. Pre-consultation with stakeholders
4. Preliminary draft of the Bill
5. Draft bill by respective section/Review by legal section
6. Approval by Executive Committee
7. Approval/Pass by the Executive committee
8. Finalization of Draft Bill
9. Table to Secretariat of LG Assembly
10. Distribute to all Assembly Members
11. Distribute to ward committees and stakeholders for suggestions (optional)
12. Passed by the Assembly
13. Signed by the Chair of Assembly and forward to Chair/Mayor for Authentication

What support can be provided in the processes for formulation of Acts at local level?

For the purpose of energy-related bills, specific support up to Step 5 (out of total 13 steps) from the steps illustrated in Box 10 can be provided. For other steps, the local assembly or Infrastructure Development and Environment Section (under LG) can call upon external institutions/projects for specific technical support requiring clarification or further analysis of proposed clauses inside the bills.

Table 5. Proposed Support Areas to Draft Energy Related Bills for LG

Steps	Activities	Support areas
1	Problem/need identification	Provide technical support to the Infrastructure Development and Environment section (IDE) under LG for: <ul style="list-style-type: none"> i) analysis of problem ii) need identification iii) option analysis iv) opportunities and benefits v) discussion areas vi) holding multi-stakeholder discussions
2	Obtain consent on principles	Obtain specific consents from Executive Committee
3	Pre-consultation with stakeholders	Support Infrastructure Development and Environment section to conduct pre-consultation workshop with relevant stakeholders to discuss Problem Statement in detail. Can share learnings from other provinces and federal level Acts, FGs, LGs, international, etc. Additional cross cutting discussion and additions on LNOB, GESI, last mile, on-/off-grid priorities, employment, climate, etc.
4	Preliminary draft of the Bill	Support to the Infrastructure Development and Environment section for the preliminary draft of the bill.
5	Draft bill by respective section/Review by legal section	Provide legal inputs (if necessary, hire a legal expert) to review and make a first draft of the preliminary draft of the bill. Support Infrastructure Development and Environment section in further clarification/s wherever required.

4.2 EXECUTIVE COMMITTEE OF LOCAL GOVERNMENT MANDATED TO APPROVE POLICIES, REGULATIONS AND DIRECTIVES

A Municipal Executive consists of Mayor, Deputy-Mayor, Ward Chairpersons and 8 additional members out of which 5 are women elected from Municipal Assembly and 3 are from Dalit and minority communities. A Village Executive consists of Chairperson, Vice-chairperson, Ward chairpersons and 6 additional members including at least 4 women from the village assembly and 2 from Dalit or minority communities. All policies and guidelines are approved by the Executive Committee of respective LGs.

4.2.1 Process developing Policies, Regulations and Directives at Local Level

The local executive bodies share power through division of work, particularly in nominating the conveners of the thematic committees as shown in Box 9. The detailed process of formulating regulation, policy, procedures, directives, and standardization is provided in Annex 6. In general, these policies and procedures are also being presented and passed through the LG Assembly. The primary steps involved in the detail process is shown in the Box 11 below.

Box 10: Process developing Policies, Regulations and Directives

1. Problem/need identification
2. Pre-consultation with stakeholders
3. Preliminary draft
4. Review by legal section
5. Table to Executive Committee
6. Circulate to other members and stakeholders and solicit feedback
7. Final Draft
8. Table to Executive Committee
9. Approval and issuance

What support can be provided in the processes for developing policy, regulation and directives at local level?

For the purpose of energy-related policies, regulations and directives, specific support from Step 1 to 4 from the steps illustrated in Box 11 can be provided. For other steps, the Executive Committee of LG or Infrastructure Development and Environment Section under LG can call upon specific technical support requiring clarification or further analysis of proposed clauses inside the relevant policy, regulation or directive drafts.

Table 6: Proposed Support Areas to Develop LG Policies, Regulations and Directives

Steps	Activities	Support areas
1	Problem/need identification	Provide technical support to the Infrastructure Development and Environment section (IDE) under LG for: <ol style="list-style-type: none"> i) analysis of problem ii) need identification iii) option analysis iv) opportunities and benefits v) discussion areas vi) Hold multi-stakeholder consultations, discussions
2	Pre-consultation with stakeholders	Support Infrastructure Development and Environment section (IDE) to conduct pre-consultation workshop with relevant stakeholders to discuss Problem Statement in detail. Specific discussion on technology, QA, mechanisms and policy in practice by AEPC. Additional cross cutting discussion and additions on LNOB, GESI, last mile, on-/off-grid priorities, employment, climate, etc. Can share learnings from other provinces, FGs, LGs, international, etc.
3	Preliminary draft	Support to the IDE section for the preliminary draft of the policy, regulations and directives.
4.	Review by legal section	Provide legal inputs (if necessary, hire a legal expert) to review and make a first draft of the preliminary draft of the policy, regulations and/or directives Support IDE in further clarification wherever required.

4.3 PLANS OF LOCAL GOVERNMENTS

4.3.1 Long term Plan or Local Periodic/Development Plan

Generally, LGs formulate two types of plans: i) long term plan (periodic plan) and ii) annual plan. The Local Government Operation Act 2074 outlines the responsibilities, requirements and sets a guideline to set long-term sector wise plans within their jurisdiction. Further, the NPC developed Local Level Plan and Budget Formulation Guideline 2017 elaborates the process and methodology for LG periodic plan and budget formulation. The following are the major steps for the LG periodic plan. Detailed steps are given in the Annex 7.

Box 11: Process/steps of the Provincial Periodic/Development Plan

1. Pre-planning workshop of Periodic Plan
2. LG Profile updates- Information collection for LG Profile
3. Information analyse and development LG Profile
4. Formation of the Sectoral Committee and commence the work
5. Planning workshops- sectoral and holistic
6. Preparation of sectoral periodic plan
7. Consolidation of sectoral Plan in an integrated Periodic plan
8. Approval and publication of Periodic plan

4.3.2 Executive Committee of Local Government for Preparation of Plans

The Executive Committee as mentioned in the earlier sections, prepares the plan by going through 8 step process shown in the Box 12 above. The final plan is approved by the LG Assembly. For energy related planning, any elected member of the Executive Committee will be the Chair of Physical Infrastructure Development Sub-Committee, which can also include a member from the Nepal Electricity Authority (NEA). This member prepares the energy sector specific documents to integrate to a single LG energy plan.

What support can be provided in the processes for LG periodic plan?

For the purpose of energy-related plans, specific support from Step 1 to 7 of Annex 7 can be provided. The specific steps are illustrated in the Table 7. For other steps, could be called by the Executive Committee or Physical Infrastructure Development Sub-Committee during the approval process for specific technical support requiring clarification or further analysis of proposed plans and activities.

Table 7. Proposed Support Areas to Develop LG Periodic Plan

Steps	Activities	Support areas
1	Pre-planning workshop of Periodic Plan	Provide technical support to facilitate the workshop to formulate a long-term vision and energy-specific strategies, whereas objective, outcomes, and outputs are formulated using the Logical Framework Approach (LFA).

Steps	Activities	Support areas
2	LG Profile updates- Information collection for LG Profile	Provide technical support to collect the information related the energy and draft the LG energy profile (part of the LG profile), including: <ul style="list-style-type: none"> • Demand profile • Resource profile • Energy access status • Energy generation status • Transmission and distribution status • Consumption categorization and consumption pattern • Energy services related other information- technology, companies, vendors, applications etc • Graphs, charts, maps of the above information
3	Information analyse and development LG Profile	Provide technical support to analyse information related to the energy and draft the LG energy profile (part of the LG profile), including <ol style="list-style-type: none"> i) analysis of problem ii) need identification iii) option analysis iv) opportunities and benefits v) discussion areas
4	Formation of the Sectoral Committee and commence the work	Provide support to the physical infrastructure development sub-committee to formulate the energy sector plan addressing LG vision and strategies and national and provincial concerns.
5	Planning workshops- sectoral and holistic	Provide support to collect the comments/feedback from the relevant stakeholders of the energy sector plan
6	Preparation of sectoral periodic plan	Incorporate all feedbacks and final draft of the energy sector plan
7	Consolidation of sectoral Plan in an integrated Periodic plan	Consolidate energy sector plan in an integrated LG periodic plan

4.3.3 Annual Plan

Specific to annual plans, Local Government Operation Act 2074 has mandatory provisions set for LGs to form 3 committees as follows:

- i) Resource Estimation and Budget Ceiling Determination Committee
- ii) Local Revenue Consultation Committee and
- iii) Budget and Program Formulation Committee.

These Committees are responsible to report and finalize annual budgets based on five different types of grants received from FG and PGs, i.e., equalization, conditional, matching, special grant and intergovernmental revenue sharing. The Local Level Plan and Budget Formulation Guideline 2017 require LGs to allocate budgets by the five thematic areas as follows:

Box 12: LG Thematic areas

1. **Economic development:** agriculture, tourism, industry and commerce, cooperative and finance
2. **Social development:** education, health, drinking water and sanitation, culture and GESI
3. **Infrastructure development:** road and bridge, building and urban development, **energy** and communication
4. **Forest, environment and disaster management:** forest and land conservation, climate change, soil erosion and landslide, disaster management and waste management
5. **Good governance and institutional development:** human resource development, institutional capacity development, revenue mobilization, finance management, internal audit, addressing the audit issues, public hearing, social audit, e-governance, service delivery, citizen satisfactory survey and inter-agency coordination.

Each thematic committee is formed by five members - one coordinator (one of the LG executive member nominated by LG executive committee), three members from the LG assembly including one female and one Dalit, and one secretary (head of the respective section/division LG office). This committee prioritises the ward level projects based on a select list of criteria developed by LG executive committee and planning guideline. The Budget Plan and Program Formulation Committee submit annual plan and budget to the municipal assembly for approval through municipal executive. The detailed process and timeline (i.e. step 1 from January to March, step 2 in April, step 3 & 4 in May, step 5 & 6 in June, and step 7 in June & July) are given in Annex 8.

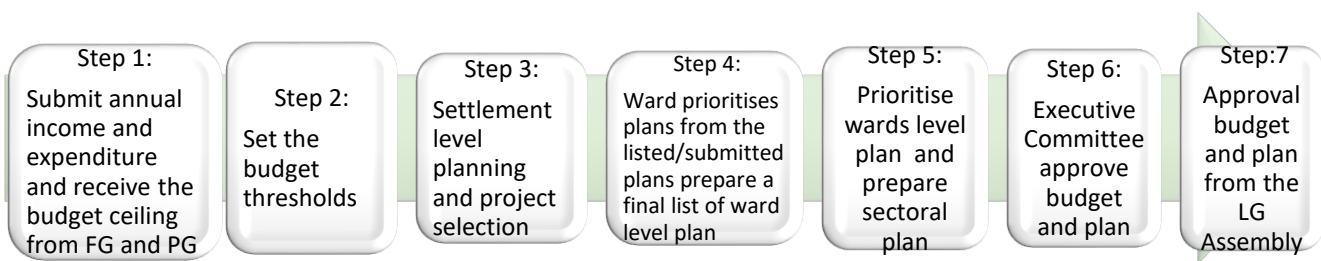


Figure 2: LG planning process

What support can be provided in the processes for Annual Plan at Local level?

The LG annual planning process commences from mid-January and is accomplished by 15th July. During this process, LGs receive a budget ceiling from the FG by the second week of March and from PG by the second week of April. Based on this threshold, LGs set their own budget and start settlement (village) level planning from mid-May. The Ward level planning is finalized by the end of May. Individual sectoral subcommittees finalize their plans and present to the Executive Committee by third week of June. The Committee approves budget plans by the fourth week of June and submit to the Assembly for approval. The Assembly approves the plan by mid-July. The annual planning and budgetary process has 7 steps and, external institutions can provide technical support in steps 3, 4 and 5 as mentioned below.

Table 8. Proposed support areas to develop LG Annual Plan

Steps	Activities	Support areas
3	Settlement level planning and project selection	<p>Support to settlement level planning workshop to select and prioritize appropriate energy projects. (by mid-May)</p> <p>Provide technical support to collect information related to energy and identify activities, including:</p> <ul style="list-style-type: none"> i) Need identification ii) Project areas iii) Technologies, resources and post-project iv) Assessments, studies, feasibility, etc v) LNOB, GESI, environmental safeguard, employment and other cross cutting vi) Resource mobilization- Grants*, CG, etc. vii) Option analysis viii) Opportunities and benefits ix) Discussion areas <p>*Note: Please see details of Grants in Annex 10 &11</p>
4	Ward level planning and project prioritization	Support to ward level planning workshop to prioritize appropriate energy projects based on a select list of criteria (by 28th May)
5	Plan and budget preparation	Provide support to the Budget Plan and Program Formulation Committee to prepare the integrated annual plan and budget by the 3 rd week of June.

REFERENCES

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Government of Nepal (2017) National Natural Resources and Fiscal Commission Act 2017

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National Planning Commission. (2074). Local level planning guideline, Singha Durbar, Kathmandu

National Planning Commission. (2074). Province level planning guideline, Singha Durbar, Kathmandu

ANNEXES

Annex 1: PG Process on Enactment of Energy Related Acts

Steps	Activities	Responsible
1	Problem/need identification	WRED Division of MoPID
2	Obtain consent on principles	MoIAL, MoEAP and Council of Ministers
3	Pre-consultation with stakeholders	WRED Division of (MoPID)
4	Preliminary draft of the Bill	WRED Division of (MoPID)
5	Draft bill by respective section/Review by legal section, solicit input within the Ministry	MoPID Legal section
6	Approval by Minister	MoPID Secretary/division head
7	Circulate to other Ministry and stakeholders and get feedbacks	MoPID Secretary
8	Finalization of Draft Bill	WRED Division of MoPID
9	Review and consent from Ministry of Internal Affairs and Law (MoIAL) and Ministry of Economic Affairs and Planning (MoEAP)	Ministry of Internal Affairs and Law (MoIAL) and Ministry of Economic Affairs and Planning (MoEAP)
10	Table to Council of Ministers- Province Cabinet	Minister
11	Approval/Pass by the Province Council of Ministers	Council of Ministers
12	Register in the Secretariat of Province Assembly	Council of Minister/Cabinet Secretariat
13	Distribute to all Assembly Members	Council of Minister/Cabinet Secretariat
14	Table to Full House of Province Assembly	Council of Minister/Cabinet Secretariat
15	Principle discussions at Full House and forward to the respective sectoral committee for further deliberation	Full House
16	Deliberation by Sectoral/ Thematic Committee review/revise and forward to the Full House	Respective Committee
17	Passed by the Province Assembly	Full House
18	Signed by Speaker/Chief of House and submitted to the Head of the Province for Authentication	

Source: The Constitution of Nepal 2015

Note: There is not fixed timeline but if urgent it takes at least one year

Annex 2: PG Process to Enact Energy Related Policy, Regulation, and Directives

Steps	Activities	Responsible
1	Problem/need identification	WRED Division of MoPID
2	Pre-consultation with stakeholders	WRED Division of MoPID
3	Preliminary draft	WRED Division of MoPID
4	Review by legal section, intra-ministry discussions/sharing	MoPID Legal section
5	Table to Minister	MoPID Secretary/ WRED division head
6	Circulate to other Ministry and stakeholders and solicit feedback	Respective sections/focal sections of sectoral ministries, institutions
7	Final Draft	WRED Division of MoPID
8	Table to Province Council of Ministers (Cabinet)	MoPID Minister
9	Approval and issuance	Cabinet-Council of Minister

Source: The Constitution of Nepal 2015

Note: There is not fixed time line but in practice it takes at least six months

Annex 3: Steps and Process of PG Periodic Plan (incl. energy) Formulation

Steps	Activities	Responsible	Time-line
1	Pre-planning workshop of Periodic Plan	Vice-chair of Provincial Policy & Planning Commission (PPPC), MoEAP, Secretaries of Sectoral Ministries	By end of July
2	Information collection, analyse and develop Provincial Profile	PPPC, MoEAP, Sectoral Ministries	By 15 th September
3	Formation of the Sectoral Committee and commence work	PPPC, MoEAP, Sectoral Ministries	By end of September
4	Preparation of Approach Paper for Periodic Plan	PPPC, MoEAP	By end of October
5	Planning workshops	Sectoral Committees, relevant Ministries, PPPC	By 15 th November
6	First Draft of Approach paper from relevant Ministry	Sectoral Committees, Sectoral Ministries, MoEAP	By 15 th December
7	Identify Funding Sources, budget forecast	PPPC, MoEAP	By 15 th January
8	First draft of consolidated Approach paper	PPPC, MoEAP, Sectoral Ministries	By 15 th February

Steps	Activities	Responsible	Time-line
9	Workshop on consolidated Approach paper with relevant stakeholders	PPPC, MoEAP	By 15 th of March
10	Feedbacks and approval of Approach paper from Provincial Development/Coordination council	PPPC, MoEAP	By end of March
11	Approval of Approach paper from Provincial Cabinet-Council of Minister	PPPC, MoEAP, Cabinet-Council of Minister	By 15 th of April
12	Detail write-up of provincial periodic plan	PPPC, MoEAP, Sectoral Ministries	By end of May
13	Approval and publication of PPP	PPPC, MoEAP, Cabinet-Council of Minister	By 15 th July

Source: NPC, 2074. Province level planning guideline

Annex 4: Process and Steps of PG Annual Plan and Budget (incl. energy) Formulation

Steps	Activities	Timeline
1	Budget pre-planning	
	- Submit details of estimated revenue and expenditure to the federal government	By mid of January (end of <i>Poush</i>)
	- Receive the budget thresholds and guideline from FG	By 2 nd week of March (end of <i>Falgun</i>)
2	Estimate the income and fix the budget thresholds	By 4 th week of March (15 th <i>Chaitra</i>)
3	Share the budget thresholds of the next fiscal year to the Ministries	By 2 nd of April (20 th of <i>Chaitra</i>)
4	Ministries prepare and submit the Programme and budget	By 22 nd April (10 th of <i>Baisakh</i>)
5	Preparation of Provincial annual plan and budget	By 28 th May (15 th of <i>Jestha</i>)
6	Approval of budget and plan from the Council	By 7 th June (25 th of <i>Jestha</i>)
7	Minister of MoEAP submit the budget and plan in the Provincial Assembly	By 15 th June (1 st of <i>Asar</i>)
8	Approval of Budget and plan from the provincial assembly	By 15 th July (end of <i>Asar</i>)

Source: NPC, 2074. Province level planning guideline

Annex 5: LG Process for Enactment of Energy Related Laws/Act

Steps	Activities	Responsible
1	Problem/need identification	Infrastructure Development and Environment section (IDE) of LG
2	Obtain consent on principles	Executive Committee
3	Pre-consultation with stakeholders	IDE section of LG office
4	Preliminary draft of the Bill	IDE / Legal section of LG
5	Draft bill by respective section/Review by legal section	IDE section /Legal section
6	Approval by Executive	Executive Officer
7	Circulate to executive members and stakeholders and get feedbacks	IDE section of LG office
8	Finalization of Draft Bill	IDE section
9	Table to Secretariat of LG Assembly	Administrative Officer
10	Distribute to all assembly member	Administrative Officer
11	Distribute to ward committees and stakeholders for suggestions (optional)	Administrative Officer
12	Passed by the Assembly	Assembly
13	Signed by the Chair of assembly and forward to Chair/Mayor for Authentication	Mayor/ Chair

Source: LGOA 2074

Annex 6: LG Process on Developing Energy Related Policy, Regulation, and Directives

Steps	Activities	Responsible
1	Problem/need identification	IDE section of LG office
2	Pre-consultation with stakeholders	IDE section
3	Preliminary draft	IDE section
4	Review by legal section	Legal section
5	Table to Executive Committee	Administrative Officer
6	Circulate to other members and stakeholders and solicit feedback	Administrative Officer
7	Final Draft	Administrative Officer
8	Table to Executive committee	Chair/Mayor
9	Approval and issuance	Executive Committee

Source: LGOA 2074

Annex 7: Steps and process of LG Periodic Plan (incl. energy) Formulation

Steps	Activities	Responsible	Time-line
1	Pre-planning workshop of Periodic Plan	All LG Council members, LG Officials, relevant stakeholders	BY end of September
2	LG Profile updates- -Information collection for LG Profile	Sectoral committee members, Section/unit officer, Stakeholders	By 15 th September
3	Information analyse and development LG Profile	Section/unit officer, Experts (consultant)	BY end of September
4	Formation of the Sectoral Committee & commence the work	Executive Committee	By 15 th October
5	Planning workshops - sectoral and holistic	All LG Council members, LG Officials, relevant stakeholders	By end of October
6	Preparation of sectoral periodic plan	Relevant sectoral Committee members	By 15 th November
7	Consolidation of sectoral Plan in an integrated Periodic plan	Section/unit officer, Experts (consultant)	By 15 th December
8	Approval and publication of Periodic plan	LG Executive Committee	By end of December

Source: NPC, 2074. Local level planning guideline

Annex 8: LG annual plan and budget (incl. energy) - Process and Steps

Steps	Activities	Timeline
1	Budget pre-planning	
	<ul style="list-style-type: none"> Submit details of projected income and expenditure to the federal government Receive the budget ceiling from FG and PG 	<p>By mid of January (by end of <i>Poush</i>)</p> <p>By 2nd week of March (by end of <i>Falgun</i>) from FG and By mid of April (by end of <i>Chaitra</i>) from PG</p>
2	Estimate total annual income and set the budget thresholds	By 4 th week of April (by 10 of <i>Baisakh</i>)
3	Settlement level planning and project selection	By mid of May (by end of <i>Baisakh</i>)
4	Ward level planning and project prioritization	By 28 th May (by 15 th of <i>Jestha</i>)
5	Plan and budget preparation	By 2 rd week of June (by end of <i>Jestha</i>)
6	Approval of budget and plan from the Executive Committee	By 3 rd week of June (by 5 th of <i>Asar</i>)
7	Approval budget and plan from the LG Assembly	
	<ul style="list-style-type: none"> Submission of budget and programme Approval of budget and programme 	<p>By 4th week of June (by 10th of <i>Asar</i>)</p> <p>By mid of July (by end of <i>Asar</i>)</p>

Source: NPC, 2074. Local level planning guideline

Annex 9: Grants from the Federal to Provincial and Local Government, and from Provincial to Local governments

SN	Government level	Type of Grants				
		Fiscal equalization grants	Special grants	Complementary (matching) Grants	Conditional grants	Revenue sharing to concerned government (in percentage)
1	Grants from the Federal Government to Provincial Government & Local Government	On the recommendation of the NNRFC based on their need for expenditures and revenue capacity. This is a formula-based block grant.	Any specific project to be operated by the PG for the following objectives: <ul style="list-style-type: none"> • To develop and deliver basic services like education, health and drinking water, • To achieve balanced development of inter-province or inter-local government • To uplift, or develop the class or community discriminated economically, socially or in any other form 	Implementing any project related to infrastructure development. The amount of grants depends based on the ratio of the total cost of any project.	In accordance with national policies and programs, norms/standards, and situation of infrastructure development. Along with necessary terms and conditions to the implementation of the project.	<p>Mountaineering - PG -25, LG-25</p> <p>Electricity - PG-25, LG -25 Forest- PG-25, LG-25 Mines and Minerals- PG-25, LG -25</p> <p>Water and other Natural Resources- PG-25, LG-25 VAT & excise duties- PG-15, LG-15</p>
2	Grants from the Provincial Government to Local Government	PG may provide this grant from the grants received by FG and its resources based on their need for expenditures and revenue capacity.	Any specific project to be implemented in the LG in the accordance with provincial law for the following objectives: <ul style="list-style-type: none"> • To develop and deliver basic services like education, health and drinking water, • To achieve balanced development of inter-province or inter-local government • To uplift or develop the class or community discriminated economically, socially, or in any other form 	Implementing any project related to infrastructure development. The amount of grants depends based on the ratio of the total cost of any project.	PG may provide conditional grants to the LG as prescribed by the NNRFC in accordance with provincial law. Along with this grant, the PG provides necessary terms and conditions to the implementation of the project.	<p>Motor vehicle tax-LG- 40, PG-60</p> <p>Entertainment tax- LG-60, PG-40</p> <p>Business- LG 60. PG-40</p> <p>Advertisement- LG-60, PG 40</p> <p>House and land registration fee - LG-60. PG 40</p>

Source: Inter-governmental Fiscal Arrangement Act 2017

Annex 10: Existing Institutions and their Mandates under MoEWRI

SN	Organisation/s	Key responsibilities
1.	Water and Energy Commission Secretariat - WECS	Support ministry in formulation of policies and planning of projects in water and energy resources sector
2.	Nepal Electricity Authority - NEA	Recognized under Electricity Authority Act 1984 and Electricity Act 1992. The Electricity Act 2020 (draft) does not recognize this institution. Responsible for Generation, Distribution (NEA and Independent Power Producers) and Retailing of Electricity throughout Nepal
3.	Groundwater Resources Development Board - GWRDB	Exploration, identification, investigation of ground water resources and identify potential area for groundwater irrigation development.
4.	Alternative Energy Promotion Centre - AEPC	Development and promotion of renewable energy technologies in Nepal
5.	Water Resource Research & Development Centre - WRRDC	Training to employees and development of curriculum for improving standard of work performance of irrigation development, management, river control, disaster management to employees under MoEWRI
6.	Vidhyut Utpadan Company Limited - VUCL	To develop large scale hydropower project in the model of public-private partnership to develop, build, own and operate these projects. Established in 2016. The Company's authorized capital is NPR 20 billion and Issued Capital is NPR 10 billion with paid up capital of NPR 2 billion. 71% of the share belongs to promoters and 29% of share belongs to public. Promoters includes- MoEWRI, Ministry of Finance, Ministry of Law Justice and Parliamentary Affairs, NEA, Employees Provident Fund, Citizen Investment Trust, Hydroelectricity Investment and Development Company Limited, NDC limited and Rastriya Beema Sanstha.
7.	Rastriya Prasaran Grid Company Limited - RPGCL	Will use the government equity to construct and operate transmission line projects. The Company's authorized capital is NPR 25 billion and Issued Capital is NPR 10 billion.
8.	Hydroelectricity Investment and Development Company Limited - HIDCL	Mobilize funds from domestic and international resource in middle to mega hydro electricity generation, transmission and distribution projects and create value to our shareholders. The company has 80% equity from GoN and 20% for general public for initial public offerings. The Issued Capital is NPR 10 billion.

Annex-11 Schedule-8 List of Local Level Power

(Relating to clause (4) of Article 57, clause (2) of Article 214, clause (2) of Article 221 and clause (1) of Article 226)

1. Town police
2. Cooperative institutions
3. Operation of F.M.
4. Local taxes (wealth tax, house rent tax, land and building registration fee, motor vehicle tax), service charge, fee, tourism fee, advertisement tax, business tax, land tax (land revenue), penalty, entertainment tax, land revenue collection
5. Management of the Local services
6. Collection of local statistics and records
7. Local level development plans and projects
8. Basic and secondary education
9. Basic health and sanitation
10. Local market management, environment protection and biodiversity
11. Local roads, rural roads, agro-roads, irrigation
12. Management of Village Assembly, Municipal Assembly, District Assembly, local courts, mediation and arbitration
13. Local records management
14. Distribution of house and land ownership certificates
15. Agriculture and animal husbandry, agro-products management, animal health, cooperatives
16. Management of senior citizens, persons with disabilities and the incapacitated
17. Collection of statistics of the unemployed
18. Management, operation and control of agricultural extension
19. Water supply, small hydropower projects, alternative energy
20. Disaster management
21. Protection of watersheds, wildlife, mines and minerals
22. Protection and development of languages, cultures and fine arts

Annex- 12 Schedule-9 List of Concurrent Powers of Federation, State and Local Level

(Relating to clause (5) of Article 57, Article 109, clause (4) of Article 162, Article 197, clause (2) of Article 214, clause (2) of Article 221, and clause (1) of Article 226)

1. Cooperatives
2. Education, health and newspapers
3. Health
4. Agriculture
5. Services such as electricity, water supply, irrigation
6. Service fee, charge, penalty and royalty from natural resources, tourism fee
7. Forests, wildlife, birds, water uses, environment, ecology and biodiversity
8. Mines and minerals
9. Disaster management
10. Social security and poverty alleviation
11. Personal events, births, deaths, marriages and statistics
12. Archaeology, ancient monuments and museums
13. Landless squatters management
14. Royalty from natural resources
15. Motor vehicle permits