

NEPAL

Hold your breath



Political structure

Unitary system of governance, with the king as the head of state. The Prime Minister, along with the Council of Ministers, which he heads, comprises the executive branch. The Prime Minister and Ministers are individually and collectively responsible to the parliament directly elected by the people.

Following the peace deal negotiated between the coalition government and the Maoists, the Maoists will join the existing seven coalition parties in an interim government, which is due to be formed on December 1, 2006. It will operate under an interim constitution and answer to an interim parliament in which the rebels will have 73 out of 330 seats.

Local government system

Nepal has a two-tier system of local governance. The Village Development Committee (VDC) and the Municipality form the lower tier, while the District Development Committee (DDC) constitutes the higher tier. Municipal and Village bodies are elected directly while the representatives of the VDC and the Municipality form an ex-officio electorate for DDC elections. The VDC is the local government body for the rural areas, while the Municipality is its counterpart in the urban areas.

Local autonomy and local government reform

In 1992 three laws were passed, specifying the organizational structure, representation, and election process, and defining the tasks and functions of the local governments, i.e., the VDC, the Municipality, and the DDC. However, the new arrangements could not address all the issues raised regarding the autonomy of local governments. First and foremost, these Acts failed to make

the line agencies accountable to the local bodies. The other problems/issues concerned coordination among line agencies and local bodies in planning, programming, budgeting and implementing programs; duplication of tasks and responsibilities; budgets and programs from the central government being routed to the district line agency offices rather than to the local bodies; and poor resource base and weak organizational structure of local governments.

The Local Self Governance Act (LSGA), enacted in 1999, is the most comprehensive and far reaching piece of legislation that Nepal has ever implemented with regard to decentralization and local governance (LDTA, 2002:35). The LSGA clearly states the principles and policies of local self-governance as follows:

- ▶ Devolve needed powers, responsibilities and means and resources to make local bodies capable and efficient in local self-governance;
- ▶ Build and develop local bodies capable of understanding and responding to the needs of people;
- ▶ Devolve powers to collect and mobilize resources to local bodies to fulfil their tasks and functions accountably;
- ▶ Promote accountability, transparency, people's participation and civil society;
- ▶ Promote accountability of local leadership; and
- ▶ Encourage the private sector to participate in local self-governance.

The LSGA is a unified act (as opposed to separate acts for each local body) which recognized local self-governance and devo-

lution of authority. Other main features of the LSGA are listed as follows:

- ▶ Incorporation of the principles and policies of local self-governance in the Act;
- ▶ Devolution of a wider range of functions to local government at their respective levels;
- ▶ Legally prescribed participatory bottom-up planning process at all levels;
- ▶ Provision for periodic planning in local governments;
- ▶ Provision for revenue sharing between central and local governments and among local governments themselves;
- ▶ Mandatory allocation of 20 per cent of seats at the ward level to women and provision for nomination of women and disadvantaged groups in the executive committees of VDC, municipality and DDC;
- ▶ Authority to DDC and municipality to open their own sectoral offices;
- ▶ Authority to DDC to hire professional staff;
- ▶ Creation of DIMC (Decentralization Implementation and Monitoring Committee) under the chairmanship of the Prime Minister as a mechanism of policy decision and conflict resolution. The main task of DIMC is to monitor whether the objectives, policies and provisions are followed and to ensure their implementation;
- ▶ Provision for Local Government Finance Commission (LGFC); and
- ▶ Recognition of local government associations.

Although the LSGA (1999) devolves a wide range of sectoral functions and services to the local bodies, the functioning of government departments remains unchanged. Most of the line agencies still operate at the district level, as a separate office from the local bodies. Most of the functions to be discharged by the local bodies also fall within their sectoral jurisdiction. Consequently, the line agencies plan, implement and operate in their traditional top-down and vertical manner, with little involvement of local bodies. This has affected the autonomy of the local bodies to formulate and implement local development plans.

The LSGA has made provisions for the local bodies to generate internal resources through taxes, service charges, fees and sales. However, the local bodies have not been able to generate their own sources of revenue for various reasons, such as (Kafle, 2003: 24):

- ▶ Small level of business at the local level;
- ▶ Absence of services and facilities for imposing taxes and service charges;
- ▶ Unwillingness of the local representatives to impose direct taxes;
- ▶ Organizational weakness/lack of efficient personnel on the part of local bodies; and
- ▶ Lack of interaction between the taxpayers and local bodies.

There are at least 23 sectoral Acts and Rules that are in conflict with the LSGA. This has led to confusion and overlapping of powers and functions between local governments and central government agencies. In most cases, the central government agencies prevail over the local bodies, thus undermining their autonomy.

Local participation

Public participation in local government has taken five forms: local elections, participatory planning, promotion of civil society organizations; representation of women and disadvantaged groups, and Village Development Programmes (VDP) based on social mobilization.

Local elections

The tenure of the last set of elected local representatives expired on July 15, 2002. Following that, local bodies were run by committees consisting of government officials. The government also formed boards of local bodies consisting of nominated people.

Participatory planning

Bottom up participatory planning is mandatory on all local bodies. Service providers, including NGOs, that work in the same areas as the local bodies coordinate with the latter in planning, resource mobilization and service delivery.

Plans are generated at the ward level, based on the felt needs of the ward inhabitants. The ward chairperson submits the ward plan to the VDC/municipality. The VDC/municipality then prepares a VDC/municipal plan and submits it to the concerned council for approval. Programs that can be managed using village and municipal resources do not need to be forwarded to the district. Programs requiring district or national support are discussed at Ilaka (cluster of VDCs and municipalities) level. In



Unwelcome elections

On February 8, 2006, one year after King Gyanendra seized power, elections were held in the country's 58 municipalities, covering 43 of Nepal's 75 districts. The elections were supposed to be a first step in the king's professed plan to restore democracy, to be followed by national elections next year. However, rather than welcoming the elections, Nepal's opposition parties tried to stop it.

The country's seven biggest political parties—including an avowedly royalist one—campaigns for a boycott. They argued that the insurgency would make elections impossible. They also viewed the polls, accurately, as an attempt by the king to disguise his autocracy, placate international opinion and marginalize them.

In the event, the elections went ahead. Of 4,146 local-government posts at stake in 58 of Nepal's 75 districts, more than half had no candidates at all and a third had only one. Nearly 650 candidates had withdrawn, surprised to find themselves nominated.

Ilaka level discussions, programs are prioritized and those selected are forwarded to the district, where DDC sectoral committees discuss, prioritize and finalize them. Through the DDCs these programs are then submitted to the District Council for approval. Programs approved at the district level are further forwarded to the National Planning Commission (NPC) for approval and budget allocation. Once the programs submitted are approved by the NPC, the sectoral Ministries prepare their budgets (with a trimester breakdown) and submit it to the Ministry of Finance for budget allocation.

There are, however, problems at all levels. These include:

- ▶ VDCs and municipalities do not strictly adhere to the prescribed planning process;
- ▶ There is weak coordination between Line Agencies and the DDC in regard to the planning process and implementation. Often there is duplication in plans;
- ▶ Plans are of an adhoc nature mainly due to inadequate information and databases;

- ▶ In the planning process, prioritization criteria are overlooked;
- ▶ Local Programs and priorities are changed at the national level;
- ▶ Horizontal coordination is weak in all plans; and
- ▶ Monitoring and evaluation systems are very weak.

Representation of women and disadvantaged groups

To ensure the active participation of women in the decision-making process, the LSGA has made it mandatory to allocate 20% of elected seats to women. The LSGA also provides for the nomination of women at each local government level. This provision has benefited women as it has helped to increase their confidence and enabled them to participate in different activities and take decisions. However, the quality of their participation needs to be enhanced and their leadership skills developed.

Recently, the government has decided to allocate 5% of seats in the civil service for the Janajatis (indigenous groups), 20% for women and 10% for the Dalits ("untouchables").

Promotion of civil society organizations

Under the LSGA, local bodies are required to encourage, involve and coordinate with the non-government organizations (NGOs) while formulating planning and implementing projects. The Act envisages the active involvement, participation and cooperation of citizens through their collective bodies, such as NGOs, consumers' groups and civil society organizations (LDTA, 2002: 37). A specific provision in the LSGA requires all local bodies to give first priority to user groups in the implementation of projects. As a result, user groups have become the main institutions for implementing local level projects. By law, women make up 30% of the members of user groups. About 15,000 NGOs are currently involved in carrying out different development and advocacy activities in the country.

Village Development Programme

The Village Development Programme (VDP) was initiated in the VDCs by the United Nations Development Programme (UNDP) in partnership with DDCs under the Participatory District Development Programme/Local Governance Programme. The VDP is the subject of the following case study.

Village Development Programme

The Village Development Programme aims to empower rural Nepalis to band together to overcome their poverty. It encourages communities to group themselves into broad based and multipurpose community organizations. Through institutional, social and economic development, these groups of men and women enhance their capacities to effectively plan and manage participatory and sustainable local development programs to enable them to boost their living standards. In the process, they manage to transform themselves into self-governing institutions at the grassroots (UNDP, 2002: 50).

There are two components of social mobilization in the VDP: (1) institutional development and (2) Social and Economic development. Under institutional development, people form community organizations through which they participate in the decision making process to improve their socio-economic condition. Active participation is sought from all households without any discrimination. Under social and

economic development, the community organizations are provided with mechanisms to secure the potential benefit of social change. To build up their economic capital, the group members hold weekly meetings and deposit money, as prescribed by the group, into its saving account. The community organizations upgrade their skills to run income generating and micro-enterprise activities. The community organizations also get credit facilities from the Local Development Fund (LDF) to meet their needs for establishing micro-enterprises and other income generating activities.

The program has been found to be very effective in eliciting wide participation of the community. At present, it covers 650 VDCs and 17,000 community organizations have been created. 35,000 families have also benefited from this programme. Technical and financial support is needed to replicate this program more widely.

Sources

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