

**Federation, Province and Local Level (Coordination and Inter-relation)  
Act, 2020 (2077)**

Date of Authentication  
2020-07-28 (2077-04-13)

**Act No. 11 of the Year 2020/2021**

An Act to Provide Coordination and Inter-government Relations Between Federation,  
Province and Local Level

Preamble: Whereas, it is expedient to manage the inter-relations between the Federation, Province and Local Level that exercise the state powers under the Constitution of Nepal on the basis of cooperation, co-existence, coordination and mutual cooperation, in order for strengthening the multiparty competitive federal democratic republican system of governance based on pluralism that is adopted by the state.

Now, therefore, the Federal Parliament enacted as follows:

**Chapter-1**

**Preliminary**

1. **Short Title and Commencement:** (1) This Act shall be called "Federation, Province and Local Level (Coordination and Inter-relations) Act, 2020 (2077)".  
(2) This Act shall come into force immediately.
2. **Definition:** Unless the subject or the context otherwise requires, in this Act:-
  - (a) "Inter-provincial Council" means the Inter-provincial Council as referred to in Article 234 of the Constitution.
  - (b) "Council" means the National Coordination Council as referred to in Section 16.
  - (c) "Province" means the Province constituted in accordance with the Constitution.
  - (d) "Provincial Coordination Council" means the Provincial Coordination Council as referred to in Section 24.

- (e) "Thematic Committee" means the thematic committee as referred to in Section 22.
- (f) "Constitution" means the Constitution of Nepal.
- (g) "Local Level" means the Rural Municipality or Municipality.

## Chapter-2

### **Foundation of Inter-relations Between the Federation, Province and Local Level**

#### 3. **Foundation of Inter-relation Between Federation, Province and Local Level:** (1)

The foundation of inter-relations between the Federation, Province and Local Level shall, in addition to the provisions of Constitution, be as follows:

- (a) Fundamental matters of national interest,
- (b) Preservation of national pride and unity,
- (c) Compliance and implementation of the Directive Principles, Policies and Obligations of the state,
- (d) Enforcement of Fundamental Rights,
- (e) Contribution to respect and implementation of National Policies,
- (f) Comprehensiveness and harmony of constitutional provisions,
- (g) Building of a socialism-oriented economy based on democratic values and norms,
- (h) Respect for the existence and functional autonomy of another level while exercising powers in the matters of common interest and concern, subject to the Constitution,
- (i) Equal treatment and security among Nepali citizens,
- (j) Mutual coordination, consultation, cooperation and exchange of information in enforcement of law, policy and judicial or administrative decisions,
- (k) Conservation of natural and physical resources,
- (l) Sustainable management of natural, physical and fiscal resources and rational distribution of benefits,
- (m) Prevention of corruption and promotion of good governance,
- (n) Mutual cooperation and collaboration,

- (o) Adoption of proportional, inclusive and participatory governance system,
- (p) Effectiveness of services to be delivered to the citizens,
- (q) Mutual cooperation and coordination in the expansion of trade, transportation of goods and services,
- (r) Other matters as provided for in the prevailing law on maintaining coordination and inter-relations between Federal, Province and Local Level.

(2) The Province and Local Level shall, while enacting laws on the matters of their respective powers, pay attention to the matters as referred to in sub-section (1) as well.

### Chapter-3

#### **Formulation of Law, Policy and Plans**

4. **Matters to be Considered While Framing Law or Policy:** (1) The Federation shall, in addition to other provisions of the Constitution and this Act, consider the following matters while formulating law or policy on the matters of its exclusive and concurrent powers:

- (a) Not to encroach upon exclusive powers of Province and Local Level,
- (b) To be appropriate to implement certain matters by Province and Local Level from the point of view of the cost, sustainability or effectiveness of service delivery,
- (c) To maintain the role of Federation, Province and Local Level in the implementation of any matter avoiding duplication therefore.

(2) The Province shall, while framing law or policy on the matters of its exclusive or concurrent powers, in addition to other provisions of the Constitution and this Act, consider the following matters:

- (a) Not to encroach upon the exclusive powers of Federation and Local Level,
- (b) Not to become inconsistent with federal law,
- (c) To be consistent with national policy or priorities and to be helpful for their implementation,

- (d) To be appropriate to implement certain matters by Local Level, from the point of view of cost, sustainability or effectiveness of service delivery,
- (e) To maintain role of Local Level as far as possible, avoiding duplication in implementation of any matter.

(3) The local level, shall while framing law or policy on the matters of its exclusive or concurrent powers, in addition to other provisions of the Constitution and this Act, consider the following matters:

- (a) Not to encroach upon the exclusive powers of Federation and Province,
- (b) No to become inconsistent with federal and provincial laws,
- (c) To be consistent with national policy or priorities and to be helpful in their implementation,
- (d) To be consistent with provincial policy or priority and to be helpful in their implementation,
- (e) Not to be duplication in implementation of any matters.

(4) Notwithstanding anything contained in sub-sections (2) and (3), Province or Local Level shall not enact laws:

- (a) Prohibiting the exercise of fundamental rights, Constitutional rights or rights provided for in the federal laws, or restricting such rights,
- (b) Restricting any act permitted to perform by the federal law or permitting any act restricted to perform by the federal law.

5. **Execution of Exclusive Powers:** (1) Federation, Province and Local Level shall enact necessary law on the matters of respective powers and implement such powers.

(2) The Province or Local Level, as the case may be, in enacting laws or implementing thereof pursuant to sub-section (1), it shall enact or implement laws on such matter, subject to the conditions or standards, if any, to be complied under the Constitution and shall enact or implement the laws subject to the policy, if any, to be framed by the Federation as provided for in the Constitution or federal laws enacted under such a policy.

(3) While implementing or enacting on any matter that is included in the exclusive powers from among the powers of the Federation, Province or Local Level,

the Province shall enact or implement in such way so that it shall not be contrary to the federal law, and the Local Level shall enact or implement in such way so that it shall not be contrary to the federal and provincial law.

(4) In case where a federal law is not enacted on the matters included Schedule-9 to the Constitution, the Province may, and where a federal or provincial law is not enacted on such matters, the Local Level may enact or implement such matters subject to the Constitution and this Act.

6. **Execution of Concurrent Powers:** (1) The Federation shall, while implementing or enacting the laws on the matters of concurrent powers, provide as follows:

- (a) Determination of an offence and punishment, construction of infrastructure of national level or national importance or expanded from more than one Province and determination and regulation of quality standards to be applicable equally in all Provinces shall be in accordance with the federal law,
- (b) Following matters shall be in accordance with the provincial law:
  - (1) Construction and operation of infrastructures of provincial level like roads, electricity, drinking water supply and irrigation,
  - (2) Promotion of public awareness on the matters like education, health and environment,
  - (3) Employment promotion, entrepreneurship development, social security,
  - (4) Service delivery at provincial level,
  - (5) Province level regulation of public health, consumer's interest, quality standard in public service delivery.
- (c) Service delivery and public health at local level, consumer's interest, regulation of quality standard in public service to be delivered at local level and public awareness shall be in accordance with local laws.

(2) The Province shall in implementing or enacting laws on the matters included in the concurrent powers of the Federation and Province, it shall implement the matters related thereto or enact laws on such matters in consistent with federal law.

(3) Notwithstanding anything continued in sub-section (2), the Province may enact on, or implement such matters where a federal law is not enacted on such matters.

(4) The Province may in case a federal law is not enacted on the matters included in Schedule-9 to the Constitution and the Local Level may, in case a federal law or provincial law is not enacted on such matters, enact necessary law on or execute such matters subject to the Constitution and this Act.

7. **Matters to be Governed by the Federal Laws:** (1) The following matters shall be governed by the federal laws:

- (a) Matters included in the exclusive powers list of the Federation,
- (b) Matters to be governed by the policy or standard to be framed by the Federation,
- (c) Matters defining any act as criminal offense and providing punishment therefor,
- (d) Matters relating to establishment of a specialized court, judicial body or tribunal or alteration of jurisdiction of such a court, judicial body or tribunal, as the case may be,
- (e) Matters concerning residuary powers.

(2) Notwithstanding anything contained in clause (c) of sub-section (1), in case a matter to be operated and administered by the province or local level, a provision may be made on administrative punishment and fine in accordance with the law:

8. **May be Executed by the Province or Local Level:** (1) The Federation may, in enacting laws on the matters of its exclusive powers or residuary powers, make a provision whereby the Province or Local Level or anybody or authority of the Province or Local Level, as the case may be, perform any acts under such matters or powers.

(2) The Federation may, in enacting laws on the matters of exclusive or concurrent powers or matters of residuary powers, make a provision whereby the matters executable under such a law are deemed to be appropriate to execute by the Province or Local Level, as the case may be, from the point of view of cost, sustainability and effectiveness of service delivery.

(3) The Province may, in enacting laws on the matter of exclusive or concurrent powers, make a provision whereby the matters executable under such a law are deemed

to be appropriate to execute by the Local Level from the point of view of cost, sustainability and effectiveness of service delivery.

(4) Two or more than two Provinces may, by enacting laws execute any infrastructure construction or any other project or operate it jointly related to any matters fallen under the exclusive or concurrent powers of the Province.

(5) Two or more Local Levels may, by enacting law execute any infrastructure construction or any other project or operate it jointly related to the matters fallen under the exclusive or concurrent powers of the Local Level.

9. **Investigation of an Offense and Institution of a Case:** (1) Investigation of a criminal offense to be investigated by the Provincial Police or anybody or authority of provincial level under the federal law, shall be carried out by the said body or authority.

(2) The case investigated pursuant to sub-section (1) where Government of Nepal is a plaintiff, the Attorney General or a government attorney designated by him or her or by an authority designated by the federal law shall institute a case in the name of the Government of Nepal before the authority adjudicating the case.

10. **Provisions for an Appeal in the District Court:** The Province or Local Level may, in enacting laws, make a provision for an appeal against the decision of administrative punishment and fine under such law shall be filed in the concerned district court.

11. **Coordination and Consultation to be Held:** (1) The Government of Nepal shall coordinate and consult with the provincial government on the following matters:

- (a) While enacting law and formulating policies on matters of concurrent powers referred to Schedule-7 of the Constitution,
- (b) While enacting laws and formulating policies on matters referred to in Schedule-6, at the request of two or more than two provinces,
- (c) While implementing large projects of national importance, inter-provincial level projects or programmes,
- (d) While developing national plans and policies that are to be abided and implemented by the Province as well,

- (e) While operating inter-province national roads, power transmission line and inter-provincial irrigation or operating projects of similar nature,
- (f) While concluding a treaty or an agreement on matter that is fallen in the list of powers of the Province,
- (g) Any other matter deemed appropriate by the Government of Nepal.

(2) The Government of Nepal shall, as per necessity, coordinate and consult with the Local Level on following matters:

- (a) While formulating national plan and policies that are to be abided and implemented by the Local Level as well,
- (b) Any other matter as deemed appropriate by the Government of Nepal.

(3) The Government of Nepal shall, as per necessity, coordinate and consult with the Province and Local Level on the following matters:

- (a) In enacting laws and formulating policies on matters of concurrent powers referred to in Schedule-9 of the Constitution,
- (b) On policy matters in course of revenue sharing and introduction of a new tax system,
- (c) On sharing of natural resources and their benefits.

(4) The Government of Nepal shall, in addition to the matters referred to in sub-section (1), as per necessity consult with and coordinate the Provincial Government while enacting laws on other matters that are concerned with the Provincial Government and on matters of residuary powers under Article 58 of the Constitution.

(5) The Province shall, while enacting laws and formulating polices on matters referred to in the list of concurrent powers as specified in Schedules-7 and 9 of the Constitution coordinate and consult with the thematic ministry or body of the Government of Nepal.

(6) The Local Level shall, while enacting laws and formulating policies on matters referred to in the list of concurrent powers as specified in Schedule-9 of the Constitution, coordinate and consult with the thematic ministry of the Government of Nepal and also with the thematic ministry or body of the concerned Provincial Government.

(7) The Province shall, while enacting laws and formulating policies on matters referred to in the list of concurrent powers as specified in Schedule-9 of the Constitution, coordinate and consult with the Local Levels within the Province.

(8) In case an opinion is not provided while seeking consultation in relation to any business under this Section, it shall not be deemed to have been obstructed to move ahead with the business or to have been adversely affected the validity of any activity merely for the reason that being it carried out without the said consultation.

12. **Publication and Archive of Laws:** (1) The Act, Rules and Formation Order enacted by the Federation shall be published in the Nepal Gazette.

(2) The Act, Rules and Formation Order enacted by the Province shall be published in the Provincial Gazette.

(3) The Act, Rules and enacted by the Local Level shall be published in the Local Gazette.

(4) The policy, directive and procedures framed by the Province and Local Level shall be made public by publishing it.

(5) The authenticated copy of the Act and Rules enacted by the Province and Local Level shall be kept safely having recorded it by the concerned Level.

(6) The concerned Province and Local Level shall have to forward a certified copy of the Act, Rules and Formation Order referred to in sub-sections (2) and (3), to the Ministry of Law, Justice and Parliamentary Affairs of the Government of Nepal.

(7) A copy of the Act, Rules and other laws enacted by the Local Level shall also be forwarded to the concerned Provincial Government.

(8) The Government of Nepal shall make necessary arrangements to maintain an integrated record of the public documents adopted by the Federation, Province and Local Level under the Constitution and prevalent law.

(9) Provincial Government and Local Levels shall kept their official notices published in Provincial Gazette and Local Gazettes, as the case may, as it is form in

their website and arrangement shall be made to store safely electronic copies of such Gazettes with necessary security protocol.

13. **Project Design and Execution:** (1) The Federation shall design the projects of national level or national importance, projects execution of which expand in more than one Province and projects with complicated technical capacity or that needs large scale of investment and while designing such projects, members of the Federal Parliament shall have an advisory role.

(2) The Province shall design the projects that are fallen under Province and are executed at Province Level and while designing such projects, members of the Provincial Assembly shall have an advisory role.

(3) The Local Level shall design the projects that are fallen under local level and are implemented at local level.

(4) The Province and Local Level shall, as the case may be, in designing projects, provisioning budget and implementing them under this section, it shall be done on the basis of the standards as fixed by the federal law.

(5) The Federation may, in designing the projects under sub-section (1), design projects which can be executed through Province or Local Level and Province or Local Level shall have implement such projects.

(6) Thematic Committee shall arrange necessary coordination among projects related bodies for the projects that are to be designed by Federation, Province and Local Level.

14. **Support to be Extended:** (1) The Government of Nepal may, in case of a request from Province and Local Level in formulation of law, policy and plans on the matters fallen under the exclusive list of powers and business responsibilities of the Province and Local Level, as the case may be, provide the necessary support therefor.

(2) The Provincial Government may, in case of request from the Local Level in formulation of law, policy and plans on matters fallen under the exclusive list of powers and business responsibilities of the Local Level, provide the necessary support therefor.

(3) The Government of Nepal may provide draft of model law to the Province and Local Level in order to enact laws.

(4) The Provincial Government and Local Level shall have to provide necessary support in implementing the laws, policy and plans enacted and framed by the Federation.

(5) The Government of Nepal shall have to provide necessary support in the implementation of the laws, policies and plans enacted or formulated by the Province and Local Level on matters that fall under the exclusive list of powers and responsibilities of the Province and Local Level, as the case may be.

15. **Collaboration May be Made:** (1) Federal Parliament, Provincial Assembly and Local Level may, in order to maintain consistency and uniformity in legislative procedures and activities, establish collaboration.

(2) For the purpose of collaboration under sub-section (1), Federal Parliament, Provincial Assembly and Local Level may exchange information, hold discussion or consultation, as per necessity.

#### Chapter – 4

#### **Council and Committees**

16. **Constitution of National Coordination Council:** (1) In order to manage the coordination and inter-relations between the Federation, Province and Local Level under this Act, a National Coordination Council shall be constituted as follows:

- (a) Prime Minister - Chairperson
- (b) Minister of Finance, Government of Nepal - Member
- (c) Minister of Law, Justice and Parliamentary Affairs,  
Government of Nepal - Member
- (d) Minister of Home Affairs, Government of Nepal - Member
- (e) Minister of Federal Affairs and General Administration,  
Government of Nepal - Member
- (f) Chief Ministers, Provincial Governments - Member
- (g) Leader of opposite party of the House of  
Representative or a member of the Federal  
Parliament designated by him or her - Member
- (h) Seven persons consisting at least three women  
nominated by the Prime Minister on the basis of  
principle of inclusion to be representative of at least

one member from each Province from among the  
Chairperson or Vice-chairpersons of Rural Municipality,  
Mayor or Deputy Mayors of Municipality and Chiefs or  
Deputy Chiefs of District Co-ordination Committee - Member

(2) The thematic Ministers and concerned officials or experts may be invited as per necessity, in the meeting of the Council.

(3) The meeting of the Council shall be held at least once in a year.

(4) The date, time, location and agenda for discussion of the Council's meeting shall be as specified by the Chairperson of the Council.

(5) Attendance of majority members including the Chairperson shall be required to conduct meeting of the Council.

(6) The Council's meeting shall be chaired by the Chairperson of the Council.

(7) Other procedures relating to the meeting and decisions of the Council shall be as determined by the Council itself.

17. **Functions, Duties and Powers of the Council:** The functions, duties and powers of the Council shall be as follows:

- (a) To coordinate between Federation, Province and Local Level on formulation of laws and policies on matters of concurrent powers,
- (b) To coordinate on matters concerning national interest and concern to be implemented at the Province and Local Level,
- (c) To coordinate for the resolution of the complexities relating to the implementation of national plan, policy and laws at the Province and Local Level,
- (d) To coordinate in the formulation of laws, policy and strategies that affect inter-province and Local Level,
- (e) To coordinate in relation to the implementation of the large projects operated at the inter-province level,
- (f) To review and analyze or cause to analyze the police, laws and plans formulated at the Federation, Province and Local Level in course of implementation of federalism,

- (g) To carry out necessary activities in order to maintain harmony in the delivery of service at the Federation, Province and Local Level,
  - (h) To provide suggestions to the Government of Nepal, Provincial Government and Local Level on matters relating to formulation and implementation of laws,
  - (i) To hold discussion and coordination as required on matters forwarded for discussion from the Government of Nepal, Council of Ministers, thematic committees and Provincial Coordination Council.
18. **Secretariat and Manpower:** (1) The Secretariat of the Council shall be located at the Government of Nepal, Office of the Prime Minister and Council of Ministers.
- (2) A Secretary of the Office of the Prime Ministers and Council of Ministers shall perform the business as a secretary of the Council.
- (3) The Government of Nepal shall provide budget and manpower required for the Secretariat under sub-section (1).
19. **To Conduct Study of Laws of Federal, Provincial and Local Level:** (1) The body designated by Government of Nepal shall conduct study the laws and status of their implementation at Federal, Provincial and Local Level.
- (2) While conducting study under sub-section (1) such a body shall coordinate with concerned ministry of Government of Nepal and hold discussion with concerned Local Level.
- (3) The body that conduct study under sub-section (1) shall submit a report along with its conclusion in each year within the month of Asoj (by October 17) to the Council.
20. **Recommendation to be Made:** (1) If a report is submitted under Section 19, the Council may hold necessary study and discussion on it.
- (2) The Council may, while holding study and discussion under sub-section (1), form a special committee or obtain an opinion from the concerned expert.

(3) The Council may make a recommendation for improvements of laws made by Federation, Province and Local Level, if it is found so while conducting study and discussion under sub-sections (1) and (2).

21. **Special Committee may be Formed:** (1) The Council may form special committees as required to manage its function and activities.

(2) The structure, function, duties and power of the special committee to be formed under sub-section (1) shall be as specified by the Council.

(3) The provision concerning the meeting and decision of the special committee pursuant to sub-section (1) shall be determined by the committee itself.

22. **Thematic Committee:** (1) In order to maintain coordination among the concerned ministries of the Federation and Province that have business responsibilities and Local Level and in order to bring effectiveness in implementation of policies and plans and development works, there shall be thematic committee consisting as follows:

- (a) Minister of Government of Nepal having concerned business responsibilities - Chairperson
- (b) Minister of Provincial Government of Nepal having concerned business responsibilities - Member
- (c) A Mayor or Chairperson of Local Level designated by the chairperson - Member

(2) The meeting of the thematic committee shall be held at least once in a year.

(3) The date, time, location and agenda for discussion of the thematic committee's meeting shall be as specified by the chairperson of the said committee.

(4) A majority of the members including the chairperson shall have to attend for the meeting of the thematic committee.

(5) The thematic committee's meeting shall be chaired by the committee chairperson.

(6) The thematic committee may invite as per the necessity thematic experts and representatives of stakeholder agencies to the meeting.

(7) The Secretariat of the thematic committee shall be located at the concerned Ministry of the Government of Nepal.

(8) A first class gazetted officer or an employee of the equal rank of the concerned ministry as designated by the chairperson shall work in the capacity of the secretary to the thematic committee.

(9) Other procedures concerning the meeting and decision of the thematic committee shall be as determined by the committee itself.

23. **Functions, Duties and Powers of the Thematic Committee:** (1) The functions, duties and powers of the thematic committee shall be as follows:

- (a) To consult with the Province and Local Level in formulating plan, policy and laws of concerning sectors related to its subject matter,
- (b) To carry out necessary coordination to maintain uniformity, continuity and quality in the thematic plan, policy and programmes and to bring effectiveness to the implementation of laws, plans, policies and strategies,
- (c) To provide suggestion to the Council in order to formulate national policies related to its subject matter,
- (d) To implement or cause to implement the decisions and directives of the Council,
- (e) To carry out such other activities as specified by the Council.

24. **Constitution of the Provincial Coordination Council:** (1) There shall be a Provincial Coordination Council in each Province, in order to manage the coordination or inter-relations between Province and Local Level or between Local Levels located in more than one District within a Province, which is as follows:

- (a) Chief Minister - Chairperson
- (b) Minister responsible for Financial Affairs of the Provincial Government - Member
- (c) Minister responsible for Internal Affairs of the Provincial Government - Member
- (d) Principal Secretary of the Provincial Government - Member
- (e) One person from each district of the Province from among the Chairpersons or Deputy Chairpersons of Rural Municipality, Mayors or Deputy Mayors of

Municipality and chiefs or deputy chiefs of the District  
Coordination Committee designated by Chief Minister  
the basis of on principle of inclusion consisting at least  
one-third female – Member

- (f) Secretary, at the Chief Minister's Office of  
the Province - Secretary

(2) The Secretariat of the Provincial Coordination Council shall located at the office of the Chief Minister and Council of Ministers.

(3) Other procedures concerning meeting of the Provincial Coordination Council shall be as determined by the Council itself.

25. **Functions, Duties and Powers of the Provincial Coordination Council:** (1)

Provincial Coordination Council shall coordinate and maintain inter-relations between Province and Local Level or more than one Local Level in development projects to be operated by Provincial Government or Local Level in matters concerning concurrent powers.

(2) Provincial Coordination Council may form a committee, as per necessity, on any matter required for maintaining coordination and inter-relation.

(3) The Province Coordination Council may, if it deems appropriate to discuss on any matter in the Council, request therefor specifying the subject matter.

(4) The Council may, if it is requested in writing under sub-section (3), after conducting discussion on the matter, issue guidelines to the Province Coordination Council, concerned Province or Local Level.

(5) The concerned Province Co-ordination Council, concerned Province and Local Level shall have to comply with the guidelines issued by the Council under sub-section (4).

26. **Coordination to be Made by District Coordination Committee:** (1) The District Coordination Committee shall coordinate on following matters:

- (a) Development works to be carried out by the Federation or Province at the Local Level,  
(b) The business to be performed by the Federal Government offices and Provincial Government offices located in the district, and by Local Level,

(c) Any other works as specified by prevailing laws.

(2) The Council or Province Coordination Council may, if any matter submitted to the Council or Province Coordination Council under this Act is included in the matters of coordination among the Local Levels within any district and, if it deems appropriate to coordinate or facilitate such a matter by the District Coordination Committee, write on and forward such a matter to the concerned District Coordination Committee.

(3) The District Coordination Committee may, if it receives a written note under sub-section (2), it shall carry out the business as referred to it by the Council or Province Coordination Council and shall inform to the Council or Province Coordination Council accordingly.

## Chapter – 5

### Resolution of Disputes

27. **To Perform Business in Non-controversial Manner:** The Federation, Province and Local Level while performing business of their respective jurisdictions of powers shall perform in such a way so that there shall be no disputes.
28. **Dispute Between Federation and Province and Inter-provinces:** (1) If any political dispute arises between the Federation and Province and between Provinces, any party to the dispute shall have to inform about such a dispute in writing at Secretariat of the Inter-provincial Council within fifteen days of occurrence of the dispute.
- (2) The Secretariat of the Inter-provincial Council shall inform immediately to the Chairperson of the said Council about the information received under sub-section (1).
- (3) Chairperson to the Council shall call a meeting and conduct discussion after having received information under sub-section (2). While holding discussions on the dispute issue, and before taking a decision on the issue, it shall have to decide whether the dispute is political or not.
- (4) The Inter-provincial Council may constitute a sub-committee or task force for carrying out the performance under sub-section (3).
- (5) The structure, terms of reference, terms of office and working procedures of the sub-committee or task force, as the case may be, under sub-section (5) shall be as

determined by the Inter-provincial Council at the time of Constitution of such a sub-committee or task force, as the case may be.

(6) The Inter-provincial Council shall resolve the dispute under this section through negotiations, discussion, consultations and conciliation.

(7) If a dispute is not resolved through negotiations, discussions, consultations and conciliation as referred to in sub-section (6), the Inter-provincial Council may take necessary decision to resolve such a dispute.

(8) The decision taken under sub-section (7) shall be implemented, or caused to be implemented by the concerned party.

(9) The Inter-provincial Council shall have to resolve the dispute under sub-section (1) within a period of three months from the date of information received.

(10) Notwithstanding anything contained elsewhere in this section, the Inter-provincial Council shall not take any decision under sub-section (7) on a dispute that is under consideration of the Federal Parliament or Provincial Assembly, as the case may be.

29. **Jurisdiction of Constitutional Bench not to be Adversely Affected:** (1) Nothing contained in this Chapter shall be deemed to have been caused adverse effect on the jurisdiction of the Constitutional bench of the Supreme Court under Article 137 of the Constitution.

(2) In resolving a dispute between Federation, Province and Local Level, if the Constitutional Bench deems appropriate to resolve any matter of such a dispute through mutual negotiations, consultations and conciliation, it may, as per necessity, provide the concerned parties reasonable opportunity and encouragement for the same.

30. **Secretariat of the Inter-provincial Council:** (1) The Secretariat of the Inter-provincial Council shall be located at the Office of the Prime Minister and Council of Ministers.

(2) The Chief Secretary of the Government of Nepal shall serve as a Secretary of the Inter-provincial Council.

## Chapter – 6

### Miscellaneous

31. **Consultation and Contact Between Federal Units:** (1) On matters requiring coordination or inter-relations under this Act, in consulting with the Federation, the

Province or Local Level shall consult the Federation through the concerned ministry of the Government of Nepal.

(2) On matters consulted under sub-section (1), the concerned ministry of the Government of Nepal shall conduct necessary study and resolve the issue.

(3) Notwithstanding anything contained in sub-section (2), the concerned ministry of the Government of Nepal shall have to submit the following subject matters to the Thematic Committee:

- (a) Implementation of the matter related to concurrent powers,
- (b) Any policy matter that requires to maintain uniformity between any other Province or Local Level,
- (c) Any other matter that is not resolved by the concerned ministry.

(4) The Thematic Committee shall, from among the subject matters submitted to it, resolve those matters which it may resolve and submit to the Council following matters:

- (a) Any policy matter that requires to implement after coordination and maintaining uniformity with any other Provinces as well,
- (b) Other matters of national importance that cannot be resolved by the Thematic Committee.

(5) Government of Nepal shall inform the secretariat of the Council about the dispute resolved by the concerned ministry or thematic committee under sub-sections (2) and (4).

(6) The concerned ministry of Government of Nepal shall liaison and make necessary arrangement with concerned ministry of Provincial Government or Local Level for the matters that require coordination and inter-relations between Province and Local Level under this Act.

32. **Submission of a Report:** The Provincial Coordination Council and the thematic committee shall submit an annual report to the Council and the Council to the Federal Parliament on the matters that are performed by it under this Act.
33. **Prevailing Law to be Applicable:** This Act shall be applicable in matters specifically provided for this Act, and in other matters it shall be in accordance with the prevalent law.

34. **Power to Frame Rules:** The Government of Nepal may frame necessary rules for the implementation of this Act.
35. **Repeal and Saving:** (1) Section 105 of the Local Government Operation Act, 2017 (2074) is hereby repealed.
- (2) All activities and actions carried out under Section 105 of the Local Government Operation Act, 2017 (2074) shall be deemed to have been done under this Act.

Nepal Law Commission