

**Minimum Condition and Performance Measure Assessment
Manual of Municipality 2009 (2066)**

(With amendment and Revision)

**Government of Nepal
Secretariat of Local Bodies Fiscal Commission**

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Acronyms

DDC:	District Development Committee
MP:	Municipality
FY:	Fiscal Year
IEE:	Initial Environmental Examination
EIA:	Environmental Impact Assessment
MCPM:	Minimum Conditions and Performance Measures
GIS:	Geographical Information System

Chapter 1

Preliminary

1.1 Preamble

As per the provision of chapter 8 of Local Self Governance Act (LSGA) 1998, municipalities are authorized to collect revenue and Government of Nepal (GoN) is to be provided grant as per section 236. In the LSGA financial regulation 1999 of law 273 "Gha" assessing indicator based Minimum Conditions and Performance Measures (MCPM) addition and deduction on the annual block grant is provisioned based on the best performance of local bodies and rewarding the local bodies for the best performance is provisioned. To implement the provision LBFC has been endorsed Municipality's Minimum Conditions and Performance Measures (with amendment and revision) Manual, 2009.

1.2 Short Title and Commencement

a) Name of this operational manual is "District Development Committee-Minimum Conditions and Performance Measures Operational Manual 2009, **Minimum Condition and Performance Measure Assessment Manual of Municipality 2009 (2066)** (With amendment and revision).

b) This guideline enacted immediately

1.3 Definition

Unless the subject or context otherwise required, in this manual,

a) "Act" means the Local Self Governance Act, 1998,

b) "Regulations" means Local Self Governance Regulations, 1999

c) "Financial and Administration Regulation" means Local Bodies Financial and Administration Regulation 2064,

d) "Municipality" means formed Metropolitan, Sub-metropolitan and Municipality under article 80 and categorization 88 of Local Self Governance Act 1998

e) "District Development Committee" means formed District Development Committee under article 176 of Local Self Governance Act 1998

f) "Municipal Council" means, formed Municipality council under article 76 of Local Self Governance Act 1998

g) "Board" means Municipality (Executive Committee) formed under article 80 of Local Self Governance Act, 1998.

h) "Commission" means Local Bodies Fiscal Commission,

- i) "Ministry" means, Ministry of Federal Affairs and Local Development,
- j) "Secretariat means" secretariat of Local Bodies Fiscal Commission (LBFC)
- k) "Secretary" means secretary of Ministry of Federal Affairs and Local Development
- l) "Member-secretary" means member-secretary of Local Body Fiscal Commission
- m) "Executive Officer" means, Executive Officer (secretary) of Municipality
- n) "Fiscal Year" means period of started from Shrawan 1 (July/Aug) to end of Ashad (June/July)
- o) "Minimum Conditions" means indicators and their measurement methods as mentioned in chapter 2 of this manual, that must be done among others mentioned in LSGA Act, regulations and other prevailing laws to be done by the municipality.
- p) "Performance measure" means the indicators of performance measures including methods of measurement mentioned in chapter three (3) of this guideline
- q) "Current FY" means FY when the evaluator teams undertake evaluation
- r) "Last FY" means the previous FY when the evaluator teams undertake evaluation
- s) "Previous FY of Last FY)" means two years back FY of the current FY
- t) "Resource Mobilization Guideline" means Local Bodies Resource Mobilization and Management guideline 2012

Chapter- II

Indicators of the Minimum Conditions and its measurement method

2.1 Minimum Conditions (MCs)

There are following 10 Minimum Condition (MC) indicators.

Indicator No	Name of the Indicator
1	Annual plan, budget and its approval
2	Annual Progress Review
3	Annual and Trimester Progress Report
4	Account operation of municipality fund
5	Record of tax and income sources
6	Final Financial Audit and settlement of unstated amount
7	Asset management
8	Building construction and approval of building design
9	Details of income and expenditure and publication of tax rates
10	Personal management

Municipality must meet all these Minimum Condition indicators. If in case even one indicator will not fulfilled , no additional capital budget can get what so ever points receive in the performance measures.

2.2. Minimum Conditions and Measurement Method

Indicator: 1 Annual plan, budget and its approval

1.1 Explanation of the indicator and its policy basement

Under section (KA), sub article (1) of Article 94, Article 111 (5) and law 136 of regulation annual planning, program and budget of the current fiscal year must be approved by the municipal council before the end of Poush (Dec-Jan). Project-wise budget must be allocated during the program budget approval.

1.2 Table for measurement

SN	Status of the approval of annual program and budget	Yes	No
1	The program budget of current FY approved by last year Municipal council before Poush (Dec-Jan).		

2	Project-wise budget allocation done		
3	Forwarded annual program and budget to concern line ministries and DDC within one month of approval		

1.3 Measurement Method: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

1.4 Sources of verification

Notice published, invitation letters forwarded to participate/attend the council, decision book of the municipality council, approved annual municipal development plan and covering letter and documents forwarded to ministry and DDC.

Indicator: 2 Annual Progress Review

2.1 Explanation of the indicator and basement of its law/policy

According to article 118 of the Act, and sub law (4) of law 139 of regulation Municipality must undertake annual progress review of completed municipal level projects in previous FY of last FY within the first trimester of last FY in presence of all stakeholders.

2.2 Table for measurement

SN	Status of annual progress review	Yes	No
1	Invitation letter for all stakeholders (representatives of political parties, journalists, civil society) for annual progress review		
2	Annual progress review of completed projects in previous FY of last FY within the first trimester of last FY		
3	Forward the progress review report to ministry within one month from the date of review		
4	Publicize the summery report of progress review within 15 days of review in notice board, website or local radio or newspaper		

2.3 Measurement Method: If there will by (√) in all boxes Minimum Conditions shall be fulfilled.

2.4 Sources of verification

Letter of invitation to attend in the review meeting, attendance register of the meeting, progress report delivered in the review, decision of the review with report, covering letter to forward in ministry, proof of publication in news paper, radio etc.

Indicator: 3 Annual and trimester progress report

3.1 Explanation of the indicator and basement of its law/policy

As per "Resource Mobilization Manual" trimester and annual progress reports of last FY must be forwarded to ministry in specified time frame

3.3 Measurement Table

SN	Status of forwarding annual and trimester reports	Yes	No
1	Forward first trimester progress report of last FY before 7th calendar day of Magsir (Nov-Dev)		
2	Forward second trimester progress report of last FY before 7th calendar day of Chait (March-April)		
3	Third trimester and annual progress report forwarded to ministry before 15 calendar day of Shrawan (July-Aug) of current FY		

Note: Verification of forward of the reports shall be done from the concern section of the Ministry.

3.3. Methods of measurement: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

3.4 Sources of verification

Covering letters for mentioned reports, reports, details of physical and financial progress report.

Indicator: 4. Operation of Municipality Fund Accounts

4.1 Explanation of the indicator and basement of its law/policy

Based on the Article 125 of the Act and law 22 of financial and administrative regulation, all the income come in the name of Municipality, must be deposited in Municipality Fund. Expenditure must be for approved program and budget as per requirement after transferring to operating (current and capital) account. At the end of the FY, operating account must be kept nil and close after freezing the freezable budget and transferring to Municipality Fund account which is not freezable.

4.2 Table for measurement

SN	Status on the establishment of Municipality Fund and its implementation	Yes	No
1	Operation of Municipality Fund account		

2	Kept all the income come in the name of municipality in MP Fund (GA-4)		
3	Transfer the budget to operating account as per the approved program and budget		
4	Deposited all the unspent budget at the end of FY that remain in the operating account to Municipal Fund		
	Freeze all the freezable budget at the end of FY		

Note: Freezable budget consists of conditional, unconditional, capital and current grant available from the Government of Nepal.

4.3 Method of measurement: If there will be (v) in all boxes Minimum Conditions shall be fulfilled.

4.4 Basis for verification

Municipality Fund, operating accounts

Indicator: 5 Record of tax and income sources

5.1 Explanation of the indicator and basement of its law/policy

Chapter 8 (article 136 to 145) provided authority to the municipality to enforce tax, charges, service charge and fee. Law 21 of financial and administrative regulation asks to keep updated record of income. According to same law, annex: 11, individual/personal account of income as per annex 14 detail on internal income and details format of repayment must be kept. These formats must be used and updated record of tax, charges, service charges and fee must be kept systematically. This record must have number of tax payers, collected money in last FY; remaining balance to collect must be maintained.

5.2 Measurement table

SN	Income record management status	Yes	No
1	Managed and updated record of land tax		
2	well managed and updated record of house and land tax, or integrated asset tax		
3	Updated and well managed record of business tax		

5.3 Method of measurement: If there will be (v) in all boxes Minimum Conditions shall be fulfilled. But in the municipalities where integrated asset tax is endorsed, if there is (v) in second and third boxes, condition shall be meet.

5.4 Basis for verification

Updated records of income sources until the last FY

Indicator: 6 Final Financial Audit and settlement of unstated amount

6.1 Explanation of the indicator and basement of its law/policy

According to article 135 of the Act and law 202 of financial and administrative regulation, the financial audit of previous FY of last FY must be done before the end of last FY and record of details of unstated amount must be kept as per law 39 annex 75 format of financial and administrative guideline and action taken towards settlement of unstated amount.

7.2 Measurement table

SN	Status on final financial audit and details of settlement of unstated amount	Yes	No
1	Final financial audit of previous FY of last FY done before the end of last FY		
2	Discussion and decision on the final financial audit report done in the municipal council		
3	Updated unstated amount record kept until previous FY of last FY as per annex 75 of financial and administrative regulation		
4	Action taken against the settlement of unstated amount		

Note: If the financial audit report of previous FY of last FY is not received, financial of next to previous FY and if that report has been submitted, discussion and decision must be done on the unstated amount and progress against the settlement of unstated amount must be done.

6.3 Method of measurement: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

6.4 Basis for verification

Final financial audit report of mentioned FY, agenda of the Municipal Council and decisions done on it, record of unstated amount and action details on the settlement of unstated amount and advance

Indicator: 7 Assets management

7.1 Explanation of the indicator and its policy basement

According to sub article (1) sub section (3) of section (Yan) protection of government and unregistered land and as per law 212 of financial and administrative regulation commodity goods management must

be done. Supervision of the commodity goods must be done as per sub law (1) of law 214 and received the report as per sub law (2), (3) and (4) and action must be done as per that section.

7.2 Measurement table

SN	Status on assets management	Yes	No
1	All the expendable and non expendable commodity goods under ownership of Municipality in last FY kept in separate commodity goods book mentioning the income		
2	Submission of report undertaking commodity goods supervision in last FY		
3	Following things are mentioned in the commodity goods supervision report		
	<ul style="list-style-type: none"> • Details of the commodity goods that are not mentioned as income • Details on protection and maintenance situation of commodity goods • Details of commodity goods that are required for maintenance and auction to be done 		
4	Auction and maintenance done as per the recommendations in the report and commodity goods kept as income if it is missed from the list of income.		
5	Updated record of government/public land		

8.3 Method of measurement: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

8.4 Basis for verification

Commodity goods records, detail record of public and government land, commodity goods supervision report of last FY and action taken and decisions done in last FY based on the commodity goods monitoring report.

Indicator: 8 Building construction and approval of building design permit

8.1 Explanation of the indicator and basement of its law/policy

According to process mentioned in chapter 9, article 249 to 164 and article 155 and 156 provisions mentioned on building construction (approval of building design) must be implemented.

8.2 Measurement table

SN	Status on criteria of building design approval and guideline	Yes	No
1	Approve the building construction criteria and implemented		
2	Approval of building design manual and its implementation done		

8.3 Method of measurement: If there will be (√) in all boxes Minimum Conditions shall be met.

6.4 Basis for verification

Approved criteria and manual of building design by the municipality and file of actions undertaken on the building design approval.

Indicator: 9 Publications of Details Income and Expenditure and Tax Rates

9.1 Explanation of the indicator and basement of its law/policy

In accordance to sub article (5) of Article 126, income and expenditure of last FY in shrawan (July-Aug) of current FY and rates of taxes for current FY must be publicized within one month of approval from the municipal council.

9.2 Table for measurement

SN	Publication and publicizing the tax rates and income and expenditure	Yes	No
1	Income and expenditure of the last FY publicize before the end of Shrawan (July-Aug) of current FY in notice board and website or news papers		
2	The tax rates of the current FY publicize in website and news papers within one month of approval from the municipal council		

9.3 Measurement Method: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

9.4 Sources for verification

Record of publication and distribution of approved budget by the municipal council, proof of the publicizing the income and expenditure details and tax and fee rates

Indicator: 9 Personal Management

9.1 Explanation of the indicator and basement of its law/policy

In accordance to Article 249 of Act, Local Bodies must prepare list of manpower based on the work load with detailed Terms of reference (ToR) and take approval from the VDC council. The council must manage the budget required for salary, allowance, money to deduct for provident fund; gratuity and pension must be managed while deciding the personnel requirement setting. Also the person who is recommended by the position fulfillment committee under the law 251 must be appointed under the law 216.

9.2 Table for measurement

SN	Status on the personnel management	Yes	No
1	The staff positions approved by the municipal council following all the process provisioned in the Article 249		
2	Appointment done in the approved position, in recommendation with position fulfillment committee paying due attention that the administrative expenditure will not cross the limit		
3	Decision of the position fulfillment done in presence of representative of public service commission		
4	No permanent appointment done beyond going to the approved position		
6	No temporary appointment done in the permanent positions		

9.3 Measurement Method: If there will be (√) in all boxes Minimum Conditions shall be fulfilled.

9.4 Sources for verification

- Decision of the Municipal council
- Process documents while creating the position
- Minute of position fulfillment committee and decisions
- Final financial audit report
- Approved positions and details of position fulfillment

Chapter III

Indicators for Performance Measures, allocated points and methods of measurement

3.1 Indicators of performance measures and allocated points

There are five working area and forty (40) indicators under Municipality performance measures measurement allocating 100 points. Municipality must get minimum points as specified in every working area. Number of indicators, weight age/ point for each working area and minimum points to be received is mentioned in following table:

Table: 3.1 Areas of performance measure, no of indicators, total point and required minimum

Indicator	Name of Indicator	# of indicator	Total point allocated	Minimum point to be received
1	Local governance	8	20	8
2	Financial resource mobilization and management	11	28	11
3	Planning and project management	8	20	8
4	Organization and human resource development	5	10	4
5	Town basic service management	8	22	9
	Total points	46	100	40

3.2 Explanation of indicators and its measurement method

Every indicator of the performance measures have been allocated 4 and 2 points depending on the importance. Clear provision on the points for how much/what work is done. After fulfilling the minimum condition, minimum points for each working area must be gain. Based on the points received, performance of the municipality is fixed.

Working area group no: 1 Local Governance

Indicator #	Name of Indicator	Allocated point	Total point of group	Minimum point to be received
1	Participatory municipal planning	4	20	8

2	Budget Allocation for the Development of Targeted Groups	2		
3	Expenditure on the Development of Targeted Groups	2		
4	Child development and protection	2		
5	Information management	4		
6	Implementation of Social Security Schemes	2		
7	Annual and monthly physical and financial progress details	2		
8	Public hearing	2		

Indicator: 1 Participatory municipal planning

1.1 Explanation of the indicator and basement of its law/policy

Participatory planning process must be undertaken as specified in law 136 of guideline and article 111 and 114 of the Act. Participation of the organization like active Ward Citizen Forum/ Tole Development Organization must be ensured. The approved annual program and budget book must be publicize and forwarded to all stakeholders (Ministry, District Development Committee, ward committees, political parties, line agencies, ward citizen forums and active NGOs in the municipality) and approved program must be inform to municipal citizen.

1.2 Table for measurement

SN	Status of project prioritization and selection	Yes	No
1	Guidelines for program planning forwarded to all wards		
2	Inform on the ward assembly to be done in all wards publicizing through local radio, news paper		
3	Minute of decision on project selection must be prepared by organizing the ward assembly with the involvement of all active organization/institution in the ward		
4	Annual program approved by municipal council as recommended by the ward assembly		
5	Details of approved program from the municipality must be		

	publicize in radio, news paper and website within one month from the date of approval		
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1.3 Method of providing points: If there will be (√) in all boxes of "Yes", four (4) points, if there is (√) in any four boxes of "Yes" three (3), points, if there is (√) in any three boxes of "Yes" including four two (2), points and zero for otherwise.

1.4 Sources for verification

Letter issued mentioning budget ceiling, guideline with regards to program planning to wards, information on date, place and time for wards assembly, attendance register of different steps of planning process and their decision, decision of municipal council, proof of forwarding annual municipal development plan to all stakeholders and proof of publication radio and news papers.

Indicator: 2 Budget Allocations for the Development of Targeted Groups

2.1 Explanation of the indicator and basement of its law/policy

Except from the conditional grant of the municipality fund, after deducting the amount that must be spare for matching fund, as specified in the municipality grant guideline, footing on the gender equality and social inclusion policy, for promotion of disadvantaged section of the society, budget must be allocated on following program/ projects that will directly benefit to the targeted groups :

- a) Allocated minimum of 10 percent budget for those program/projects that will directly benefit to disadvantaged women of all sections
- b) Allocate minimum of 10 percent budget for those program/projects that will directly benefit to disadvantaged children of all sections
- c) Allocate minimum of 15 percent budget for those program/projects that will directly benefit to disadvantaged group (Elderly people, dalit, adibasi/janjati, persons having different capacity, Madhesi, Muslium and backward group) including the areas and targeted groups as specified by Government of Nepal issuing notice.

2.2 Table for measurement

SN	Total allocation from the capital budget by the municipality in current FY	Yes	No
1	Allocate minimum of 10 percent and approve the budget from the municipal council on the programs/projects that directly		

	benefit to women from disadvantaged group		
2	Allocate minimum of 10 percent and approve the budget from the municipal council on the programs/projects that directly benefit to children from disadvantaged group		
3	Allocate minimum of 15 percent budget for those program/projects that will directly benefit to disadvantaged group (Elderly people, dalit, adibasi/janjati, persons having different capacity, Madhesi, Muslium and backward group) including the areas and targeted groups as specified by Government of Nepal issuing notice		

2.3 Method of providing points: If there will be (v) in all boxes of "Yes", two points, if there is (v) in any two box of "Yes" one point, and zero otherwise.

2.4 Sources for verification

Annual planning book of the municipality, total capital budget of the municipality, total budget allocation for the targeted groups in current FY

Indicator: 3 Expenditure on the Targeted Groups Development

3.1 Explanation of the indicator and basement of its law/policy

As specified in the municipality grant manual, expenditure must be done for the targeted groups that were allocated in last FY.

3.2 Table for measurement

SN	Expenditure on all the targeted group in last FY	Yes	No
1	More than 80 percent expenditure done against the allocation for all three targeted groups		
2	60-80 percent expenditure done against the allocation for all three targeted groups		

3.3 Method of providing points: If there will be (v) in first boxes of "Yes", two points, if there is (v) in second box of "Yes" one point, and zero otherwise.

3.4 Sources for verification

Annual program book of last FY, annual progress report of last FY, record of allocation and expenditure in last FY

Indicator: 4 Child development and protection

4.1 Explanation of the indicator and basement of its law/policy

According to article 96 and different sun article of the Act, child development and protection activities must be done. Government of Nepal had been signed in different international charter related to child survival, protection and development and act, policy and laws have been endorsed. Service delivery and specified work must be done managing the resources acknowledging the mentioned act, law, policy, working calendar, operational manual, working structure.

4.2 Table for measurement

SN	Status on the Periodic District Development Plan	Yes	No
1	Budget allocation and expenditure done on child education/child development center		
2	Maintain record of disable, helpless and orphan		
3	Work related to abolition of child labor done		
4	Use of child friendly local governance system		

4.3 Method of providing points: If there will be (v) in all boxes of "Yes", 2 point, If there will be (v) in any three boxes of "Yes", 1 point, and zero otherwise.

4.4 Sources for verification

Annual program, budget book, report on the organization development, documents on manual and working calendar, job description to the staff.

Indicator: 5 Information Management

5.1 Explanation of the indicator and basement of its law/policy

Information dissemination must be done as mentioned in article 6,7 and 8 of act related to right on information, 2007 and law 4 of regulation 2008. Following work must be done in this regards:

a) Establishing information center, information collection, store, analysis and dissemination management work must be done. In the information center following information must be kept:

- Program and budget book of the municipality
- Sector and subject-wise projects
- Final financial audit report

- Decisions of the municipality
- b) Publication and dissemination of information using bulletin, brochure and electronic medias
- c) For the basic information of the municipality, detail of population, scientific house numbering system implemented
- d) System of updating GIS system developed
- e) Following information must be kept operating website:
- Periodic and annual projects
 - Annual program and budget
 - Annual and trimester physical and financial (all income and expenditure) progress report
 - Internal and final financial audit report
 - Basic information that reflect the basic profile of municipality
 - Decisions of municipality and municipal council
 - Organization chart, section-wise, responsibility list of all staff and their job description
 - List of development partners
 - Report of monitoring and evaluation
 - Form and structure of related application with respect to service delivery
 - Citizen chartered
 - Other details that are felt necessary by the municipality

5.2 Table for measurement

SN	Works related to information management	Yes	No
1	Information center/unit established		
2	Operation of website and disseminate the basic information through website		
3	Nodal officer appointed to provide information as specified in article 5 of at on right to information act 2007		
4	List down and disseminate the information as specified in the article 6 of right to information act 2007		
5	Operate of the GIS system		
6	Disseminate the income and expenditure details in every month		

5.3 Method of providing points: If there will be (√) in all boxes of "Yes", four (4) points, if there is (√) in any four box of "Yes" three (3), if there is (√) in any three box of "Yes" two (2), and zero otherwise.

5.4 Sources for verification

Status of the information center/unit, records in the information center, publication of the municipality (town profile, brochure, bulletin etc), and details of administrative and financial section related to expenditure on information management, system of disseminating information as per law on right to information, progress report on the house numbering, website management and status of GIS.

Indicator: 6 Implementation of Social Security/protection Schemes

6.1 Explanation of the indicator and basement of its law/policy

According to the social security/protection operational manual 2008, social protection program must be implemented in the municipality area. Detail list of the beneficiary group on the distribution of budget provided by the Government of Nepal and report must be forwarded to concern authority.

6.2 Table for measurement

SN	Status on implementation of social security protection program	Yes	No
1	Disseminate the information within the first trimester through bulletin/book with the list persons who receive social security/protection allowance as per list of targeted groups in the last FY		
2	Delete the name from the list who died of migrate who were receiving the allowance		
3	Following details of the persons who are eligible to get the allowance in current FY must be forwarded to DDC before the end of Poush (Dec-Jan) of last FY a) Number of elderly people: <ul style="list-style-type: none"> • Including dalits • Excluding dalits b) No. of single women c) No. of partially disable and helpless d) No. of fully disable and helpless e) No. of extinct ethnicity people		

4	Settlement of advance before 35 days taken from the DDC against the social protection allowance		
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6.3 Method of providing points: If there will be (v) in all boxes of "Yes", 2 points, if there is (v) in any three box of "Yes" one point, and zero otherwise.

6.4 Sources for verification

Book of the persons who received allowance, receipt of the distribution, citizen chartered, bulletin, records of public hearing, reports submitted to DDC

Indicator: 7 Annual and monthly physical and financial progress details

7.1 Explanation of the indicator and basement of its law/policy

According to law 196 of financial and administrative guideline, details of income and expenditure, remaining advance to be settled, details of bank statement, details of kind assistance under the foreign assistance and details of debit /credit invoices must be forwarded. Similarly, before the end of 35 days of the completion of FY, annual financial detail must be prepared as per annex 25 of the regulation and annual income and expenditure as annex 27 must be forwarded to the ministry. As mentioned in the municipality grant operational manual, monthly physical and financial progress report must be forwarded before 7 calendar days of every month in specified format.

7.2 Table for measurement

SN	Status of forwarding monthly and annual details	Yes	No
1	Monthly physical and financial progress report in specified format before 7 calendar day of next month forwarded to ministry		
2	Detail of annual financial detail and annual income and expenditure before 35 calendar day of end of last FY		

7.3 Method of providing points: If there will be (v) in two boxes of "Yes", two points, If there will be (v) in one box of "Yes", one (1) points and zero otherwise.

7.4 Sources for verification

Office copy of monthly and annual physical and financial progress report, covering letter for the same forwarded to Ministry, fund and finance control office and other specified agencies

Indicator: 8 Public hearing

8.1 Explanation of the indicator and basement of its law/policy

As provisioned in Good Governance (management and execution) act 2007, regulations 2008 and local body public hearing operational manual 2010, Municipality must organize public hearing on the service delivery regularly. During the hearing, all the stakeholders must be participated, women, dalit and disadvantaged group genuinely and they must allow time to speak what they wanted to speak. After the completion of the public hearing report must be submitted to municipality board.

8.2 Table for measurement

SN	Status on conducting public hearing	Yes	No
1	At least three (3) public hearing conducted, assuring at least one in each trimester		
2	Public hearing done only in any two trimester		
2	Prepare report of each public hearing		
3	Discuss and decision made in the municipality board meeting on the suggestions received in public hearing		

8.3 Method of providing points: If there will be (v) in first, third and fourth boxes of "Yes", two (2) points, if there will be (v) in second, third and fourth boxes of "Yes", one (1) points and zero for otherwise.

8.4 Sources for verification

Report of public hearing done by the municipality in last year and decisions done by the municipality against it

Working area group no: 2 Mobilization and Management of Financial Resources

Indicator #	Name of Indicator	Allocated point	Total point of group	Minimum point to be received
9	Revenue feasibility study and projections	2	28	11
10	Actual Income and Expenditure	4		
11	Management of Revenue Administration	4		
12	Integrated Property Tax	2		
13	Public Private Partnership	2		

14	Following the limitation of the administrative expenditure	2		
15	Accrual Accounting System	2		
16	Condition of refundable account	2		
17	Quality of financial transaction	2		
18	Following the limitation of donation	2		
19	Mobilization of local resources	4		

Indicator: 9 Revenue Feasibility Study and Projections

9.1 Explanation of the indicator and basement of its law/policy

As specified in the law 118 KA of regulation, municipal level revenue consultation committee must be activated and feasibility study of revenue collection and as per law 167 (4 KA) revenue mobilization, annual revenue forecasting along with working calendar must be prepared.

9.2 Table for measurement

SN	Status of revenue feasibility study and projection of revenue	Yes	No
1	Meeting of the municipality level revenue consultation committee hold		
2	Revenue feasibility study covering the current FY approved by the municipal council		
3	Revenue forecast for the current FY done based on the revenue feasibility study		
4	Budget for the current FY prepared based on the revenue projection		

Note: "Internal income" means despite the grant available from the Government of Nepal, budget comes from revenue distribution and other special grant and income collected using the authority provided to municipality as justification mentioned in law 167 of local body financial and administrative regulation 2007.

9.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, If there will be (v) in any three boxes of "Yes", one (1) points and zero otherwise.

9.4 Sources for verification

Meeting minute of revenue consultation committee, revenue feasibility study report of the municipality, , revenue projection report and income and budget allocation of the municipal council, revenue financial details of last FY and second last FY.

Indicator: 10 Actual Income and Expenditure

10.1 Explanation of the indicator and basement of its law/policy

The budget projection must be reliable/ reality based as per sub article (2) and article 130 of the act.

10.2 Table for measurement

SN	Actual status of approved income and expenditure for last FY	Yes	No
1	Collected 80-120 percent more revenue compared to total projected income		
2	More than 90 percent expenditure done compared to projected expenditure		
3	Out of total capital and program budget, 80 percent or more expenditure done		

10.3 Method of providing points: If there will be (v) in all boxes of "Yes", four (4) points, if there is (v) in any two boxes "Yes" two (2) points, and zero otherwise.

10.4 Sources for verification

Income and expenditure projection of last FY and real income and expenditure of the sale FY, program and budget book approved by the municipal council and revenue projection document.

Indicator: 11 Management of Revenue Administration

11.1 Explanation of the indicator and basement of its law/policy

According chapter-8, (article 136- 145), municipality granted authority to collect tax, fee, service charge and charges. For the purpose collecting such tax, fee, service charge, well managed record of tax and income source must be kept. Number of tax payer, collected money in the last FY, remaining balance to be collected must be spell out in such records. Tax collection must be done maintaining quality standard assuring transparency, easiness and promptness.

11.2 Table for measurement

SN	Status on the effectiveness of revenue collection	Yes	No
1	In addition to the tax and revenue mentioned in indicator 5 of		

	minimum condition, record of vehicles, entertainment tax, rent tax, advertisement tax record must be managed and kept		
2	Updated detail rates of tax, fee, service charge must be kept in the tax section that can easily be visualize and understand by the tax payer.		
3	Notice and forms related to tax are provided in free of cost		
4	Revenue system (integrated property tax or house and land tax, business tax, income and all other income source available to municipality) are well computerized.		
5	Conducted tax payer education program		

Note: The sources that are not available in the municipality will not be necessary for measurement purpose.

11.3 Method of providing points: If there will be (v) in all boxes of "Yes", four (4) points, If there will be (v) in any four boxes "Yes", three (3), If there will be (v) in any three boxes "Yes", two (2) and zero for otherwise.

11.4 Sources for verification

Record of income sources, notice and forms related to tax, billing system, citizen chartered, details of tax payer education, annual program of last FY, interaction with the tax payer, records of public hearing etc..

Indicator: 12 Integrated Property Tax

12.1 Explanation of the indicator and basement of its law/policy

Authority of endorsing integrated property/asset tax by law 144 of the regulation and article 140 of the act. Municipality must be endorsed the integrated asset/property tax that could be important base for local tax and is regarded as scientific taxation system

12.2 Table for measurement

SN	Management of integrated property tax	Yes	No
1	Implemented integrated property tax system		
2	Increase income from the integrated property tax in the last FY compared to second last FY		

12.3 Method of providing points: If there will be (v) in both boxes of "Yes", two (2) points, If there will be (v) only in first box of "Yes", one (1) points and zero for otherwise.

12.4 Sources for verification

Guideline related to integrated property tax, municipality's tax system, decision of the municipal council and financial details.

Indicator: 13 Public Private Partnerships

13.1 Explanation of the indicator and basement of its law/policy

Public Private Partnership committee have been provisioned to promote the Public Private Partnership as mentioned in law 273 (KA) of regulation. Under the law 157 of financial and administrative regulation, internal income must be collected under the public private partnership. Partnership must be implemented as public private partnership policy 2003 and public private partnership operational manual (for local bodies), 2004 endorsed by the ministry. While undertaking public private partnership, it must be done with private agencies. Such partnership must be different (to be compatible to profit, cost and uncertainty/risk partnership) to corporate social responsibility.

13.2 Table for measurement

SN	Status on Public Private Partnership	Yes	No
1	Formulated public private partnership promotion committee is active		
2	Public private partnership done		
3	Internal income of municipality increased or liability decrease due to public private partnership		

13.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, If there will be (v) in any two boxes including box 2 "Yes", one (1) and zero for otherwise.

13.4 Sources for verification

Decisions on the public private partnership, decision of public private partnership promotion committee, contract, negotiation of the public private partnership and its implementation status, report related to internal income.

Indicator: 14 follow the administrative expenditure limitation

14.1 Explanation of the indicator and basement of its law/policy

According to law 34 of financial and administrative regulation, lying in the boundary of approved budget, those municipality who collected Rs. 2.5 million from tax, fee, service charge and rent can expend maximum of 60 percent, those who collect 2.5 to 5.0 million can expend maximum of 40 percent, those who collect Rs. 5 to 10 million, can expend maximum of 30 percent and those who collect more than Rs. 10 million can expend maximum of 25 percent of that amount in administrative purpose.

14.2 Table for measurement

SN	Status on administrative expenditure	Yes	No
1	Administrative expenditure done lying within the actual internal income collected in last FY OR follow the administrative expenditure limitation		

14.3 Method of providing points: If there will be (v) in boxes of "Yes", two (2) points, and zero for otherwise.

14.4 Sources for verification

Annual financial detail that shows the internal income and administrative expenditure and documents related to financial transaction.

Indicator: 15 Accrual Accounting Systems

15.1 Explanation of the indicator and basement of its law/policy

The account of the municipality must be kept as per Accrual Account System based on the law 19, by-law (1) and (3) of the regulation.

15.2 Table for measurement

SN	Status on the implementation of Accrual Accounting System	Yes	No
1	Decision done to use the Accrual Accounting System		
2	Prepare and use of Charts of Account that is compatible with Accrual Accounting System		
3	Opening balance of municipality that entails all the assets of the municipality		

15.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, If there will be (v) in two boxes including 2 box of "Yes", one (1) points and zero for otherwise.

15.4 Sources for verification

Decision book and documents of financial transactions

Indicator: 16 Status of Refundable/Deposit Account

16.1 Explanation of the indicator and basement of its law/policy

In the chapter 7 of the financial and administrative regulation, there is provision of deposit. Under the law 177, deposit refund and if no one come to take the deposit, under the law 178 that must be transfer to municipality fund and under the law 180 the deposit amount must not be expend in other purpose.

16.2 Table for measurement

SN	Status on the operation of refundable/deposit account	Yes	No
1	No money expended on other purpose that is available in the refundable account		
2	Refund the money that must be refunded as per law		
3	Detail record of deposit amount that is not refund in the deadline of refund		
4	Deposit the refundable amount that is not refund after completing the deadline to the municipal fund		

16.3 Method of providing points: If there will be (√) in first box of "Yes", two (2) points, and if there will be (√) in any three including first box of "Yes" two (1) point and zero for otherwise.

16.4 Sources for verification

Documents related to financial transaction, and details of deposit/refundable account

Indicator: 17 Quality of financial transaction

17.1 Explanation of the indicator and basement of its law/policy

While doing the financial transaction, it must be as per the law 24 and 25 of financial and administrative regulation and other provisions ensuring that there is no unstated amount. Settlement of the unstated amount must be done in accordance to the financial and administrative regulation, chapet-9 and law

206 that is raised in the final financial audit. Settlement of the advance and unstated amount of earlier year and updated.

17.2 Table for measurement

SN	Status on quality of financial transaction	Yes	No
1	Less than 2 percent unstated amount of shows in the final financial audit report of second last year in last year		
2	No outstanding advance until the end of last FY		
3	The financial audit of second last FY shows 2-5 percent unstated amount		

17.3 Method of providing points: If there will be (v) in first and second box of "Yes", two (2) points, and if there will be (v) in second and third box of "Yes" one (1) point and zero for otherwise.

17.4 Sources for verification

Final financial audit report of second last FY (previous FY of last FY), reports of account committee, advance book, advance that is remain to settle and updated record of the unstated amount.

Indicator: 18 Following the limitation of financial assistance

18.1 Explanation of the indicator and basement of its law/policy

Financial assistance must be done within the limit as specified in law 32 of financial and administrative regulation, municipality can expend maximum of one percent of the total collected from tax, fee, service charge and rent or one hundred thousand which is less. No any financial donation must be done from the municipality fund to any political parties, their sister organizations and other staff (civil servant) related organizations.

15.2 Table for measurement

SN	Status on the donation/financial assistance	Yes	No
1	Donation/financial assistance do not cross the limit as specified in law		
2	No donation/financial assistance done to political parties, their		

	sister organizations and institutions		
3	No donation/financial assistance done for civil servant organization		

15.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, If there will be (v) in two including first box of "Yes", one (1) points and zero for otherwise.

15.4 Sources for verification

Financial report of last FY

Indicator: 19 Local resource mobilizations

19.1 Explanation of the indicator and basement of its law/policy

Authority to collect the tax, service charge, and fee has been given by article 136 to 145 of the act. Municipality must increase the internal income to bear the cost against the increasing service areas a part of own role, responsibility to the citizen.

19.2 Table for measurement

SN	Status on mobilization of local resources	Yes	No
1	Increase the scope/areas of tax and number of tax payer		
2	Increase up to 15 percent internal income in the last FY compared to previous FY		
3	Increase 20 percent or more internal income in last FY compared to previous FY		

19.3 Method of providing points: If there will be (v) in first and third boxes of "Yes", four (4) points, If there will be (v) first and second in third boxes of "Yes", three (3) points, If there will be (v) in third boxes of "Yes", two (2) points and zero for otherwise.

19.4 Sources for verification

Financial report of last FY, record of income and expenditure, income receipt

Working area group no: 3 Planning and Program Management

Indicator #	Name of Indicator	Allocated point	Total point of group	Minimum point to be received
20	Municipal periodic plan	2	20	8
21	Feasibility study	2		
22	Procurement management	4		
23	Completion of Measurement and Settlement	2		
24	Management of Operation and Maintenance	4		
25	Transparency in project implementation	2		
26	Monitoring and evaluation	2		
27	Social Audit	2		

Indicator: 20 Municipal Periodic Plan

20.1 Explanation of the indicator and basement of its law/policy

As per the article 111 (1) of act, periodic and annual municipality development plan must be prepared for the development of municipality area. Similarly as per the article 112 (2), for the balance development of municipality area land use, land pooling /unification must be done. Municipality profile must be prepared and updated regularly. As per article 111 (6) (CHA) of the act, while preparing the periodic plan, different subject area-wise long term and short term development plan must be accommodated depending up on the feasibility and hence subject-wise area (e.g. settlement development master plan, municipal transportation master plan, poverty reduction master plan, tourism promotion master plan, human resource and economic development master plan etc) master plan must be prepared and annual program must be prepared based on those master plan.

20.2 Table for measurement

SN	Status on the municipality periodic plan and its implementation	Yes	No
1	Municipality profile prepared and updated		
2	Approving municipality periodic plan and its implementation		

3	Annual municipality plan prepared based on the periodic municipality plan		
4	Preparation of municipality transportation plan and its implementation		

20.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, If there will be (√) in any three boxes of "Yes", one (1) points and zero for otherwise.

20.4 Sources for verification

Municipality periodic plan, different sect-wise short term and long term master plan and its documents

Indicator: 21 Feasibility study

21.1 Explanation of the indicator and basement of its law/policy

As per the article 113 of the act, feasibility study of projects must be done determining the basis of selection of the projects. As per the municipality grant manual, the physical infrastructure projects that have more than 5 million cost estimates, feasibility study of such project must be done before the approval from the municipal council. Social, financial, environmental including technical, cost estimates, map, design, specification and sustainability of the project must be included in the feasibility study report.

21.2 Table for measurement

SN	Status on the feasibility study of physical infrastructure projects	Yes	No
1	Feasibility study of all physical infrastructure related projects of cost estimate more than 5 million prepared before the approval from the municipal council		
2	Feasibility study of minimum of 50 percent of physical infrastructure projects that have cost estimate more than 5 million		
3	Social, financial, environmental including technical, cost estimates, map, design, specification and sustainability of the project included in the feasibility study report.		

Note: Project cover, that project (s) completed within one year or carryover type of the projects in regards to this indicator.

21.3 Method of providing points: If there will be (v) in first and third box of "Yes", two (2) points, if there will be (v) in second and third box of "Yes", one (1) points and zero if in case there is no project having cost estimate 5 million or for otherwise.

21.4 Sources for verification

Project documents, feasibility study report, annual planning book

Indicator: 22 Procurement Management

22.1 Explanation of the indicator and basement of its law/policy

If in case procurement must be done as per law 62 of by-law (1) of financial and administrative regulation, procurement master plan in format mentioned in annex: 72 and in case procurement must be done as per law 62, by-law (5), annual procurement plan must be prepared as specified format in annex: 71 and implement after getting approval from municipality. Additionally, projects approved from the municipal council as per the sub article (1) of article 117 and sub article (2) of article 116, municipality must prepare calendar of operation to implement it. Similarly, as provisioned in the municipality grant operational manual, e-bidding system must be in operation.

22.2 Table for measurement

SN	Status on procurement plan and implementation action plan	Yes	No
1	Annual procurement plan of approved program/activities for the current FY prepared and approved by municipality before the end of Ashad (June-July)		
2	Approved procurement plan must be forwarded to ministry before the end of shrawan (July-Aug)		
3	The implementation plan/calendar of operation of all project and activities for current FY approved by municipality board in last FY.		
4	Approved calendar of operation publicize before the end of shrawan (July-Aug) in news paper		
5	E-bidding system in operation		

22.3 Method of providing points: If there will be (v) in all boxes of "Yes", four (4) points, if there will be (v) in any four boxes of "Yes" three (3) point, if there will be (v) in three including first boxes of "Yes" two (2) point and zero for otherwise.

18.4 Sources for verification

Approved annual program and budget for current FY, record of approved procurement plan that have been forwarded to ministry, annual calendar of operation for current FY and record of publicizing it, e-bidding system observation

Indicator: 23 Completions of Measurement and Settlement

23.1 Explanation of the indicator and basement of its law/policy

According to article 123 of act and law 138 of regulation and law 30 of financial and administrative regulation, after getting the information of project completed and receiving the report by the municipality, project completion must be declared before the 35 calendar day of submission of the completion report.

23.2 Table for measurement

SN	Status on measurement of project completion	Yes	No
1	Information on project completion received from the implementation institution and individual that the project have been completed to the municipality		
2	With respect to the physical infrastructure development project, after receiving the information of project completion, measurement/evaluation report from the technician received as per law 30 of financial and administrative regulation		
3	After receiving the information of project completion, 90 percent project measurement and declaration of completion done within a month of information received		
4	Decision of measurement and project completion declaration tabled in municipal council for approval		

23.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, if there will be (v) in at least three boxes of "Yes", one (1) points and zero for otherwise.

23.4 Sources for verification

Approved annual program and budget, reports submitted by the implementing agency/individual, measurement/evaluation report submitted by concern technician, decision of measurement and declaration of project completion and its approval from the municipal council

Indicator: 24 Management of Operation and Maintenance

24.1 Explanation of the indicator and basement of its law/policy

As per article 124 of Act, provision of operation and maintenance of the project differently. Based on the law 33 of financial and administrative regulation and its by-law (1) of section (KHA) provision for establishing operation and maintenance special fund have been done. Ministry of Federal Affairs and Local Development, rural road operation and maintenance guideline have been endorsed. Regular operation and maintenance of the completed projects must be done based on those law and policy.

3.2 Table for measurement

SN	Status of maintenance fund	Yes	No
1	Inventory of all completed infrastructure development projects maintained		
2	Establishment of operation and maintenance special fund		
3	At least 3 percent of the total internal income budget deposited in operation and maintenance fund		
4	Operation and maintenance of the project done after preparing program/project from operation and maintenance fund		
5	Collect the service charge from the consumer for operation and maintenance		

3.3 Method of providing points: If there will be (v) in all boxes of "Yes", four (4) points, if there is (v) in any four box of "Yes" three (3), if there is (v) in any three box of "Yes" two (2)one point,, if there is (v) in any two box of "Yes" one (1) and zero otherwise.

3.4 Sources for verification

Updated list of completed projects, decision done on the service charge, establishment of operation and maintenance fund and decisions on its utilization, inventory of operation and maintenance Inventory of

all completed physical infrastructure project, decision to collect service charge, decision on establishment of maintenance special fund and details of operation and maintenance account and , and financial details.

Indicator: 25 Transparency in project implementation

25.1 Explanation of the indicator and basement of its law/policy

Based on the by- law (2) of law 201 of financial and administrative regulation, after completion of the project and before declaration of project completion, public audit must be done as per public audit guideline 2010. Similarly, as per municipality grant operation manual project information board of all projects that have project cost more than 500 thousand must be displayed.

25.2 Table for measurement

SN	Status on transparency on project implementation	Yes	No
1	Public/ community audit of all project and activities done		
2	Public/ community audit of the project done that are implemented by users committee only		
3	The nominated municipality staff participated in the public/community audit as facilitator		
4	Project information board displayed at the project site of all projects having cost more than 500 thousand		

25.3 Method of providing points: If there will be (√) in first, third and fourth boxes of "Yes", two (2) points, if there will be (√) in third and fourth boxes of "Yes", one (1) points and zero for otherwise.

25.4 Sources for verification

Public audit report, project completion report, planning book/file, on site observation of the project

Indicator: 26 Monitoring, evaluation and reporting

26.1 Explanation of the indicator and basement of its law/policy

As per law 139 of regulation, supervision and monitoring committee must be formed for regular supervision and monitoring of the projects implemented in the municipality area. But unless the arrival of elected body supervision and monitoring committee as provisioned in the municipality grant operational manual must be activate and provision of receiving supervision and monitoring report of all

project and activities. Collect the report using the monitoring report format, regular discussion on the report on municipality board and decision must be taken. List of projects monitored must be prepared.

26.2 Table for measurement

SN	Status on monitoring and evaluation	Yes	No
1	Formation of supervision and monitoring committee and they are active		
2	Format developed and use for monitoring report format		
3	Decision done on the monitoring report after discussion in the municipality board meeting		
4	Inventory/list of monitored projects and activities maintained		

26.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, if there will be (√) in any three boxes of "Yes", one (1) points and zero for otherwise.

26.4 Sources for verification

Monitoring operational manual, decision book of supervision and monitoring, monitoring report format and submitted reports, decision book of municipality board, list of monitored project etc

Indicator: 27 Social Audits

27.1 Explanation of the indicator and basement of its law/policy

As provisioned in by-law (1) of law 201 of financial and administrative regulation and Municipality grant operational manual, social audit on the activities undertaken in one FY must be done as specified in social audit operational manual. Participation must be assured in the social audit active local level institutions and stakeholders. Within four (4) month after completion of FY, social audit must be done on the activities done in one year. Information on the social audit must be disseminated extensively to invite all mentioning date, venue and time for social audit. The report must be submitted to municipal council.

27.2 Table for measurement

SN	Status on Conducting Social Audit	Yes	No
1	Information for the participation on the social audit provided to all stakeholders mentioning date, venue and time of social audit		

2	Preliminary report of the social audit presented and discussion in that meeting		
3	Forward the final social audit final report to the ministry within one month from the date of social audit conducted		
4	Table the final social audit report in the municipality council		

27.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, if there will be (√) in any three including second box of "Yes", one (1) points and zero for otherwise.

27.4 Sources for verification

Social audit report on the activities done in last FY, municipal council meeting minute on discussion of the report

Working area group no: 4 Organization and human resource development

Indicator #	Name of Indicator	Allocated point	Total point of group	Minimum point to be received
28	Job descriptions of the staff and monthly staff meeting	2	10	4
29	Service Delivery Management	2		
30	Staff welfare fund	2		
31	Service contract	2		
32	Code of Conduct and Property Details	2		

Indicator: 28 Job descriptions of the staff and monthly staff meeting

28.1 Explanation of the indicator and basement of its law/policy

According to article 249 and its sub article (1) of the act, written job description must be prepared and provided to each staff. Monthly staff meeting must be hold to discuss on the services to be delivered by the municipality, effective service delivery and other relevant subject.

28.2 Table for measurement

SN	Status on job description and staff meeting	Yes	No
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1	Provided written job description to all staffs		
2	Provided written job description to all staff except office assistants		
3	Prepared indicators based on the job description and implement it		
4	Award at least one best performing staff after evaluation on the basis of indicator		
5	At least 6 monthly staff meeting confirming one meeting in a month hold		

28.3 Method of providing points: If there will be (v) in first, third and fifth boxes of "Yes", two (2) points, if there will be (v) in second, third, fourth and fifth boxes of "Yes", one (1) points and zero for otherwise.

28.4 Sources for verification

Detail record of providing job description to all staff working in last FY, minute of staff meeting

Indicator: 29 Service Delivery Management

27.1 Explanation of the indicator and basement of its law/policy

Article 265 of the act provided authority to manage the own activities of the local bodies. For effective service delivery, staff administration, sanitation management, infrastructure and physical structure development, internal job implementation, revenue collection and town good governance by-law/operational manual/guidelines must be approved and implemented. Citizen chartered must be displayed for the managed service delivery as per Good governance (management and execution) act 2007 and its article 25.

29.2 Table for measurement

SN	Status on website management	Yes	No
1	Displayed up dated citizen chartered to every body's eye		
2	At least three by-law/operational manual/guideline approved and implemented		
3	Implemented work process as per citizen chartered and operational manual		

29.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, if there will be (v) in first and second boxes of "Yes", one (1) points and zero for otherwise.

29.4 Sources for verification

All prevailing citizen chartered in the municipality, bylaws, guidelines, operational manuals, interaction with the service seekers

Indicator: 30 Staff welfare fund

30.1 Explanation of the indicator and basement of its law/policy

Staff welfare fund have been provisioned for the gratuity provision for local body staff under law 33 of financial and administrative regulation and law 265 of regulation. The money equivalent to one month salary of every permanent staff must be deposited in the staff welfare fund.

30.2 Table for measurement

SN	Status on staff welfare fund	Yes	No
1	Deposited money equivalent to one month salary in the staff welfare fund		
2	Municipal council approved staff welfare guideline and is utilized		

30.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, if there will be (v) in first box of "Yes", one (1) points and zero for otherwise.

30.4 Sources for verification

Details of monthly salary of all permanent staff in last FY, bank voucher on the money deposited in the staff welfare fund, staff welfare fund guideline, decision book of the municipal council

Indicator: 31 Contract service

31.1 Explanation of the indicator and basement of its law/policy

As per by law (3) of regulation 213, waste management, electricity, drinking water supply, security, sanitation, garden care, photocopy contract service must be taken. No permanent staff must be appointed for these purposes. In the contract paper both the parties must be signed. The phrase like until the other provision made must not be mentioned in the contract paper while contracting the person.

31.2 Table for measurement

SN	Provision of service contract	Yes	No
1	Decision of municipal council on the service taken in contract		
2	Temporary type/assistant staff service work in contract		
3	No temporary staff recruited for temporary type of work or work to be done by the assistant		
4	Operation of fixed asset and its maintenance type of work (sanitation of public toilet and operation, park operation, sanitation etc work) done by service contract		

31.3 Method of providing points: If there will be (√) in both boxes of "Yes", two (2) points, if there will be (√) in any three including three of "Yes", one (1) points and zero for otherwise.

31.4 Sources for verification

Decision on the service contract, contract agreement, details of staff, records and documents

Indicator: 32 Codes of Conduct and Property Details

32.1 Explanation of the indicator and basement of its law/policy

As per article 87 of act, provision for publicizing property must be done. Sub article (1), article 50 of corruption control 2006, all the officials who are taking public position must declared own property annually and the officials of the municipality also follow it. Code of conduct of the municipality board members must be prepared and publicize it. Similarly, these persons must submit own property details annually to the municipality.

32.2 Table for measurement

SN	Status on code of conduct and property details	Yes	No
1	Prepare code of conduct for municipality board members and publicize it		
2	All the municipality staff submitted their property detail within 60 months of start of last FY		
3	All the municipality board members submitted their property detail within 60 months of start of last FY		

32.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, if there will be (√) in any two boxes of "Yes", one (1) points and zero for otherwise.

32.4 Sources for verification

Code of conduct of all municipality board members, as per the corruption control act 2006, all the officials and municipality staff submitted their property detail within 60 months of start of last FY.

Working area group no: 5 Working Area Group No: 5 Management of Urban Basic

Services

Indicator #	Name of Indicator	Allocated point	Total point of group	Minimum point to be received
33	Sanitation and Waste Management	4	22	9
34	Environment management	4		
35	Vehicle Parking Management	2		
36	Regularization and management of meat shops	2		
37	Promotion of public health	2		
38	Disaster Risk management and emergency services	4		
39	Vital registration management	2		
40	Implementation of national building conduct and building construction	2		

Indicator: 33 Sanitation and waste management

33.1 Explanation of the indicator and basement of its law/policy

As per sub section (6) and (7) of section (GA) of sub article (1) of the act, under the role, responsibility and authority of the municipality, it is mentioned to undertake sanitation activities and collection of waste/garbage, transportation and management. Sanitation and waste management must be undertaken effectively and efficiently.

33.2 Table for measurement

SN	Status on sanitation and water management	Yes	No

1	Included water management related activities in the annual program		
2	Differentiate the organic and inorganic waste at the source and implement such activities at least in 25 percent wards of the municipality		
3	Collect the differentiated waste differently		
4	Mobilize private/community sector for waste management		
5	Manage the dumping site to dispose the waste		
7	Activity undertaken for reuse of the waste		
8	Awareness activities undertaken on the waste management		

33.3 Method of providing points: If there will be (√) in all boxes of "Yes", four (4) points, if there will be (√) in any six boxes of "Yes", three (3) points, if there will be (√) in any five boxes of "Yes", two (2) points and zero for otherwise.

33.4 Sources for verification

Annual program and network for waste management, contract with the private/community organization, data published by the municipality, onsite observation

Indicator: 34 Environment Management

34.1 Explanation of the indicator and basement of its law/policy

Municipality must manage entertainment spot, play ground, museum (*Sangrahalaya*), zoo, park despite of environment protection related activities as specified in the section (GA) of sub section (1) and section (JA) of sub section (2) of article 96 of act. Similarly sub section (1) of section (YAN) of sub article (1) of article 96 of the same act, plantation must be done in both side of the roads to promote the greenery and support for environment protection.

As per the environment protection act, 1996 (2053 BS) and same regulation 1997 different provisions have been done for the management of environment and the environment management guideline 2004 (2061 BS) have been endorsed. In addition to this, the circulations done by the ministry on environmental social protection guideline must also be acknowledged.

34.2 Table for measurement

SN	Status on environment management	Yes	No
1	Initial Environment Evaluation (IEE)/ Environmental Impact Assessment done wherever it is apply		
2	Greenery maintained in the municipality area with the tree plantation (trees must be planted in at least 10 percent of the total roads area and protect the environment)		
3	Formulate and implement the environment protection plan		
4	Formulate the mitigation activities to reduce the climate change impact and implement it.		
5	Establish separate environment section/unit, nominate the focal person and provide job description		
6	Establish environment protection special fund and disburse budget in it.		

34.3 Method of providing points: If there will be (v) in five boxes including first and second of "Yes", four (4) points, if there will be (v) in four including first and second box of "Yes", three (3) points, if there will be (v) in three including second box of "Yes", two (2) points and zero for otherwise.

34.4 Sources for verification

Annual program and budget, reports of Initial Environment Evaluation (IEE) and Environmental Impact Assessment (EIA), observation of the roads, environment management plan in infrastructure related projects, job description for the staff, details of the environment protection especial fund.

Indicator: 35 Vehicle parking management

35.1 Explanation of the indicator and basement of its law/policy

In the section (CHA) of sub article (1) of article 96 of the act, role, responsibility and authority of the municipality and sub section (2) related to construction and transportation, bus park, rixhaw, *tanga* , truck parking management in the municipality area have been provisioned. Number of The vehicle in the municipal area has been increased tremendously. Parking management in the municipality area must be done.

35.2 Table for measurement

SN	Status on vehicle parking management in the municipality area	Yes	No
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1	Management of vehicle parking in the municipality area done		
2	Manage water, electricity and toilets in the bus park		
3	Bus parking done in the bus park		

35.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, if there will be (√) in any two boxes of "Yes", one (1) points and zero for otherwise.

35.4 Sources for verification

Decision on the management of vehicle parking/ Bus Park, onsite observation in the parking area

Indicator: 36 Regulation of meat shop and management

36.1 Explanation of the indicator and basement of its law/policy

Sub section 2 and 14 of section (YAN) of by-law (1) of article 96 of act, animal slaughter house establishment spot and management and sub section (5) and (6) of sub article (1) of article 96 of the act, sales of consumption goods and harmful substances that have negative effect in the public health of municipality area must be control or displace.

Regulation and management of slaughter house must be done in coordination with concern livestock service office, consumer right protection forum, meat businessman and animal health related institutions, since these issues are directly related to public health and meat test act.

36.2 Table for measurement

SN	Status on the meat shop regulation and management	Yes	No
1	Register the meat shop and maintain its record		
2	Fixed the minimum criteria on the operation of meat shop		
3	Regular monitoring of the meat shop done in close coordination with District Livestock Service Office, Federation of Nepalese Chamber of Commerce and Industry, consumer right protection forum		
4	Monitoring report submitted to municipality		
5	Decisions done on the monitoring report in municipality board		

36.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, if there will be (v) in any three boxes of "Yes", one (1) points and zero for otherwise.

36.4 Sources for verification

Decision on the management on the meat shop/slaughter house, monitoring and supervision report and records of the action taken and observation of the meat shop.

Indicator: 37 Promotion of the public health

37.1 Explanation of the indicator and basement of its law/policy

As mentioned in the section (CHA) of bylaw (1) of article 96 of the act, health services of the municipality have been made. In addition to national program municipality must implement sanitation and health related activities, control on sales and consumption of substances that will have negative impact in the public health and control of black market.

37.2 Table for measurement

SN	Status of public health promotion activities	Yes	No
1	In addition to national program, program for the promotion of public health related activities approved by the municipal council and implement it		
2	Toilet promotion and open defecation free program conducted at least in 25 percent wards		
3	Monitoring of the shops that sale consumer goods in close coordination with concern government agencies, consumer right protection forum and federation of chamber of commerce and industry		
4	Discuss on the monitoring report in the regular municipality board meeting and action undertaken for those who do mal practice		

37.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (2) points, If there will be (v) in any two boxes of "Yes", one (1) points and zero for otherwise.

37.4 Sources for verification

Annual program and budget, annual progress report of last FY etc

Indicator: 38 Emergency service and disaster risk management

38.1 Explanation of the indicator and basement of its law/policy

Organization development study must be done or the organizational structure must be updated in In sub section 7 and 19 of miscellaneous of section (YAN) of sub article (1) of article 96 of the act, control of disaster and fire breeder operation has been mention. Disaster Risk Management and emergency activities must be conducted in the municipality area. The Disaster Risk Management Plan to reduce the losses due to disaster like earthquake, land slide, fold, fire and epidemics control and management, reduction in the loss and rescue during the disaster and resettlement activities and emergency service must be conducted in close coordination with concern stakeholder and community.

38.2 Table for measurement

SN	status on the emergency services and disaster management	Yes	No
1	Areas of disaster, status of the risk, risk reduction measures and institutional arrangement done and Disaster Risk Management Plan prepared and approved by the municipal council		
2	Disaster deduction activities implemented based on the Periodic Disaster Risk Management Plan		
3	Operation of fire breeder		
4	Establish disaster risk management fund and disburse budget on it		

38.3 Method of providing points: If there will be (√) in all boxes of "Yes", four (4) points, if there will be (√) in any three boxes of "Yes", three (3) points, if there will be (√) in any two boxes of "Yes", two (2) points and zero for otherwise.

38.4 Sources for verification

Disaster Reduction Management Plan and annual disaster management activities, record of disaster reduction fund and record of services provided in last FY

Indicator: 39 Vital Registration and its Inventory Management

36.1 Explanation of the indicator and basement of its law/policy

Sub section (9) of section (YAN) of sub article (1) of article 96 of act, and prevailing laws provisioned to function like birth, death and other personal information (vital registration) have been under the scope

of municipality. According to the vital registration act 1976 (2033 Bs), personal information like birth, death marriage, divorce and migration must be registered and provide certificate and update the record on monthly and annual basis and forward to DDC.

39.2 Table for measurement

SN	Status on vital registration Management	Yes	No
1	Record of all five vital registration entities register and updated		
2	Information forms for all five entities/subject provided		
3	Forwarded vital registration report to DDC before Baisakh (April-May)		
4	Prepare annual details of the vital registration and publicize before the end of Ashar (June-July)		

39.3 Method of providing points: If there will be (v) in all boxes of "Yes", two (3) points, If there will be (v) in any three boxes of "Yes", two (2) points and zero for otherwise.

39.4 Sources for verification

Records of vital registration, information formats, observation on the vital registration section, monthly and annual report, publicized annual record of last FY.

Indicator: 40 Implementation of national building conduct (*Samhita*) and building construction

40.1 Explanation of the indicator and basement of its law/policy

As per building act 1995, article 10, 11 and 12, the individual or an institution who wanted to construct building in municipality area must take approval of building design as per national building conduct and criteria. During getting the approval structural design must be submitted as per annex: 1 of building regulation 2009. On site supervision and monitoring must be done, if any mal practice done during monitoring, action must be taken. Based on the process mentioned in article 149 to 164 of chapter 9, building construction in the municipality area as provisioned in article 155 and 156 must be implemented. The building must be disabled friendly. Public awareness activities to reduce the earthquake risk reduction must be conducted.

40.2 Table for measurement

SN	Status on national conduct implementation	Yes	No
1	Collect application form as per structural design mentioned in annex: 1 of building regulation 2009 while taking license of building construction		
2	On site supervision and monitoring of the building construction done in the municipality area to assure that the building construction is done as per building conduct 2009 and action taken against any mal practice done.		
3	Management of approving the building design as per national building conduct		
4	Approval of the government/ public building assuring that it is disable friendly		
5	Public awareness raising activities and orientation program undertaken on earthquake proof building in order to reduce the earthquake risk and preparedness		

40.3 Method of providing points: If there will be (√) in all boxes of "Yes", two (2) points, If there will be (√) in any three boxes of "Yes", one (1) points and zero for otherwise.

40.4 Sources for verification

Approved building construction and building design approval criteria, national building conduct 2009 implementation manual

Chapter IV

Quality Assurance Assessment

Quality assurance audit is done to increase the level of confidence and truthfulness on the Minimum Conditions and Performance Measures that directly affect the capital grant provided by the Government of Nepal to the Municipality. Following are the objectives of this audit:

- Make effective and reliability of MCPM process
- Make real and quality MCPM report
- Increase professional accountability of the evaluators
- Provide feed-back for improvement in the measurement process

4.2 Selection of the Municipality for quality assurance audit

Using the appropriate methods as specified by the secretariat 10 percent Municipality shall be selected. Prime basis for Municipality selection shall be MCPM preliminary report.

4.3 Audit team and methods

As mentioned in this operational manual, audit team will be formed for quality assurance of MCPM. But no evaluator must be selected from among the evaluator who was involved in MCPM study of the same FY for quality assurance. The institution that did MCPM measurement for the same FY and Municipality could not be eligible to do quality assurance study of the same district. Method of quality assurance study shall be as specified by the secretariat. The selected evaluator team must submit the report after completing assessment in specified format designed by the secretariat.

4.4 Result of the quality assurance audit

In case, quality assurance audit report identify and proof that the MCPM evaluator who report by twisting the information, wrong interpretation of the information or altering the result due to negligence or falling on the influence, remaining payment of such evaluators will be withheld and keep them in black list. However, before taking any action, concern evaluators is allowed time for their clarification on it.

Chapter V

Evaluation and implementation

5.1 Management of Minimum Conditions and Performance measures

MCPM shall be done by secretariat of local body fiscal commission as provisioned in the law 273 (GHA) of guideline. Additional capital budget to be granted by Government of Nepal to the Municipality is determined based on the result of MCPM study. Secretariat provides sufficient information to concern Municipality before the initiation of MCPM study.

5.2 Pre planning before conducting MCPM

Secretariat shall select the institution and evaluators to undertake MCPM study using transparent method and process. Training on evaluation method, system and indicators will be provided to selected evaluation team. Secretariat shall depute facilitator to facilitate the MCPM study as per requirement.

Concern Municipality will be informed on the tentative date of arrival of evaluation team by the secretariat well in advance. Before finalizing the report submitted by the evaluation team, the report submitted by the evaluation team shall be forwarded to concern Municipality for their comment. After receiving the comments from the concern Municipality, report will be finalized. The final result of the MCPM will be publicizing.

5.3 Supervision and Management of Minimum Condition and Performance Measure Implementation

5.3.1 Provision of supervision and management committee

Supervision and management committee for the analysis of MCPM measurement will be formed as follow. The committee will supervise, facilitate and take necessary action for solving the problems arise during study and function for smooth operation of MCPM study.

Supervision and management committee

- | | |
|--|-------------|
| a) Secretary- Ministry of Federal Affairs and Local Development (MOFALD) | Chairperson |
| b) Joint Secretaries (all divisions)- MOFALD | Member |
| c) Member Secretary, Local Bodies Fiscal Commission | Member |
| d) Director General- Infrastructure and Agriculture Road (DoLIDAR) | Member |

e) Joint Secretary (deputed to oversee local development), NPC secretariat	Member
f) Joint Secretary (deputed to oversee program and budget)- Ministry of Finance	Member
g) Representative Municipal Association of Nepal (MuAN)	Member
h) National Program Manager- LGCDP (until LGCDP in operation)	Member
i) Under Secretary, Secretariat of Local Bodies Fiscal Commission	Member

The committee shall invite the representatives of donor agencies, concern government and non government agencies during the course of its operation

5.3.1.1 Role, Responsibility and Rights of Supervision and Management Committee

Following functions of supervision and management will be done by this committee:

- (1) Provide necessary directives to the secretariat to undertake MCPM study
- (2) Undertake and ask to undertake supervision and monitoring of the MCPM study
- (3) Provision of required mechanism to undertake quality assurance of MCPM study
- (4) Implement or ask to implement the MCPM study effectively and efficiently
- (5) Approve the MCPM result paying due consideration on the quality assurance study

5.3.2 Facilitation and management sub-committee

To assist the supervision and management committee and support secretariat for the management of MCPM measurement following facilitation and management sub-committee will be formed:

a) Member secretary- Local Bodies Fiscal Commission	Coordinator
b) Under-Secretary, Municipal Management Section, Ministry of Federal Affairs and Local Development (MoFALD)	Member
c) Under-Secretary, Municipal Planning Section/MoFALD,	Member
d) National Program Director, Local Governance and Community Development Program (LGCDP)	Member
e) Under-Secretary, Local Bodies Fiscal Commission	Member
f) Under-Secretary, MoFALD, Financial Administrative section	Member
g) Under-secretary, MoFALD, Act, Law consultation section	Member
h) Section Officer- Local Bodies Fiscal Commission	Member secretary

Note: Representatives from the concern donor agency shall be invited in the sub-committee meeting

5.4 Evaluation team

Individuals who have following qualification and experience as specified in the table underneath will be assigned for the evaluation. The team will undertake the MCPM study independently and submit the report to LBFC. Team formation will be as follows:

SN	Qualified individual	Nos	Study area	Qualification	Remarks
1	Evaluator (Local Governance)	1	Decentralization, planning, monitoring and evaluation, institutional development, good governance, planning process, local development and local good governance	At least five years of experience after having masters degree	Based on the work experience one person shall be team leader and other shall be a member among the two individual
2	Evaluator (Financial Management)	1	Income-expenditure analysis, budget management, commodity good management, resource mobilization and management	Masters degree in related subject and at least five years experience in related field	

5.5 Method of Evaluation

The evaluation team must inform before they reach to the concern Municipality. After reaching to the district, the team must organize orientation program inviting concern staff, political parties and other stakeholders in the district. Clear information must be given on the indicators, definition and explanation of the indicators, effects of evaluation in the future, required information and the time line for getting the information will be delivered in the orientation.

Certified documents of the information and facts must be collected from the concern section as per the MCPM indicators. Field verification visit or consultation/discussion with concern stakeholders must be

done as per requirement to have better insight on the indicator. Conditions of different sections under the organization structure of the Municipality, project-wise public hearing in the field, display of project information board in the project site must be observed.

If in case the facts and specified documents are cannot proved it is assumed that minimum condition is not meet. Similarly, in case of performance measures, specified point must be given. Departmental action on the basis of prevailing law will be taken the person who prepared/submit/certify the documents during the course of MCPM study.

5.6 Provision of Hearing on the Assessment Result

The evaluator shall be submitted MCPM study report Local Body Fiscal Commission (LBFC). LBFC will review the report and provide comments/suggestion (if any) to the evaluation team. After incorporating the comments/suggestion from the LBFC, the evaluation team will prepared final report and submitted to LBFC. This report will be forwarded to concern Municipality for their review and comments. In case the Municipality is not convinced with the report of evaluation team, Municipality shall appeal to secretariat within 15 days of report received with support documents of the truth. The appeal will duly hear by the secretary in Ministry of Federal Affaire and Local Development shall review and final decision shall be done as follows:

- Examine the facts and figures submitted
- Ask additional information from the institution that conduced MCPM and the evaluation team member.
- If the additional means of verification is seems not sufficient, evaluation will be done from the next team.
- Thus the final decision on the appeal will stands on appeal hearing officer

No appeal will be hear without any proof. Departmental action shall be taken against the Municipality staffs if appeal is done producing fault information.

If the appeal done by the Municipality found correct, secretariat will bear the cost for re-evaluation. But if the appeal is not found correct, the cost occurred for the re-evaluation shall be charged to concern Municipality. If in case, the Municipality will not forward the charged amount; it will be taken after

deducting from the grant allocated by ministry to Municipality or other sources. If any serious fault observed on the evaluation done earlier, the list of such evaluator will be prepared and they will be ineligible for this evaluation in the times to come.

Note: The secretariat shall amend the evaluation team, method of evaluation and appeal hearing provision.

Chapter VI

Role of Central Level Agencies of Government of Nepal

It is not possible to apply the indicators as per MCPM operational manual with single efforts. It will be easy to fulfill the indicators as mentioned in this manual, if the central level agencies will perform the jobs related to local bodies in time. Effective and meaningful implementation of this manual will be assured only when the other agencies will bear following roles:

National Planning Commission

1. As per article 195 of Local Self Governance Act, budget ceiling and directives must be forwarded before the end of Kartik (Nov-Dec)
2. Approve and forward the annual program to be implemented at the grass root level in time.
3. Discourage the practice of approval and ask to implement the activities to the local bodies (that are not included in the annual program budget) at the middle or end of the FY.

Line Ministries

1. The directives on the planning under the own sectors/discipline must be forwarded before the end of Kartik (Nov-Dec).
2. Disburse the budget under revenue distribution as specified by the prevailing act, law, bylaw and manual in specified time by concern department and ministry.
3. Discourage the practice of approval and ask to implement the activities to the local bodies (that are not included in the annual program budget) at the middle or end of the FY.
4. Prepare Municipality capacity development plan and program for the effective implementation of activities related to own ministry.

Ministry of Finance

1. The directives on the planning under the own sectors/discipline must be forwarded before the end of Kartik (Nov-Dec).
2. Budget disbursement and authority of expenditure forward in time
3. Discourage the practice of approval and ask to implement the activities to the local bodies (that are not included in the annual program budget) at the middle or end of the FY.

4. Disburse the budget to the concern ministry that must be forwarded to local bodies under the revenue distribution to the local bodies so that the ministries shall forward it in time.

Ministry of General Administration

1. No transfer must be done at the middle of the fiscal year going beyond the civil servant act and law that adversely affects the activities of local bodies.
2. Unless there is any special situation occurs, if the request for transfer comes, never agree on the transfer at the middle of the fiscal year going beyond the civil servant act and law that adversely affects the activities of local bodies.

Ministry of Federal Affairs and Local Development

1. The directives on the planning under the own sectors/discipline must be forwarded before the end of Kartik (Nov-Dec).
2. Forward the directives that is to be done of own behalf
3. Discourage the practice of approval and ask to implement the activities to the local bodies (that are not included in the annual program budget) at the middle or end of the FY.
4. No staff transfer of staff going beyond the civil servant act and law that will adversely affect the work of local bodies
5. The human resource management related works like staff transfer, deputation, performance evaluation, reward, study tour or training must be integrated with MCPM measurement result.
6. Gradually consolidate the conditional grant budget with the result of MCPM measurement.
7. Forward the manual, operational guideline and directives before the inception of FY
8. Develop capacity development program for Municipality and implement effectively

Chapter VII

Code of Conduct

1. Code of Conduct to be followed by evaluators

The selected institutions and evaluators must follow following code of conduct

- a) Participate in the orientation program that is conducted by the secretariat
- b) No any hospitality must be accepted from the Municipality and not financial burden must be given to the Municipality during the evaluation
- c) Both the evaluators must visit together to the Municipality to conduct the evaluation in specified time
- d) No Municipality vehicle must be used unless it requires to for field visit during the course of evaluation
- e) No any undue advantage taken by influencing or pressurizing them while conducting the evaluation
- f) After completing the field visit, the experiences and learning during the evaluation shall be discussed with the stakeholders but no result of MCPM measurement shall be flash out.
- g) No evaluation done in the way that affect on the service delivery of the Municipality
- h) Evaluator must undertake evaluation job under their respective domain of professionalism but write the report together
- i) Leave the district after taking certified letter entitled "Evaluation work completed". No additional document must be asked from the Municipality after back from the working area.

2. Code of conduct to be bear by the Municipality

- a) Manage the evaluation that will not incurred financial burden to the Municipality
- b) No payment done against the lodge and food of the evaluators
- c) No vehicle offer to the evaluator unless it requires for field visit to undertake evaluation
- d) No influence done or exert the pressure to the evaluators for evaluation
- e) Assist the evaluators by providing the evidence document, facts, proves as requested by the evaluator
- f) No fault documents must be prepared with the objective of influencing the evaluation
- g) No any additional job (consultancies etc) must be offered to the evaluator before or after the evaluation with the objective of influencing the evaluation
- h) No any efforts must be done to receive the evaluation result as it will be publicized by the secretariat

i) Forward the letter after the completion of evaluation of same subject to secretariat of local body fiscal commission

Chapter VIII

Grant distribution based on MCPM result

- | | |
|---|-------------------------------|
| 1. Municipality that fails to fulfill the minimum conditions: | Cut down entire capital grant |
| 2. Municipality that fulfill the minimum condition but could not
Secure minimum points as specified | 20 percent deduction in grant |
| 3. Municipality that fulfill the minimum condition and fall in top three
from the list of securing highest point | 20 percent addition in grant |
| Distribution of the capital budget for the remaining Municipality will
be done as follows: | |
| • From among the list next 25 percent higher score Municipality | 15 percent addition in grant |
| • Next top scoring 25 percent Municipality from the list | 10 percent addition in grant |
| • Next top scoring 25 percent Municipality from the list | 10 percent deduction grant |
| • Remaining 25 percent Municipality who are at the bottom of the list | 15 percent deduction grant |