

Chapter-1

INTRODUCTION

1.1 Background of the Study

Nepal situated in the northern hemisphere, known as land of Mt. Everest and the birth place of Lord Buddha, Nepal is a tiny landlocked country. It is bordered in the north by the People's Republic of China, and to the south east and west with India. Nepal occupies only 0.03% and 0.3% of total land area of world and Asia respectively. The altitude ranges from 70 meters to 8848 meters and the climate varies from tropical to arctic depending upon altitude. The country stretches from east to west with mean length of 885 kilometers and widens from north to south with mean breadth of 193 kilometers.

At present, the country is divided into five north-south administrative development zones: Eastern Development Region, Central Development Region, Western Development Region, Mid-Western Development Region and Far-Western Development Region. The country is further divided into 75 administrative districts. Moreover the districts are further divided into smaller units, called Village Development Committees (VDCs – total 3276) and Municipalities (191). The VDCs are rural areas, whereas municipalities are urban and semi urban areas of the country.

Local Development planning in Nepal started in 1950 when the first five year plan was initiated in the country. The Constitution of Nepal 1991 has incorporated Decentralization into its directive of the state policy and has stated as "Decentralization be the means for ensuring optimum participation of people in governance and hence enjoy the benefit of democracy", but the decade long armed conflict and prolonged absence of elected bodies in the local level, governance and Service delivery systems at local level have been severely affected. Although community-level networks have managed to remain functional, the discrepancies between service demand and Service supply remains wide. Both local bodies and service providers need to improve their ability to meet the increasing demands of local

communities (particularly children, women, and disadvantaged groups) in a responsive and accountable manner. It is therefore essential that Decentralization policy makes provisions to support local government in its efforts to provide services for children and women. A strategy of decentralization will help to empower communities and other stakeholders, and improve the delivery in the areas of education, health, protection, and water and sanitation. The Local Governance and Community Development Program seek to improve inclusive local governance and local service delivery in line with the Local Self Governance Act, 1999.

The Government of Nepal has been providing grants to local bodies annually to carry out development activities in their respective areas. As the decentralization focal Ministry, The Ministry of Federal Affairs and Local Development has normalize all this process which is related to proper utilization of grant. In this reference, MoFALD firstly promulgated Local Body Grant Directive; 2057, Local Body Block Grant Implementation Procedures; 2063 and “Local Bodies Resource Mobilization and Management Operation Guideline 2069” for local bodies. These regulatory frameworks are designed to manage the government grants as well as internal resources of local bodies in an effective, participatory and inclusive manner, maintaining transparency and accountability at local level. However, owing to the long absence of elected representatives in the local level due to the decade long conflict, local communities are deprived to receive the benefits and the expected services of decentralization.

The Ministry of Federal Affairs and Local Development has recently developed a policy for inclusive budget allocation through its system of capital block grants. The policy includes specific provision for fund allocation to children, women and the disadvantaged groups; which in turn provides opportunities for previously excluded groups to take part in local level planning and budgeting processes. The Ministry aims to ensure that funds earmarked for children, women and disadvantaged groups are both increased and fully utilized maintaining transparency and accountability at local level. In order to improve the allocation and utilization processes, it is necessary to examine the current status of block grants and other funding resources for children and women, both in terms of investment and result. For good

result and right utilization of the budget monitoring mechanism at the local level should be well build.

There is need to build the capacities of the Communities to monitor and evaluate service delivery mechanism. There is a need to educate the communities so that they are aware of the government budget allocated for them for various development activities at the local level, likewise at the same time VDC should ensure that communities are participating in the VDC development activities in an inclusive, transparent and democratic manner and all the parts of the community adequately represented. This assessment will assist efforts to broaden the scope of decentralization policy implementation from a Supply and Demand perspective.

There are two tier of local government system in the country. The lower level consists of the VDC and Municipalities. The second tier consists of District Development Committee (DDC). Each district divided into VDCs and each of these VDCs is divided into 9 wards, each represented by an elected ward committee. The chairman and the vice-chairman of the VDC are elected by the voters of the VDC. The VDC has the mandate to formulate the implement the development plans on the basis of its own resources and grants receive from the central government and from development partners. The VDC level of projects are executed and co-ordinate through user committees and NGOs. The VDC needs to follow the directives issued by the DDC and the central government in relation to the formulation and implementation of village level plans. DDCs are aggregate institutions of village and municipality governments in district level and their main function is to coordinate the development initiatives of entire district as district governments.

Nepal is the synonym of village where about 80 percent people live in rural area of Nepal. The country cannot be developing without the development of the village area. Therefore, an existence of a strong local self-government has been badly felt in need for the national development. In this regards the local government can play an important role. The local institutions need development of power, autonomy and freedom of decision on local issues. Except the decision of national importance such as different foreign affairs, education, finance, national plan and so on, it can carry out these function where fare of peculiar concern of the locality such as water supply, sanitation, maintenance of public buildings, running of public utility services, local transport etc. The importance of all function is that

they are a purely local in charter and need local solution in difference to the requirements of the people inhabiting that locality. Therefore elected representatives of village development community, VDC have a vital role to lead ahead the development fate of the country, although there is not elected members at local level. Decentralization is the process of transforming the function central government to the local level from which the genuine participation of people in decision making level and be possible. So Local Self Governance Act-1999 focused on the process of governance by way of decentralization” (LSGA, 1999, Preamble).

Village development plan is one of bridge between national developments of rural area of Nepal. The nation cannot be developing with the development at the village level since more than 80 percent of the people in the county reside in the rural area. Therefore, an existence of a strong local self-government has been badly felt in need of national development which can play a significant role.

1.2 Statement of the Problem

The Government of Nepal is responsible for the overall development of the citizen. Government of Nepal has recognized Local bodies (DDC, VDC and the Municipalities) as a local self governance unit. These bodies receive block grants from central government for local development. Further, they themselves generate internal revenues through taxation provisioned by Local Self Governance Act and Rules. The grant including internal revenue is expected to be expended transparently in relevant local development activities as envisaged by existing laws, rules and guidelines. Participation of relevant stakeholders especially women, Dalit, Janajati, indigenous nationalities and disadvantaged groups in grant processing planning and allocation is must for efficient and appropriate allocation of grants for different development activities. Participation of relevant stakeholders in decision making process and dissemination of information makes things transparent, which in turn empowers people. Empowering people can assert their opinion and can ask questions like why, why not and how about the affairs to the authorities-which is instrumental for holding authorities accountable. Thus, participation of government’s processing, planning and allocation of grants, promotion of assertive actions of people will result in enhanced accountability, which

in turn, will result in efficient, appropriate and rational expenditure of grants and other resources for local development.

The Ministry of Federal Affairs and Local Development provide grants to Local Body annually to carry out the development activities in their respective areas. The Ministry of Federal Affairs and Local Development have circulated Local Body Resource Mobilization and Management Operation Guideline 2069 for local bodies. This framework was designed to manage the government grants as well as internal resource of local bodies in an effective, participatory and inclusive manner maintaining transparence and accountability at the local level. However, assessment have shown that at the various places the government grant allocated for the women, children and vulnerable community have not been utilized as per guideline and the potential beneficiaries were largely unaware of the VDC grants and other activities of VDCs as well as their roles and responsibility. No serious efforts are made from the VDC to educate the community people and thereby enhance their effective participation.

Assessment have also shown that funds allocated for the target groups have been used for projects that fall outside the scope of the funding, and there are also lack of data concerning children, women and disadvantaged groups in most of the VDCs in order to improve the allocation and utilization processes, it is necessary to examine the current status of block grants and other funding for children and women, both in terms of investment and result.

This research work tried to find the answer of the following research questions. Questions asked based on the Local Self Governance Act, 2055, Local Self Governance Regulation, 2056, Local Bodies Resource Mobilization and Management Operation Guideline 2069 and other related document.

1. What is the status of grant received by VDC from national budget and District Development Committee?
2. What is the status of women, children and disadvantage people participation in planning, implementation and decision making process of VDCs?
3. What are the challenge and constraint to implement the budget and program?

1.3 Objective of the Study

The general objective of this study is to evaluate the status of utilization of block grant Padampur VDCs of Chitwan. The specific objectives of the study are;

1. To assess the budget allocation especially capital grant made to physical infrastructure and dimension of social security measures ie: women, children and disadvantage group.
2. To determine the level of participation of women and disadvantage groups in decision making process of the VDCs;
3. To explore the challenges of budget allocation accordingly Local Governance Act, 2055, Regulation 2056 and LBRM guideline 2069.

1.4 Rational/Significance of the Study

The study highlights the situation of expenditure of grand provided by government at Padampur VDC of Chitwan, Nepal. The study also helps to find out the expenditure of Grant at Padampur VDC, planning process of VDC and the distribution of budget to women, children, marginalized and disadvantage groups. The finding of study will be helpful for planner, VDC, DDC and policy maker for the better use of grant of government. The study also will be helpful to find out the real figure of expenditure of grants given by government for Padampur VDC.

1.5 Limitations of the Study

The study of Block Grant disbursement procedure is large and vague which cannot be studied at once. This study is concentrated to analyze the effectiveness and disbursement procedure of block grant of Padampur VDC for the last three years FY 2068/069, 2069/070 and 2070/717. As such, this study only is an attempt to limit the scope of the research rather than to give a complete account of the block grant disbursement in Nepal.

This study has inherited some inevitable limitation from the beginning. Occurrence of limitations persists up to the data collection, data processing and completion of thesis report. Obviously, such Limitations will influence to the coverage, magnitude and the qualities of research.

-) The study was conducted with limited resources that automatically narrow-down the coverage of study. A study conducted in such a limited period hardly draws the detail and actual information related to cultural and behavioral aspects.
 -) Rural people and local authorities are the major respondents of this study. Most of local people were not educated, and the subject itself being new had some difficulty in carrying out the study and collect required information.
 -) Not much relevant documents are available to review being the topic relevantly new.
- Therefore, this study cannot be generalized in other areas without considering the contexts. The output of this study may be completely different in the other areas.

1.6 Organization of the Study

This research has been organized in the following chapters.

The first chapter basically deals with the introduction. The Second chapter presents review of available literature. It includes review of book, reports, journals, Government Acts, Guidelines and other related documents. The third chapter explains the research methodology used in the study, which includes research design, sample size and sample procedure, nature and source of data, data collection analysis and interpretation of data. The forth chapter deals with setting of the study area. The chapter fifth deals with date presentation and analysis, which is important chapter of this study. While the Sixth chapter deal with conclusion and recommendation.

Chapter-II

REVIEW OF LITERATURE

The block grant assessment topic is relevantly new and not much research and survey has been carried out in this area. However, there are various reports that are published by various organizations related to the block grant and the development activities carried out at the local level. Although agencies working with local government bodies have carried out small-scale assessments of block grant utilization in the past, this research will focus primarily on the way block grants and internal resources have been utilized to enhance the socio-economic status of children, women, and disadvantaged groups across the country. There are very few organizations working with the local bodies that have carried out small scale assessments of block grants utilization in the past. Therefore, not much report is available on the relevant issues. This study will be carried out by reviewing various relevant documents which includes following;

2.1 Conceptualization of Local Governance

In Nepal, decentralization has been accepted as a main means of enhancing good governance, a process of administrative, political, social, economic and development works, and a strategy for promoting people's participation and empowerment of peoples. To promote the enjoyment of the fruits of democracy by maximizing the participation of the sovereign people in the process of governance by way of decentralization and devolution of services from the centre to the local level there are provisioned two tier local bodies District development committee and Village development committee/Municipality. Local bodies are constituted for the development of local self-governance their local leadership are able to make decisions on the matters affecting the day-to-date needs and lives of the people.

The Term "Governance" and Good Governance" are being increasingly used in the Modern discourses of development literature. Similarly, in 1997, the United Nations Development Program definition took into account the relatively weak role of the state in the process of post-cold war globalization and emergence of the capitalist, democratic models of development. UNDP states that "Governance can be seen as the exercise of economic,

political and administrative authority to manage a country's affairs at all levels. It comprises the mechanism process and institutions, through which citizen and groups articulate their interest, exercise their legal rights, meet their obligations and mediate their difference". Furthermore, governance is the art of governing, in which every actors involve on governance process have to play a part in moving the society which includes process and culture rather than structure. "The governance constitutes three main actor's such as State, Civil Society and Private Sector. These actors are considered important for sustaining human development. Local Government is an authority responsible for determining and executing administrative and developmental measures in the particular place. Generally, Local government is defined as an authority to determine and execute measures within an area inside and smaller than whole state. To make the local government successful, local people should be free to organize themselves for political, economic and social democracy and self-governance. Institutionalization of local politics, local autonomy and modern structure of local government bodies, good governance, sound political structure, user's group and impartial non-parties mass media are some of the pre requisite aspect of local self-government" (Dahal D.R, 1996).

After the restoration of multi-party democracy in 1990, new government was formed and the government also formed high level administration Reform Commission in the country. The local institution was renamed as Village Development Committee (VDC), Municipality and District Development Committee (DDC) in place of "Panchayat". Three separate Act , The village development act, Municipality Act and District Development Act described the objectives of the local bodies as to handover the responsibility of Local Development to the local people through decentralization by way of active participation of local people in self-governance and development activities thought the institutional development of multiparty democracy from Local level. The first local election under these act took place in 1992, were the newly elected local bodies were very keen to lead the local self-governance and exercise maximum power and authority under the democratic dispensation. The national association of the local authorities known as the National Association of Village Development Committees in Nepal (NAVIN), Municipal Association of Nepal (MUAN), and the Association of District Development Committees of Nepal (ADDCN) was formed to

strengthen their voice and enhance the spirit of decentralization and local self-governance in Nepal. The eight five year plan 1992 to 1997 and its enactment was another effort made in the development history of Nepal with its objectives of Poverty Alleviation, sustainable development, reduction of regional imbalance and promotion of rural development through decentralization of power and the participation of people at the grass root level. In 1996, a high level decentralization coordination committee was formed and based on the recommendation of this committee, the Local self-governance Act was endorsed in 1999. Prior to the endorsement of this Act, the ninth plan 1997 to 2002 presented clear view to increase people's participation in the development work through decentralization by creating people's ownership in the development work using local resource and by involving local people in all the cycle like planning, implementing, monitoring and evaluation of any development work of that area.

2.2 History of Local Governance in Nepal

The history of Governance in Nepal happens to be a difficult subject of the study mostly because of the absence of sufficient documents. Therefore, the religious texts are the only source for knowing the governance of the time. Different Hindu epic have also inspired to develop institutional framework over the ages. The Practices and exercise of local governance were in reality meaningful as they were used in different forms and nature in various periods of history. The kirant period seems to have been the foundation of local government system in Nepal. Their administration system was based on the principle of local autonomy. For the administrative purpose, the kirants had divided their entire territory into different districts known as "Thum", a cluster of several villages. Each "Thum" had its own governor or mini King for the maintenance of law and order, settlements of disputes, punishment of the criminals and carried out different development activity. They also had their own "Panchayat" composed of give elected members to solve local problems. Similar type of local organization which is seen to be still in practice is the "Guthi" which is known as one of the powerful organization and is practice by Newars community.

Local governance during the "Lichchhavi" dynasty was found in accordance with the spirit of decentralization policy. The local institutions such as "Gram Panchali", "Gram Pradesh",

“pur” and “tal” were empowered with delegated authorities to take necessary administrative actions. “Lichchhavi” rulers who ruled Nepal around 500 AD to 936 AD improved trade and transit with India and Tibet, introduced coins, trade and transit tax etc.

Likewise, during the “Malla” period, the central level had two important institutions. They were “Bhandari” (Grand Council) and General Assembly or “Council of Notables”. It is assumed that the “Bhandari” might be the high level body composed of the chief minister, minister, Royal Astrologers etc since not much is known about these institutions. The local administrative units of the state were known as “bhunti, Visayaand Grama’’. These local institutions were to deal mainly with maintenance of law and order, collection of land resources, security from external aggression, supervision of customs administration, construction and maintenance of temples, rest houses and roads providing irrigation and sanitation facilities and work as judge of local court deciding minor cases.

During the late eighteenth century, prior to unification of the kingdom by Prithivi Narayan Shah, time was passed for emergence and extension of small principalities throughout the country. Though the kings in the medieval period gave very less interest and minimum contribution in local governance process, traditionally established “Panchayat” and “Panchali” like institutions were being more popular to the people. During this period for the first time the centralized authority structure of the state and administrative control was brought into existence. The administration of the government was based on religious principles, socio-cultural norms and tradition and commands of the absolute ruler. The decentralization plans and program introduced during the Panchayat period followed different models, such as delegated functions model, specific functions model and concurrent functions model. It was based on specific function allocation in the sense that local government institution as well as the locally operating government line agencies had been assigned more or less similar types of functions. No attempt were made to clearly define the functional jurisdiction between the two types of institutions i.e. the locally elected authorities and the government line agencies such confused functional jurisdiction of the LGIs and line agencies led to the overlapping and duplication of their responsibilities creating some sorts of functional anarchy at the local level. Due to these reason, implementation of all sorts of

decentralization plans and program were failure. Besides, during the “Panchayat” regime (1960-1990), number of issue remained unresolved, such as the relationship between the government line agencies and LGBs, the role and tasks of legislators versus local leaders, service delivery, overlaps and duplication, accountability, transparency etc.

2.3 Local governance related Policy, Acts, Rules, Regulation and Guideline

2.3.1 LSGA, 2055 (1999) and Local Governance Regulation, 2056 (2000)

The Local Self Governance Act, 1999 states that VDCs, DDCs and municipalities are autonomous, corporate bodies with the right to perpetual succession. It defines the multi-sectoral function, duty and power of local bodies to look after agriculture, rural drinking water, works and transport, education and sports, irrigation and soil erosion and river control, physical development, health service, forest and environment, language and culture, tourism and cottage industries development, etc. The act focuses on the devolution of power, responsibility, means, and resources to ensure efficient, local self-governance. The act also makes provision for local bodies to give priority to projects that provide direct benefits to children, women and disadvantaged communities.

The Local Self Government Act (LSGA) 1999 envisaged that the local bodies can deliver services more effectively efficiently to the Local Level. The local body DDC, Municipality and Village Development Committee are the frontline service provider to meet the basic development requirements of the people. The roles of Local Bodies are more to focus and concentrate on Planning, Monitoring and coordination of the development activities at the local level. Over the year the government of Nepal has been providing conditional and unconditional grant to the local bodies to support such initiative on communality demand and priority. LSGA have provisioned the performance based funding system. The Government has set norms for allocating resources to the Local Bodies based on their work performance as envisaged by LSGA.

2.3.2 Interim Constitution of Nepal, 2007

The Interim Constitution of Nepal, 2007 prohibits the state from discriminating against citizens on the grounds of religion, race, gender, caste, tribe, origin, language or ideological

conviction. The constitution also makes special provision for the empowerment and advancement of children, women, dalits, indigenous groups, Madheshis, economically, socially, or culturally backward communities, persons with mental or physical disabilities, and the aged. The Interim Constitution also safeguards the rights of women as fundamental rights. It states that no woman shall face discrimination based on gender, nor suffer from physical, psychological or other form of violence; such acts are punishable by law. The equal rights of both sons and daughters to ancestral property are also guaranteed. In terms of child rights, the constitution states that every child has the right to his or her name and identity, the right to be nourished, and the right to have access to basic health care and social security. It goes on to guarantee a child's right to be free from mental, physical, and any other kinds of exploitation. Instances of child exploitation are punishable by law; there are also legal provisions for the compensation of victims of exploitation. In addition, helpless, orphaned, homeless and displaced children have the right to special assistance from the state to secure their futures. This provision also covers child victims of the 10-year conflict and children with mental disabilities. The constitution states that no minor will be employed in factories, mines, or other hazardous environments. The use of children in armed conflict, and the use of children by the police and the army are also prohibited. The Interim Constitution also provides for the state policy of encouraging increased levels of women's participation in national development; special provisions exist for women's education, women's health, and women's employment. The constitution also aims to ensure that the state pursues a policy to promote the social and economic uplift of backward communities, indigenous groups, Madheshis, dalits, poor farmers, and those individuals and communities living below the poverty line.

2.3.3 Local Body Resource Mobilization and Management Operation Guidelines, 2069

with a view to enhancing the performance and efficiency of local bodies in overall resource mobilization, management, and activities and functioning, to contribute to institutionalization of the concepts of poverty alleviation and sustainable development at the local level by ensuring that local service delivery, development work and governance processes are people-centric, responsive, cost-effective, transparent, accountable, inclusive, equitable,

participatory, sustainable and of quality, in a balanced manner, by ensuring access and ownership of the poor, women, children, socioeconomically backward classes and communities, and regions through consolidation and coordination of all kinds of resources received in the funds of local bodies, including all kinds of grants provided by the Government of Nepal (GoN) and development partners, internal revenue of local bodies, Government of Nepal has formulated and enforced the Local Body Resource Mobilization and Management Operation Guidelines 2069.

This guideline has focus to develop a system for spending all kinds of means and resources of the local body in an objective-oriented, transparent, accountable and responsive manner; to lay down criteria and processes for investing the means and resources of the local body in priority sectors; to encourage local people to set priority of local needs, operate, maintain them by adopting the participatory planning process and through systematic development; to institutionalize inclusive development by mainstreaming and empowering target groups and regions, in line with the concept of inclusive development and to mainstream the households that are highly disadvantaged and that not have access to development in the development process by enhancing their capacity through the social mobilization process.

This guideline has provisioned integrated planning committee for selecting proposals/program recommend through bottom up process, 35% budget earmarked for targeted group (children10%, women10% and disadvantage group15%). Likewise, to give importance users committee mobilization to implement the project/ program. Supervision and monitoring committee, time table of program implementation and reporting, transparency, accountability, minimize fiduciary risk are other provisioned of this guideline.

This guideline has been designed with an aim to effectively implement principles and policies of Local Self Governance Act, 2055 at VDC level and manage Grant program of VDCs in a planned way. The guideline has also been formulated to conduct/manage VDC activities in a responsible/transparent, systematic and effective way and it is formed under LSGA, 2055 clause 236 (2). Local body resource mobilization and management operation guideline, 2069 focus to obtain objectives like contributing towards poverty reduction through sustainable development by encouraging community groups/user groups formed through the active participation and discussion with beneficiary groups, utilizing local

resources and initiate maximum benefits to local people through social economic empowerment mechanism. It also focus on the institutional development of decentralized plans through acquiring participatory planning approach and expand the benefits of development to economically and socially deprived as well as socially excluded groups such as female, dalits, indigenous groups and communities, children, physically impaired and so on and also to help such groups to get social and economic justice. The other objectives of the guideline are socio economic transformation of the VDC by increasing internal income, to improve livelihood by expanding basic social infrastructure at local level and providing effective service delivery, to ensure transparent, disciplined and accountable institutional improvement and capacity development through wise use of all types of resources available in VDC, to maintain complimentary in service delivery through integrated use of the coordinated resources that have been mobilized in VDC by different line agency and partners of development etc. The guidelines focus on capital investment for, and the social mobilization of women, children and disadvantaged groups. This guideline has made mandatory provisions to VDCs to allocate 10% budget for children, 10% to women, and 15% to disadvantaged communities from the capital grant of VDC.

According to the guideline government has been provided following grant to the VDCs as annually.

-) Recurrent grants
-) Capital grants
-) Other grants

Similarly, this guideline has provisioned different formula to provide the grant for DDC, VDC and Municipalities. The Ministry of federal affairs and local development shall apportion the VDC grant with following formula.

Table 2.1 : Apportioning criteria of grant

Apportioning criteria	Weight
Population	60 per cent
Area	10 per cent
Weighted cost	30 per cent

As per the formula base grant allocation system Village development Committee will get minimum RS. 1.5 million And maximum RS.4.6 Million.

2.3.4 Participatory annual planning process guideline, 2071

To ensure the peoples development right, to give out equal development opportunity to the people to engage people on development process with self eager, pursue participatory planning process (14 step planning process) by the development agencies and to address the peoples development requirement through systemic way, MoFALD formulate participatory annual planning process guideline, 2071 and implemented it. Village Development committee prepare annual plan and budget pursuing this guideline. This guideline has focused following 14 step planning process.

Table 2.2: 14 step planning process

Description	steps	Time line
Budget Ceiling and Guidelines sent from NPC to line Ministries and Line ministries to line agencies	1 st	By the mid of November
DDC Reviews of Budget Ceiling and Guidelines with LAs, stakeholders, IPC	2 nd	By the third week of November
Pre - Planning Workshop DDC and LAs and stakeholders (setting priority and developing guidelines to send to VDCs)	3 rd	By the end of November
VDC Meeting after receiving guideline (calendar of events prepared to complete settlement level consultation	4 th	By the second week of December
Selection of settlement level plan/demand (elected 5 members , now WCF)	5 th	By the third week of December
Meeting of Ward Committee (prioritization of the demands from settlement)	6 th	By the end of December
VDC Meeting (discussion on proposed plan from wards(current VDC sec. agri .livestock and health)	7 th	By the first week of January
Village Council- 53 members , approval of plan with categorization of plan which can be done by VDC, demand	8 th	By the second

to DDC or Center through Ilaka Ws		week of January
Ilaka level Plan Formulation Workshop (coordination between plan by various VDCs)	9 th	By the first week of February
Sectoral Committee meeting	10 th	By the second week of February
Integrated Planning Committee meeting (recommends)	11 th	By the third week of february
DDC Board meeting (DDC chair, vice chair and Ilaka members) final shape and sends to council	12 th	By the First week of march
District Council(VDC chair/vice, illaka, nominated , DDC chair, mun. Parliament members)	13 th	since coming fiscal year
Implementation of District Plan	14 th	By the second week of march

According to 14 step planning process, VDC level planning start second week of December while VDC got budget guideline and directives form District development committee. People from different settlement discuss and prepare settlement level plan and afterward submit to ward citizen forum. Ward citizen forum priorities the proposal based on need, possible available resource and forward to VDC for their action and the VDC forwards the proposal to the Integrated Planning Committee. As per the local bodies' resource mobilization and management operation guideline, 2069 Integrated Planning Committee will carried out following work with regard the VDC planning.

- A. Set priority of the program or projects that have been recommended based on the priority order of the ward committee by individual sectors, remaining within the estimated budget ceiling, and draw up a final list,
- B. While setting priority, pay attention to impartiality and reality based on needs out of the ongoing projects.
- C. Coordinate the programmes conducted by governmental and nongovernmental sectors.
- D. While recommending projects, submit project funding matrix and a project-wise funding list of capacity building projects, social mobilization, programmes or projects of capital-

based funding sectors, promotional programmes and target groups (women, children, ultra poor and backward communities) individually.

- E. Avoid duplication of projects to be implemented within its area and establish mutual relationship and complementarily between programmes or projects.
- F. Discuss the subjects referred to by the final audit report of the village development and municipality funds and provide feedback on it.
- G. Provide advice and suggestions, as well as extend necessary support, in respect of the work of the local body.

2.4 National plan and Local governance in Nepal

2.4.1. Five Year Plan:

The First Five Year Plan (1956-1961): This plan gave high priority to “Gram Bikas Program.” This program was divided into three class ie “local reform works”, “Dehat Bikas program” and “Gram Bikas”. To implement the Gram Bikas program Nepal was divided into 150 Blocks. Though the planned development start from 1956, “Tribhuvan Gram Bikas program” was initiated in 2009 B.S. and establish Gram Bikas Board in centre level and Block in local level. The objective of the Tribhuvan village development program was to inform public about agriculture production, to build irrigation cannel, road, and supply drinking water with participant of local people.

The Second Five Year Plan (1962-1965): This plan focused on the Regional Development balance strategy and was most important highlight of Panchayat system. The government was formed high level administrative power decentralized commission-2020 B.S. in this plan period. This commission was envision establishing Village, Municipal and District level strong governance institution and recommend detail strategy and work plan as well.

The Third Five Year Plan (1965-1970): This plan was formulated within a framework of fifteen years perspective approach of the second five year plan of Nepal which target to double the national income. This plan comes with separate panchayat program to full-fledge sector with a view to benefit from the organizational strength in mobilizing local resources to enhance the development process. Another aspect of this plan was to incorporate different

tires of Panchayat in national development activities especially in local development. (Mathema, 2001)

The Fourth Five Year Plan (1970-75): This plan emphasized on the implementation aspect of project. The plan also envisaged on maximizing output, establishing and expanding the foreign trade, establishing the base for sustainable economic growth. Transportation, communication agriculture and industrial were the prioritized area of this plan. However this plan gave low priority to the investment in the local level.

The Fifth Five Year Plan (1975-1980): This plan emphasis on three important aspects. They were integrated rural Development programs, special group programs and new district plan. The district plan was general framework for formulation and implementation of district level projects and programs. The other two strategies also supported to district pan internally and externally. The plan characterized by the establishment of the Small Area Development Program and Integrated Rural Development Program which was the different strategies taken for rural development.

The Sixth Five Years Plan (1980-1985): This plan gave more emphases on rural development. This plan incorporated a target group oriented development approach that would largely consider aspects like popular participation in decision making and meeting the basic needs of the grass root level in the overall development programs of the districts.

The Seventh Five Year Plan (1985-1990): The main goal of this plan was to improve the living standard of the people, to increase the production through agriculture sector, to raise the national income of nation. It had given priority to participatory local Development Planning.

The Eight Five Year Plan (1992-1997): During this plan an attempt was made to encourage private sector participation and investment, and to confine the role of the government more in developing socio-economic infrastructure. The government adopted policy of privatization and liberalization in development process. The objectives of the plan were to alleviate poverty, focusing in the agriculture development, employment generation and human resource development.

The Ninth Five Years Plan (1997-2002): This plan followed the eight year plan and prioritized in the reduction of poverty, infant mortality rate and provision of increasing employment opportunity, average life expectancy. This plan also gave high priority to agriculture development. This plan emphasis on economic reform, agricultural development, people's participation in local development, decentralization, inclusion of deprived and disables groups in the mainstream of development, entrepreneurship development etc. Some of the rural programs implemented during this period were Women Development Programs, Rural Area development Program, Local Development Training Program, Human Development Program, Rural Infrastructure Development Programs and Rural Community Infrastructure Development Programs etc.

The Tenth Five Year Plan (2002-2007): This plan emphasized local people's participation in the decision making and implementation process giving special attention to woman's empowerment including women's participation in the management of gender equality at the local level and made special provision for the women's leadership training.

Three Year Interim (11th) Plans (2008-2011): The National Planning Commission acknowledges the fact that children from backward communities find it difficult to access quality education, health care, and social security. It also acknowledges that children do not actively participate in local level decision making processes. The Three Year Plan seeks to contribute to the creation of an enabling, child-friendly environment in which children can claim their fundamental rights with ease. The plan also acknowledges the vulnerability of women from disadvantaged groups, and their lack of participation in local governance. It acknowledges the continued discrimination against women and their exposure to domestic violence. In order to end the subjugation, the plan aims to bring gender issues into mainstream development processes, service delivery mechanisms, and systems of governance. The plan makes provision to expand the practice of gender sensitive budgeting by local bodies and to increase the representation and participation of women in decision making processes. Through its three year plan, the government of Nepal has given high priority to the socio-economic uplift of Dalit, Madheshi, Janajati, Adhibasi, and Muslim

communities. It also aims to give these communities more equitable access to the local and national development processes.

Three Year Interim (12th plan) Plan (2011-2013): Pursuing federal governance system; The Interim Constitution 2063 has make provision utmost participation of the people in process of governance. Moreover, constitution has affirm provisioned local self governance institution based on decentralized and delegation of power and authority for provide service locally and institutionalized the democracy in local level. Acknowledge the constitution provision this plan has take place following strategy for strengthen the local governance system.

-) Establish and operate powerful, responsible and accountable local bodies with devolution of political, financial and administrative rights as the concept of federal structure and inclusive democracy.
-) Increase access and establish ownership with resource and empowering through equitable and inclusive manner to backward people, community and area as a geographical, social and economic status,
-) Uplift people's living standard to generate employment in local level through participatory infrastructure development, utilization of local resource, use labour base technology and adoption of environment friendly climate change policy.
-) Ensure good governance in local level, enhancing the capacity of local government institution and provide integrated service as devolution action plan prepare by sectoral ministries.
-) To clear the role and responsibility of government agencies, Non government organization, community base organization, users committee and other stakeholder and make them accountable to local bodies to carry out program.
-) Pursuing the policy of gender, equitable and inclusive development approach ensures legal access in economic, social, cultural rights and opportunity or social security for backward class and community.

13th Plan (FY 2071/72-2073/74): A plan is an outline of program and activities designed on the basis of past learning as well as current needs and sustainability prospects, so as to

bring about qualitative changes in the lives of people by means of socio-economic development. 13th plan has been formulate to achieve inclusive, broad-based and sustainable economic growth by enhancing the contributions of the private, government and cooperative sectors to the development process, develop physical infrastructure, enhance access to social services and improve the use and quality of those services, enhance good governance in the public and other sectors, empower targeted groups and sectors both socially and economically.

This plan has taken following strategy to strengthen local governance.

-) Strengthen interrelations among various levels of government; identify respective political, administrative, judicial, and financial rights as well as liabilities; and consolidate local bodies by adhering to the principles of federalism, inclusive democracy, and devolution.
-) Arrange to address the demands and needs of people in a judicious and timely manner by holding elections to local bodies and engaging in their restructuring, organizational reinforcement and capacity-building.
-) Contribute to poverty alleviation by intensifying income generation through means such as sustainable socio-economic development, the provision of environment-friendly, good-quality local infrastructure, and efficient service delivery.
-) Guarantee that deprived classes, regions, and communities can exercise their economic, social, linguistic, and cultural rights and that they have access to opportunities and social security as is called for under the principle of equitable and inclusive development.
-) Make local communities, civil society, development partners, non-government organizations and the private sector responsible for local good governance and service delivery and institutionalize coordinated and information-based planning processes.
-) Promote environment-friendly local governance by increasing people's participation in and coordination of climate change adaptation and disaster management efforts, and promote child-friendly local governance.

2.4.2 Policies and Program of the GoN for Fiscal Year 2071-72 (2014-15)

Every year government announces policy and program for balanced and proportional development of nations. Promote gender equity and social inclusion in the development works, the access of geographically, socially and economically backward groups, regions and communities to the available resources, means and opportunities increased is linked to local development and local governance strengthen.

2.4.3 Budget Speeches for Fiscal Year 2071-72 (2014/15)

Government prepares annual budget and program in line with policy and program. This year budget has focus on modernization, diversification and marketing agriculture, effective supply to agriculture input, emphasis on extension service, research, training, provided subsidy for agriculture production, food subsidy for food scarcity district, to provide basic level of safe and sufficient drinking water service by 2017 to all Nepalese people as per national target, education for all program, illiteracy eradication program will observed continue, focus to decrease the infant child and maternal mortality, infrastructure of health institution develop modern way, ensure doctor and health worker for effective health service, effective service delivery to the pregnancy and delivery service to remote area, carry-over to safe motherhood program, integrated female health and reproductive health program, children health and nutrition program. This policy will support to strengthen inclusive and equitable development in local level.

2.7 Review of the Study

In Nepal, there is long history of decentralization practice. The kirant period seems to have been the foundation of local government system in Nepal. Local governance during the “Lichchhavi” dynasty was found in accordance with the spirit of decentralization policy. During the Shah period for the first time the centralized authority structure of the state and administrative control was brought into existence. The administration of the government was based on religious principles, socio-cultural norms and tradition and commands of the absolute ruler. The decentralization plans and program introduced during the Panchayat

period followed different models, such as delegated functions model, specific functions model and concurrent functions model.

After restoration of multiparty democracy in 1990 BS, decentralization has been accepted as a main means of enhancing good governance, a process of administrative, political, social, economic and development works, and a strategy for promoting people's participation and empowerment of peoples. As a result of democracy peoples got new democratic constitution as well as separate law of local governance ie, local self governance Act, 2055. Local self governance Act is the milestone for the institutionalized democracy in local level. The main feature of the Act as follows:

-) It has provisioned two types of local bodies in Nepal ie District development Committee and Village development committee/Municipality as a local self governance unit.
-) It has delineation the power and authority of local bodies.
-) It is a unified act of local bodies that defines the principles and policies of decentralization;
-) It has established a Decentralization Implementation and Monitoring Committee to monitor whether the objectives, policies and provisions are followed.
-) It has established a working committee to execute the directives of Decentralization Implementation Monitoring Committee.
-) It has envisioned establishing Local Bodies Fiscal Commission.
-) It has made provision for revenue sharing between local and central government and among Local bodies.
-) It has made provision for 35% representation of woman in VDCs and municipalities and provision for the representation of the deprived and disadvantaged group in Local Governance.
-) It has provided more accountable and transparent Local governance through village, municipal and district councils, committee systems and audit committees;
-) It has expanded the taxation land service fee collection authority of Local Governance and recognized some rights of LGs over natural resources;

-) It has made participatory bottom up planning, periodic planning, resource mapping and establishment of an information centre for Local Governance.
-) It has made Local Governance funding a mandatory function of GoN;
-) It has authorized DDC to establish sector units to take over the work of government line agencies;
-) It has authorized local bodies to hire their own staffs;

Local self governance act, 2055 and its rules have accepted the Community participation in the planning process, implementation and decision making process as a peoples fundamentals rights. There is provision number of mechanism where a woman, children and indigenou community people's participation is required. Some of the mechanisms are as follows in VDC level:

- a. **Ward committee:** As per the provision of LSGA one ward Committee shall be constituted comprising of the Ward Chairman and four ward Members (among the four ward members one member should be women) elected by the Nepalese citizens. (LSGA, 2055 section 7)
- b. **Village Development Committee:** A Village Development Committee shall be constituted as an executive of the Village Council in a village development area as follows: One Chairman, One Vice-chairman and Nine ward members and two members including one woman nominated by village development committee. (LSGA, 2055 section 12)
- c. **Advisory Committee:** The Village Development Committee may, if it deems it necessary, form an advisory committee comprising of members ranging from three to nine, including social workers, intellectuals and persons having technical knowledge and skills to render assistance in its functions. (LSGA, 2055 section 27)
- d. **Village Council:** A Village Council shall be constituted in any village development area as follows :- (a) Chairman and Vice-chairman of the Village Development Committee, (b) Ward Chairman, Woman Ward Member and Ward Members of each Ward Committee, (c) Six persons including one woman nominated by the Village Council from amongst those social workers, socially and economically backward tribes and ethnic

communities, down-trodden and indigenous people living within the village development area, belonging to the class whose representation in the Village Council does not exist and who are in possession of the required qualifications to become the Member of the Village Council. (LSGA, 2055 section 8)

e. Accounts Committee: The Village Council shall constitute an accounts committee under the chairmanship of any Member of the Village Council, consisting of three members including the Chairman. (LSGA, 2055 section 26 (2))

f. Sectoral committee: The Village Council may form infrastructure development committee agriculture, forest and environment development committee, population and social committee, organization and administrative committee, water resource and land committees to render necessary advice and suggestions to the Village Council on various matters in a manner that the Members of the Village Council other than the members included in the accounts committee. (LSGA, 2055 section 26 (3))

g. VDC integrated plan formulation committee: VDC should form an integrated planning committee for selecting project and program recommendation by ward level committee. Composition of the committee as follows: VDC chairperson, representative of NGO (one), female representative of CBO (one), representative of dalit organization (one), representative of women organization (two), representative of child club (one), representative of indigenous nationalities organization (one), representative of Madhesi, Muslim and backward classes organization (one), representative of social worker, intellectuals, senior citizens (one), female representative nominated by ward citizen forum (one), female representative nominated by citizen awareness centre (one), representative of disabilities people (one) , representative of political parties (each one), VDC secretary-member secretary (LBRM Guideline, 2069 rule 15)

h. Users Committee: While implementing and conducting the village level project through a users committee, households directly benefiting from the project shall be identified and a users committee consisting of seven to eleven members shall be formed at the project site by a general gathering of such households. At least 33 per cent of the members of the users committee shall be female. At least one among the chairperson, secretary and

treasurer of the committee shall be female. The formation of the users committee shall be inclusive. (LSGA, 2055 Section, 49 & LBRM Guideline, 2069 rule 25)

- i. Supervision and Monitoring Committee:** For the purpose of carrying out overall monitoring of the various programmes or projects being conducted in the village development area, the VDC shall form a village supervision and monitoring committee as follows: Chairperson of the VDC or office-bearer designated to act as chairperson-Coordinator, Representatives of political parties, no more than three, including a female, Representatives of ward citizen forum, two, including a female, A female representative of citizens awareness centre Chief of line Ilaka or village-level office, one, Technical staff (depending on availability)- member and VDC secretary or a staff member designated by her/him-member secretary. (LBRM Guideline, 2069 rule 33)

For the effective implementation of LSGA, 2055 and overall decentralization policy, Nepal government formulated various Regulation, Guideline and implemented different program. Likewise, Government of Nepal provided annual grant to the VDC for carried out local development program. For the effective utilization of block grant, maintain transparency, maintain inclusive development approach, Nepal government formulated Local Body Resource Mobilization and Management Operation Guideline, 2069.

The objective of all types of grants to be provided by the Government of Nepal to the Village Development Committee as follows:

-) To enhance the access, participation and ownership of the local people to and in the services and facilities by utilizing the local skills, labor, means and resources.
-) To encourage the local people to prioritize local needs, carry out operation and maintenance through planned development, while pursuing the participatory planning process.
-) To institutionalize the inclusive development by mainstreaming an empowering the targeted group and sector in tune with the inclusive development approach.
-) To mainstream the families who are most indigent and have no access to development into the development process through social mobilization, while building their capacity.

-) To address such programs at the local level that could not be addressed by any organization related with the local level development but that has been identified by the communities as essential.
-) To localize goals, objectives and commitments made at the national and international sectors, by addressing them at the local level through programs.
-) To contribute to the attainment of the goal of poverty alleviation, by bringing about change in life style and improvement in living standards through enhancement of employment and income at the local level.
-) To explore possible areas for internal income generation by the Village Development Committee and operate programs to maximize incomes from the same.

This guideline has set some specific area to investments the capital budget. Economic/social as well as physical infrastructure development, Areas of economic development: agricultural, non-agricultural, service sector, Areas of social development: education, health, community infrastructure, Water resources development and electrification, Rural water supply, sanitation, small irrigation, Rural transportation, Forest, environment and rural energy, Preservation of historical infrastructures of cultural/ archaeological importance, Calamities management, and Other programs that can be conducted in partnership.

Likewise this guideline has provisioned area of promotional investment, women, children and disadvantage group development. Small social and physical infrastructure development related programs/projects which have been demanded through the social mobilization, Small social and physical infrastructure development related programs/projects which can be operated in partnership with the local level governmental, non-governmental organizations and community-based organizations, private sector and cooperative organizations, Relating to registration and record maintenance of personal events, Relating to child friendly local governance, Relating to abolition of child labour, Relating to health campaign, propagation such as primary health, HIV/AIDS, vitamin A, polio and other vaccination, mobile health service campaigns, Relating to literacy campaign and formal education (such as child education, promotional activities of education of *Dalit*, and nationalities that are on the verge of extension and marginalized, Relating to prevention of domestic and social violence against

women and children, Relating to gender equality and social inclusion, Relating to cooperative farming, organic farming, modern agricultural system, small and community irrigation, improved seeds and technology development (such as greenhouse, collection of organic manure, pesticides, and rainwater harvesting and irrigation technology), are the investment area of promotional sector, women, children and disadvantage group.

In Nepal planned development effort was initiated since BS 2013. After BS 2013, ten five years and 3 three year periodic plan implemented so far. Each plan given priority to the decentralization in Nepal. Likewise, annual government budget, policy and plan also take in place decentralization system.

In the preamble of the LSGA, it has proposed that the fruits of democracy can be delivered through utmost participation of the sovereign people in the process of governance by way of decentralization. Village development committee, District development committee and municipality are taken as local bodies of the country. The provision of providing grants to local bodies, legally defined principle and policy of decentralization is making the policy binding for all. Participatory bottom up planning and resource mapping is compulsory for all local bodies. In the case of equity compulsory representation of women, children and disadvantage people is the major provision of LSGA. But the absence of elected representative in local bodies, elite capture in decision making process in local level, lack of awareness and political instability of the whole nation are barriers in the effective implementation of grant.

Chapter-III

RESEARCH METHODOLOGY

This chapter deals with the methods that has used in the research and also discussed about the tools and techniques to be used for the information generation/ data collection.

3.1 Research Design

This report is an explorative and descriptive both type of research. As descriptive, this study associated to obtain facts that happen the current time. This study make an effort how VDC mobilize the VDC grant, find out the level of peoples participation in decision making process, planning process and plan implementation process. Moreover, to find out the level of transparency as well. So that this study is descriptive study.

As exploratory this study not only finds out the fact but also examining the fact. So that this study is exploratory as well. This study does not have any hypothesis to test nor has it to make any prediction.

3.2Description of the Study Area

In Chitwan district there are 16 VDCs. Out of sixteen VDCs the selected research site for this research is Padampur VDC. The cause of selection is that this Village development Committee is shift from Chitwan National Park area (Rapti area which is surrounded by National park and suffer this area by Rapti river flood each year, so that the government decided to shift) to Padampur area in B.S. 2050 as per the decision of Nepal government. It is near to Kathmandu, the structure of population is more diversity, internal resources of this VDC is higher than other VDCs and the compliance of total governance system is better than other VDC of Chitwan and finally being researcher's familiarity with the area because before 4 years I was serve chitwan DDC as a planning officer. The other cause of the site selection is women VDC secretary are serving since last three years in this Village development committee because a very few women VDC secretary is serving across the country. Similarly, the level of awareness of people with regards to local level planning,

implementation and decision making process is quite high and the compliancy of service is better than other VDCs.

3.3 Nature and Source of Data

This study collects qualitative and quantitative data using different method.

3.4 Population, Sample and Sampling Procedure

The total seize of population In Padampur VDC is 14942. In the VDC, there are altogether 12850 number of population of women, children and disadvantage groups. On the basis of simple random sampling, all together 72 number of women, children and disadvantage groups were selected for the purpose of opinion survey. In addition 8 numbers of people were selected randomly for focus group discussion and four people were selected for the purpose of key informant interviews.

3.5 Techniques and tools of Data Collection

Prepared questionnaire (structured and unstructured question were distributed) to all respondents except key informants. An interview was conducted to each key informant with prepared open ended question. In order to understand the current situation of thee area, this method has used to obtain qualitative data from local institution and people. The following techniques are applied for the collection of the data:

3.5.1 Opinion Survey

Opinion surveys technique use to know the individuals perception regarding the VDCs service delivery, budget, planning and implementation systems. In this method visit each ward and collect view at least 7-8 people. Opinion survey conducted in each ward of VDC and by using a structured checklist/question¹. Representative from ward citizen forum, citizen awareness centre, school teacher, women cooperatives, users committee and disadvantage committee people be the participate in this method.

¹ Opinion survey questionnaire is in annex1.

3.5.2 Observation

Observation methods have used to collect relevant information directly. This method is useful to know what is currently happening in the area. I presume that this will help to natural behavior of the native people to gather information.

3.5.3 Key Informant Survey

The study used key informant interviews to collect data. In order to assess the knowledge, perception and practices of service providers about the use of government grants given to the Padampur VDC of Chitwan and the procedures followed, Key Informants Surveys were conducted and by using a structured checklist/questionnaire², the VDC Secretaries along with their office assistants and VDC line agencies chief were presence at the interview.

3.5.4 Focus Group Discussion

Focus groups were used to measure public perceptions of local body service delivery, budget, planning and implementation systems. Representative from political party; local elite be the participant of focus group discussion. Focus group discussion be held at least 2 groups (four people from one group) within different place of VDC. Focus group discussion were conducted and by using a structured checklist/question³.

3.6 Data Processing and Analysis

Data have collected during the fieldwork. Obtained data have processed and analyzed according to the objective of the study. The method applied for data processing and analysis are:

-) The systemic analysis has been applied for quantitative as well as qualitative data.
-) Simple statistical tools such as percentage, average, table and figure have been used for the simply presentation of the finding by using computer.

² The key informant questionnaire is in annex2.

³ Focus group discussion questionnaire is in annex3.

Chapter-IV

SETTING OF THE STUDY AREA

4.1 Physical Environment of Chitwan District

Chitwan District located in Narayani Zone, Central Development Region of Nepal. It is bounded by Gorkha and Dhading District on the north, Parsa and Makwanpur on the east, Nawalparasi and Tanahu on the west and south on the Bihar state of India. Geographically, Chitwan District is located at Latitude: 83 degree 54' and 45'' to 84 degree 48' 15'' East and Longitude: 27 degree 21' 45'' to 27 degree 52' 30'' North. Chitwan District consists of 16 VDCs, one sub metropolitan city (Bharatpur is recently upgrade metropolitan city) and 5 municipality. Maximum length of east- west is 88 Km. and south-north width is maximum 50 Km.

Chitwan district has occupied 2205.90 square km. area. It is 1.52 % of total area of Nepal. 908.79 square km. area occupied by Chitwan National Park amongst the total area of Chitwan and rest are divided into 6 municipality and 16 VDCs. Geographically Chitwan district is divided into two divisions, one is flat land terai (Siwalic Physiographic Region) and other hill and mountain (Middle Mountain Physiographic Region). Among the total area district 38.75% area is covered by terai/valley and 20.65% area is covered by hill and 40.60 % area is covered by Chitwan National Park.

Topography/physiographic diversity of Chitwan district are same to Nepal. The district is positioned 121 meter to 1947 meter height from sea level. Narayanghad is the commercial and business centre of the district, which is located edge of famous Narayani River. As ecological features Chitwan district is located tropical zone. Map of Chitwan District is annexed 4.

4.2 Geographical Location of the Padampur VDC

Padampur VDC is that one VDC among the 16 VDCs of Chitwan district. It has covered 29.47 Sq Kilometer area (2.1 %) of the district. The VDC is widening the height of 200-300 above from sea level. It is widening to length east west and width south- north. Padampur VDC is bounded by Jutpani VDC of east and south part, Barandavar forest and Bharatpur

municipality of west part, Thangkhol of north part. Padampur is one of the main growing cities in Chitwan, identified as the commercial banana farming, commercial agriculture zone. Among all the VDC of the Chitwan district, Padampur VDC is being advanced in term of development due to the facility like road, electricity, transportation, communication, entertainment, electricity, people from other areas have starting moving into this VDC which have increased the population of this VDC day by day. Ward number 2 Jitpur Road, ward No 5 Milijuli tol, NawaJoti tol, Suvkamana tol, ward no 6 padampur 'ka' 'kha', ward no 7 Michauli, ward no 8 Bankatta and 9 VDC office area have developed into a market center as people from other district have moved and settled into these ward for business purpose. The total house hold of this VDC is approximately around 3231 and the total population of this VDC is around 14942.

The climate of Padampur VDC is tropical type. Even during summer when the temperature raises high the hot breeze in the village area keeps the weather dried out. During winter season the weather remains cold in every part and some time breeze cold wave.

Chitwan district is rich in water resources, potential with several perennial rivers and lakes. The major rivers of the district are Narayani, Rapti, Lothar and Riyu. Mostly the water resources are used in irrigation purpose in this district. In the raining seasons people are suffered by flood.

Chitwan district is prosperous as a forest resource. A total 140839 Hector area is covered by different type of forest (national park, community forest, lease forest, private forest, and government forest). Padampur VDC has a 2947 hector forest area. Four different community forest groups are exist in this VDC. Forest resource is a key source of development as well as daily uses of people life. The VDC have following varieties of trees and herbs. Sal, Bamboo, Fig, Pine, sandalwood, Red Silk Cotton, chestnut etc.

4.3 Socio Cultural Setting of Study Area

Social and cultural setting of the study area as follows.

4.3.1 Demographic Condition of Study Area

The demographic condition of the District is given on the basis of various parameters. According to the Population census 2068; the total population of the District is 579984⁴.

⁴ Source of data is population census 2068.

Among the total population nearly 27% are Brahman, 11% are Chhetri and 11% Tharu ethnicity and rest are Gurung (7%), Tamang (8%), Chepang(5%), Newar (5%), Dalit (9%), Muslim(1%).

4.3.2 Population of Padampur VDC

As per Population census 2068 the total population of this VDC was 14942 with 3231 Households. Out of the total population 7104 (47.60%) are male and 7820 (52.40%) are female. In this study, our focus group is children, women and disadvantage group with reference the population. Following table shows the data regarding the focus group.

Table No 4.1: Population of Women, Children and disadvantage groups

Description	Number of Population
Children ⁵	5815 (Age 0-16 years)
Women ⁶	4066 (Age above 16 year)
Disadvantage group	3641 (Except children and women)
Brahman/Chhetri	1420 (Except children and women)

Source: Population census 2068

Table No 4.2: VDC Population distributions by Ward

Ward	1	2	3	4	5	6	7	8	9	Total
Household	305	345	281	210	311	342	170	912	355	3231
Total Population	1356	1531	1287	956	1452	1640	819	4129	355	14924
Male	634	705	589	448	705	772	387	2018	846	7104
Female	722	826	698	508	747	868	432	2111	908	7820
% of Male	47	46	46	47	49	47	47	49	48	48
% of Female	53	54	54	53	51	53	53	51	52	52

Source: Population census 2068

⁵ The populations of children understand to age 0-16 years.

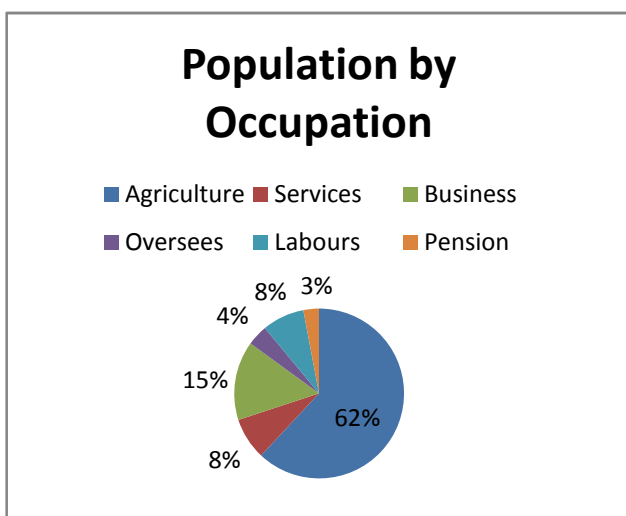
⁶ The populations of women understand to all ethnic/ cast groups.

Most of the population are speaks Nepali language. Around 42% populations speak Nepali language. Similarly, 34% population speaks Tharu,14% Tamang and rest are speaks Maithili, Newar, Gurung, Rai, Bote, Darai, Chepang language. As religious most of the people are Hindu. 83% populations are hindu, 14% are Buddhist and rest 3% are kirat, Christian, jain and Shik, Muslim etc. Dashain and Tihar are the two main festival celebrated by the people of this VDC. Besides Dashain and tihar Tharu community celebrate Maghi and Tamang and gurung people celebrate Loshar festival as well.

4.3.3 Population distribution by occupation

Major occupation of the people of this VDC is agriculture, followed by people engaged in either government or private jobs and business.

Figure: 4.1 Population by occupation



People of this VDC are found to be mainly engaged in agriculture. The main crop of this VDC are rice, wheat, maize, Barley, soya, and the most common fruits are papaya, banana, Pineapple etc. Even though people of this VDC are mainly engaged in agriculture, most people migrated from different village are engaged in small industries like bakery, clothe shop, shoe shop, furniture shop, automobile workshop etc.

Source: Population census 2068.

4.3.4 Status of Education, Health and Others

Education is accepted as a means to enhance the economic competence, prepare qualified human resources that are capable to cope with the development of innovative knowledge. The VDC have education facility for children. The VDC have ten number of school. There is one secondary school/Higher secondary, five lower secondary and 4 Primary school are exist. Likewise, branch of Tandi campus also exist there. The students of this VDC mostly go for

higher education either to Bharatpur or Kathmandu. Around 70 percent People are literate in this VDC.

Table No: 4.3 Literacy rate of Padampur VDC/Population by sex

Population above 5 year age		Population who are				literacy rate
		can read and write	can read only	cannot read & write	literacy not stated	
Total Both Sex	13668	9527	319	3820	2	69.7
Male	6499	5013	168	1317	1	77.13
Female	7169	4514	151	2530	1	62.97

Source: Population census 2068.

Good health is an important asset for every citizen to improve living standard. Healthy human resources are essential for an overall development of VDC. People of this VDC receive basic/primary health services from Sub-Health Post, which is located within the community. VDC people are moved out Bharatpur and Kathmandu for better treatment and diagnosed of critical disease. There are one Sub Health post, one Aurvedic centre and seven private clicnic.

4.3.5 Transportation, Communication and Electricity Facility

Transportation is one of the most important physical infrastructures for development. This VDC linked to local road form Braratpur municipality. All wards of VDC are linked by village road. Around 45 kilometer road were constructed in this VDC.

The VDC people have access to Mobile phone (2471), landline phone (79) and CDMA phone (85). Likewise, Electricity services are good in this VDC. More than 85 percent household has access to electricity.

Chapter-V

DATA PRESENTATION AND ANALYSIS

This chapter has been solely devolved for data presentation and analysis. This chapter has been organized into the following headings.

5.1 Socio-Demographic Status of Respondents

The information related to socio-demographic characteristics of respondents such as age, sex, level of education, present occupation are also collected at the time of interview. There are 72 respondents selected as a random sampling method for opinion survey (7-8 respondents from each ward). Likewise, eight respondents were selected as a random sampling for focus group discussion and four respondents were select for key informant interviewer. During the field visit, a total number of sampled respondents are interviewed. Among them, Thirty three were male and Thirty nine were female. This section represents the characteristics of the respondents, which are included at interview.

5.1.1 Age Structure

Age structure of the respondent as following:

Table No: 5.1 Distributions of the Respondents According to their Age

SN	Age group	Number of Respondent by Sex		Total Number of Respondent	Percent of Respondent
		Male	Female		
1	15-30	20	17	37	44
2	30-45	14	16	30	35
3	45- 60	10	7	17	21
	Total	44	40	84	100

Source: Field Survey, 2014

5.1.2 Ethnic Composition

According to the VDC profile, 2068 there are exist different 21 different cast and ethnic groups⁷. Amongst the twenty one cast/ethnicity groups, included almost ethnicity people as respondent.

Table NO: 5.2 Distribution of the Respondents According to their ethnic group

SN	Ethnic group	Number of Respondent	Male	Female
1	Bhraman/chhetri	40 (48%)	22 (55%)	18 (45%)
2	Indigenous community	44 (52%)	19(43%)	25 (57%)
	Total	84 (100%)	41	43

Source: Field survey, 2014

The above table shows the distribution of the respondents according to their ethnic group. The respondents are grouped into two categories on the basis of ethnicity. Among the indigenous community most of the respondent were Tamang, Lama, Chaudary, Gurung, Mahato, Bishowkarma, Magar, Newar , Darai, Darji, Darai, Rai, Sarki, Chepang and Pariyar etc.

5.1.3 Educational status

According to population census report 2068, literacy rate of Padampur VDC is seventy (70) percent. Among the total literate population seventy seven percent (77%) are male and sixty three (63) percent are female. The following table shows respondent educational status and spell out the similar fact as literacy rate.

⁷ Chhetri, Braman Hill, Tharu, Gurung, Chepang, Magar, Kumal, Sarki, Gharti/Bhuzel, Sannasi/Dasnam, Botae, Chhetri, Tamang, Newar, Kami, Darji, Darai, Muslim, Rai, Thakuri and Teli.

Table NO: 5.3 Educational status of the Respondents

SN	Education	Gender		Total	Percent
		Male	Female		
1	Masters	3	2	5	6
2	Bachelors	13	8	21	25
3	Higher Secondary	15	13	28	33
4	Secondary	12	11	23	27
5	Below secondary	5	2	7	8
	Total	48	39	84	100
Source: field survey 2014					

The above table shows the educational status of the respondents. Out of 84 respondents, all were literate and none were found illiterate.

5.2 Assessment of Budget Allocation

Local governance Act, 2055 (1999) has commence to make provisions conducive to the enjoyment of the fruits of democracy through the utmost participation of the sovereign people in the process of governance by way of decentralization, service devolve from centre to local level, constitute local bodies for the development of the local self-governance system in a manner that they are able to make decisions on the matters affecting the day-to-date needs and lives of the people, by developing local leadership. Similarly, Devolution of such powers, responsibilities, and means and resources as are required to make the Local Bodies capable and efficient in local self-governance and devolution of powers to collect and mobilize such means and resources as are required to discharge the functions, duties, responsibility and accountability conferred to the Local Bodies. Under this decentralization principle LSGA has conferred the power to VDC, to collect internal revenue and also provisioned receives grant form government for the development of local area. The government provides the grant with the following criteria: provide the Local Body each year with minimum grant prescribed and also with additional grants on such basis as population,

level of development, possibility and capability of mobilizing revenues, necessity of financial resources, regular record keeping of incomes and expenditures, situation of auditing and financial discipline of the concerned Local Body.

The data that was collected from the VDC for consecutive three years were analysis on the basis of LSGA 2055, Local self Governance Regulation, 2056 and Local Bodies Resource Mobilization and Management Operation Guideline, 2069 (Block Grant Guideline). As per LSGA 2055, Local self Governance Regulation, 2056 and Local Bodies Resource Mobilization and Operation Management Guideline, 2069 (Block Grant Guideline) VDC got budget from different source. The following table shows detail budget which VDC council approved as a VDCs annual budget.

Table NO: 5.4 Three years VDC budget with income source

SN	Source of Budget	FY 068/069		FY 069/70		FY 070/71	
		Projection	Actual Income	Projection	Actual Income	Projection	Actual Income
1.	Internal resource	1199750	1265708	1591316	1592619	1428317	1446434
2.	VDC Grant	2132700	2132700	1500000	1494600	3187850	3215950
3.	DDC Grant	1000000	0	570000	147913	0	130000
4.	Social security grant	4500000	4404800	4800000	4873400	5200000	5066400
5.	Other grants	3147000	2562120	2270000	1381500	2520000	3408265
6.	Total	11979450	10365328	10731315	9490032	12336167	13267049

Source: VDC council minute/ record book

According to available data from village development committee, VDC council projection (approved) the total budget RS. 11979450 for fiscal year 2068/069. But VDC got

RS.10365328.21 and mobilized accordingly. It is less than 13.47 percent against the projection. Similarly, the VDC council projection total budget Rs. 10731315 for FY 069/070. However VDC got only Rs. 9490032. It is less than 11.57 percent and in FY 070/71, VDC council projection total budget Rs. 12336167. Though, VDC got Rs.13267049. It is 7.5 percent high against the plan of outline. Among the total budget of VDC the portion of VDC grant is 21%, 16% and 24% respectively. Likewise, among the total fund of VDCs average 11 percent fund was collect as internal resource and rest are available as grant from different government organization and donor agency.

The available data shows there is not consistency to projection the budget. Likewise, there is no accuracy to the budget projection. Because, first two year the sum of budget is less then to projection.

Among the three objective of this study one objective was to assess the budget allocation especially VDC grant made to physical infrastructure and dimension of social security measures ie: women, children and disadvantage group.

Each village development committee must be followed the rules of LSGA 2055, Local self Governance (financial) Regulation, 2064 and Local Bodies Resource Mobilization and Management Operation Guideline, 2069 (Block Grant Guideline) while formulation the annual plan and preparation the annual budget and program of VDC. VDC should allocation the following percentage of budget to the women, children and disadvantage group (at least 10% for Children, 10% for Women and 15% Dalit and Janjati) from capital grant⁸ of VDC block grant. In the Padampur VDC, the VDC Secretary has been serving in the similar post for more than three years and is aware and has knowledge on the VDC Grant Guideline. This section explains the VDC budget allocation in respective three year which is the one major objective this study.

⁸ The government provides VDC two types of grant, capital grant as well as recurrent grant. With regards VDC capital grant, remaining amount reduce recurrent grant.

5.2.1 Budget and program for FY. 068/069

VDC budget and program for FY. 068/069 as followings:

Table NO: 5.5 proposed budget for FY 068/069

Budget head	Total budget	source	
		VDC grant	others ⁹
All administrative budget	2719469	420000	2299469
Inclusive development budget	392511	392511	0
Health post grant	1000000		1000000
Social security grant	4500000		4500000
Infrastructure development budget	3367470	1320189	2047281
Total	11979450	2132700	9846750
Source: VDC council minute/ record book			

VDC Council has had approved total RS. 11979450.00 budget for FY 068/069. Among the total approved budget the portion of VDC grant is RS.2132700.00 (18%). this figure shows the total percent of budget by expenditure head. Among the total VDC grant Council apportion Rs.392511 for inclusive development and Rs. 1320189 for physical infrastructure development. The VDC council do not compliance the rule of local body resource mobilization and management operation guideline, 2069. Because, at least 35% budget should be allocate for targeted group ie children, women and indigenous group from VDC grant. This year the VDC council has allocated only 23% budget for targeted group development. The following table makes clear how the VDC council allocation of VDC grant for different program.

⁹ The other source means to be understood VDC internal source, DDC grant and other line agency grant.

Table NO: 5.6 Allocation of VDC grant FY 068/069

Description	Budget Rs.	Percent
VDC grant	2132700	
Capital Grant from VDC grant	1712700	80
Inclusive budget allocation from VDC capital grant	392511	23
Physical infrastructure development budget from VDC capital grant	1320189	77
Source: VDC council minute/ record book		

Among the total inclusive budget Rs. 392511.00 VDC council allocated different program and make plan/ activity accordingly. The following table and figure make more clearly about inclusive budget allocation.

Table NO: 5.7 Inclusive budget allocations FY. 068/069

Allocation Head	Budget Rs	% from VDC capital Grant
Targeted group (Indigenous/ ethnic group, disable, dalit, Backward community) development program	225994	13
women empowerment program	126567	7
children development Program	40000	3
Total	392511	23
Source: VDC council minute/ record book		

VDC council does not compliance the LBRM guideline with regard to allocation the VDC grant. According to the LBRM guideline total 35% budget should allocation for inclusive development program. But there is an allocation only 22% budget. According to the VDC annual plan record book 2068, the following activity such as support education material, construction of toilet, conduct awareness raising program, child club mobilization, support to vital registration campaign, support to immunization campaign, support to informal education, skill development program, construction community building carried out under the inclusive budget head. However, there is still high risk to divert the inclusive budget to road project. Because there is highly demand to construct the road. So that beneficiary

especially women, children and indigenous community people also agreed to redirect the budget. Likewise, there is not as much of participation of women, children and disadvantage group people while budget allocation meeting. There is not giving importance the voice of women, children and disadvantage community people as well.

Among the total VDC grant Rs. 2132700.0 Rs. 1320189.00 budget has allocated as a capital budget. As per the LBRM guideline capital budget should focus to economic development, physical infrastructure development. VDC council alienated the capital budget different ten major programs and make activity accordingly. The following table and figure make clear about the capital budget allocation.

Table NO: 5.8 Capital budget allocation FY 068/079

SN	Allocation Head	Budget Rs	Percent
1	Water and sanitation program	527111	40
2	Road/Bridge/Culvert	493157	37
3	education	182376	14
4	Agriculture/Irrigation/river control	52606	4
5	Electricity and others	64939	5
	Total	1320189	100

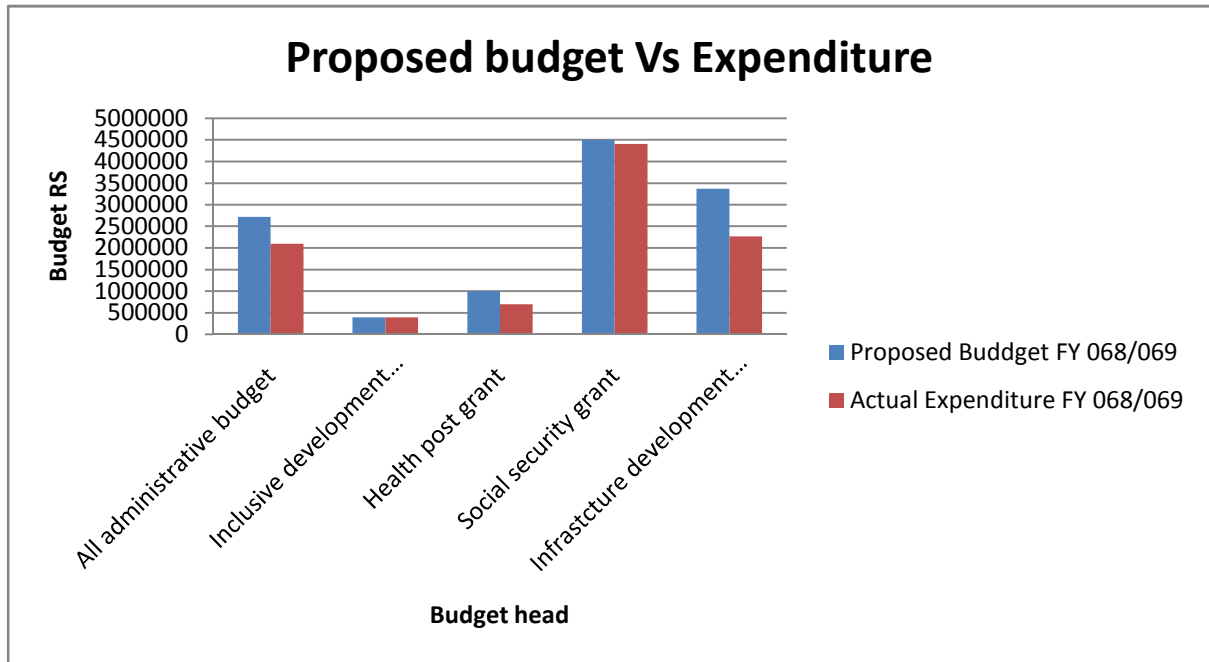
Source: VDC council minute/ record book

According to above point out table VDC council has allocation RS. 1320189.0 budget for infrastructure development from VDC grant. This is the 62 percent of VDC grant. Amongst the total infrastructure development budget 40% budget allocation for drinking water and sanitation project and followed by 37% budget for road/bridge/culvert, 14% education, 4% for agriculture, irrigation/river control, 3% for electricity and others sector.

This status of budget allocation does not prove the rational of development. Because, agriculture is the backbone of economy and most of the people are engaged in agriculture profession in Padampur VDC. Despite the fact a very few budget allocation in agriculture

sector. Though, this program/activity select through participatory planning process and demand of local people.

Figure: 5.1 proposed budget Vs expenditure, FY 068/069



Source : VDC annual review report

Among the total proposed budget expenditure made only the 82% budget. Likewise, the inclusive budget expenditure is 100%, however the infrastructure budget expenditure only sixty seven percent. Reason behind the less expenditure of capital budget is delayed release of budget from DDC, delayed to contract agreement with users committee due to dispute of users committee formed. But this is not only the problem of Padampur VDC, it is nationwide problem.

5.2.2 Budget and program for FY 069/070

According to the available record from Padampur VDC, (VDC council meeting minute and record book) VDC council approved budget (allocation and expenditure) as following for FY. 2069/070.

Table NO : 5.9 proposed budget for FY 069/070

Budget head	Total budget	source	
		VDC grant	others
All administrative budget	1265061	420000	845061
Inclusive development budget	392511	392511	0
Health post grant	1000000	0	1000000
Social security grant	4800000	0	4873400
Capital budget	3273743	687489	2586254
Total	10731315	1500000	9304715
Source: VDC council minute/ record book			

VDC Council has had approved total RS.10731315.00 budget for FY 069/070. Among the total approved budget the portion of VDC grant is RS.1500000.00 (14%). The allocation of VDC grant looks like reasonable. This year VDC council fully compliance the rule of local body resource mobilization and management operation guideline, 2069. Because, at least 35% budget should be allocate for targeted group ie children, women and indigenous group from VDC grant. But, this year VDC has allocated 36% budget for the targeted group from capital grant of VDC. The following table makes clear how the VDC council allocation of VDC grant for different program.

Table NO : 5.10 Allocation of VDC grant, FY 069/070

SN	Allocation Head	Budget Rs	Percent
1	Targeted program	392511	36
2	Capital (Infrastructure) development	687489	64
3	Recurrent cost	420000	
	Total	1500000	100
Source: VDC council minute/ record book			

Among the total inclusive budget Rs. 392511.00 VDC council allocated different program and make plan/ activity accordingly. The following table and figure make more clearly about inclusive budget allocation. The inclusive budget has been allocation as following from VDC grant.

Table NO : 5.11 Inclusive budge allocation from VDC grant, FY 069/070

SN	Allocation Head	Budget Rs	% from VDC capital grant
1	Targeted group (Indigenous/ ethnic group, disable, dalit, backward community) development program	255133	24
2	women empowerment program	58876	5
3	children development Program	78502	7
	Total	392511	
Source: VDC council minute/ record book			

24% budget allocation for Targeted group (Indigenous/ ethnic group, disable, dalit, backward community) development program, which is high than the guideline provision. However, the allocation of women and children program is less than the guideline provision. Activity and program carried out similar to previous year from the inclusive development budget. Major reason behind the less budget allocation to women and children development program is lack of knowledge, less priority to women and children program compare to physical infrastructure development program.

Among the total VDC grant Rs. 1500000.0 Rs. 687489.00 budget has allocated as a capital budget. The following table and figure make clear about the capital budget allocation.

Table NO : 5.12 Capital budget allocation FY 069/070

SN	Allocation Head	Budget Rs	% from Capital grant
1	Water and Sanitation program	133767	19
2	Road/Bridge/Culvert	382308	56
3	Building	57800	8
4	Agriculture/ Irrigation/river control	57800	9
5	others	52894	8
	Total	687489	100
Source: VDC council minute/ record book			

According to above point out table and figure VDC council has allocation RS. 687489.0 budget for infrastructure development from VDC grant. This is the 64 percent of VDC grant. Amongst the total capital budget, 56% budget allocation for road/bridge/culvert, and followed by 19% budget allocation for water and sanitation, 8% building, 9% agriculture, irrigation/river control and 7% budget allocation for other sector.

This status of budget allocation does not well-matched the previous year budget and programme. Owing to the reduced of VDC grant, there has inconsistency of budget allocation in following two fiscal year 2068/069 & 069/070. Likewise, there are not developing specific criteria for allocation the budget. The allocation depend immediate demand of people, pressure of political party, and pressure of different pressure group as well. Similarly, every year VDC council allocation large amount of budget for road, bridge project. It give the impression that there is less priority to the social development ie, health, education, social security, drinking water and sanitation.

Table NO: 5.13 Total budget Vs Expenditure of FY 069/070

SN	Expenditure Head	Proposed Budget	Actual Expenditure
1	All administrative budget	1265061	1163064
2	Inclusive development budget	392511	223733
3	Health post grant	1000000	948000
4	Social security grant	4800000	4873400
5	Capital budget	3273743	2620810
	Total	10731315	9829007
Source: VDC council minute/ record book			

Among the total proposed budget, expenditure made only the 92% budget. Likewise, the inclusive budget expenditure is only 57%, however the capital budget expenditure is 80% percent. Reason behind the less expenditure of capital budget is delayed release of budget from DDC, delayed to contract agreement with users committee due to dispute of users committee formed. More or less the same situation has show again regarding the expenditure of capital budget.

5.2.3 Budget and program for FY 070/071

According to the available record from Padampur VDC, VDC council approved budget (allocation and expenditure) as following for FY. 2069/070.

Table NO : 5.14 proposed budget for FY 070/071

SN	Expenditure Head	Proposed Budget	Source	
			VDC Grant	Others
1	All administrative Budget	1508002	462150	1045852
2	Inclusive development budget	983500	983500	0
3	Health post grant	1350000		1350000
4	Social security grant	5200000		5200000
5	capital budget	3294665	1742200	1552465
	Total	12336167	3187850	9148317
Source: VDC council minute/ record book				

VDC Council has had approved total RS.12336167.0 budget for FY 070/071. Among the total approved budget the portion of VDC grant is RS.3187850.00 (26%). Among the total VDC grant VDC council approved Rs.276285.00 as a capital budget. Among the total capital budget 36% budget allocation for inclusive development and 62% budget allocation for physical infrastructure development. The allocation of VDC grant looks like reasonable. This year VDC council fully compliance the rule of local body resource mobilization and management operation guideline, 2069. Because, at least 35% budget should be allocate for targeted group ie children, women and indigenous group from the VDC grant. This year VDC council has allocated 36% budget for targeted group form VDC grant. The allocation of VDC grant as following.

Table NO : 5.15 allocation of VDC grant, FY 070/071

SN	Allocation Head	Budget Rs	% from capital budget
1	Inclusive program	983500	36
2	Capital budget (infrastructure Development budget)	1742200	63
3	contingency	42150	2
4	Recurrent cost	420000	15
	Total	3187850	
Source: VDC council minute/ record book			

Among the total inclusive budget Rs. 983500.00 VDC council allocated different program and make plan/ activity accordingly. The following table and figure make more clearly about inclusive budget allocation. The inclusive budget has been allocation as following from VDC grant.

Table NO : 5.16 Inclusive budge allocation from VDC grant, FY 070/071

SN	Allocation Head	Budget Rs	% from inclusive budget	% from VDC capital grant
1	Targeted group (Indigenous/ ethnic group, disable, dalit, backward community) development program	639275	65	23
2	women empowerment program	147525	15	5
3	children development Program	196700	20	7
	Total	983500	100	36
Source: VDC council minute/ record book				

Among the total VDC grant Rs. 1742200.00 budget has allocated as a capital budget. Total capital budget alienated different nine major programs and make activity accordingly. The following table and figure make clear about the capital budget allocation. This status of budget allocation spell out the same circumstance which was exist previous year budget. This year the VDC grant is increase than previous two year. Although there is inconsistency of budget allocation in different sector. The trend of budget allocation will not encourage the balanced development of VDC.

Table NO: 5.17 Capital budget allocation FY 070/071

SN	Allocation Head	Budget Rs	Percent
1	Water and Sanitation program	202500	12
2	Road/Bridge/Culvert	1064848	61
3	Building	340426	20
4	Agriculture/Irrigation/river control	25720	1
5	others	108706	6
	Total	1742200	100

Source: VDC council minute/ record book

According to above point out table and figure VDC council has allocation RS. 1742200.0 budget for infrastructure development from VDC grant. This is the 64 percent of VDC grant. Amongst the total capital budget, 61% budget allocation for road, bridge, culvert, followed by 12% for water and sanitation, 20% building, 1% for agriculture irrigation/river control and 6% budget allocation for other sector.

Table NO: 5:18 Total budget Vs Expenditure of FY 070/071

SN	Expenditure Head	Proposed Budget	Actual Expenditure	Expenditure % against target
1	All administrative Budget	1508002	1445677	96
2	Inclusive development budget	983500	963500	98
3	Health post grant	1350000	1290500	96
4	Social security grant	5200000	5066400	97
5	capital budget	3294665	2705318	82
6	Others	0	923995	
	Total	12336167	12398093	

Source: VDC annual review report

.FY 070/071, expenditure is high than the proposed budget, because the national literacy program and constitution area development budget acquire without proposed by council. So that Expenditure made 101%. Likewise, the inclusive budget expenditure is 98%, however the capital budget expenditure is 82% percent.

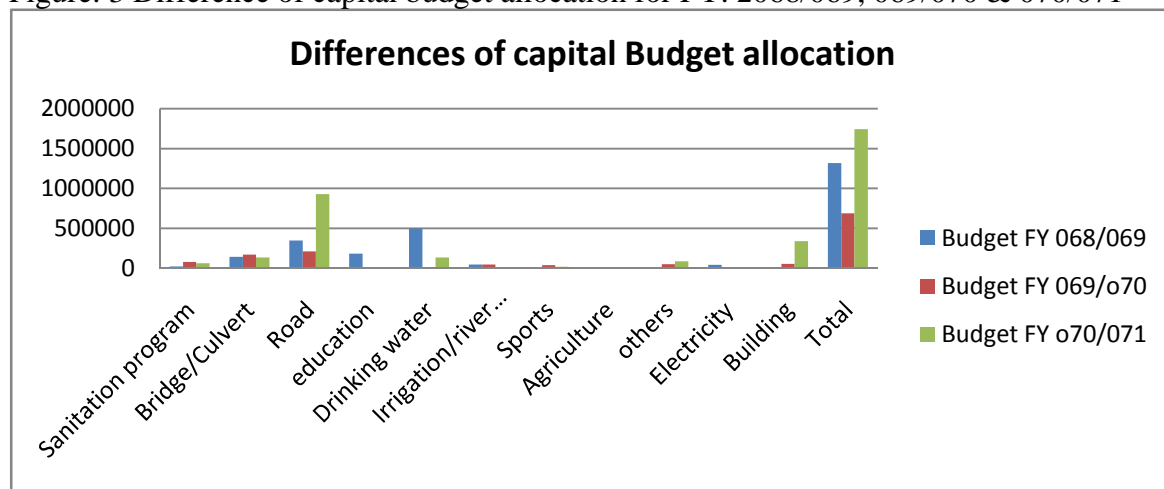
This status of budget allocation does not well-matched the within three year budget. The following table and figure make clear and help to better understand and analysis the three years capital budget of Padampur VDC from VDC grant.

Table NO : 5.19 capital budget allocation trend of three FY. 2068/069, 069/070 & 070/071

SN	Allocation Head	Budget FY 068/069	Budget FY 069/070	Budget FY 70/071
1	Water/Sanitation program	527111	94060	202500
2	Road/Bridge/Culvert	493157	382335	1064848
3	education	182376	0	0
4	Agriculture/Irrigation/river control	52607	60720	25720
5	Others	64939	150401	449132
	Total	1320189	687489	1742200

Source: VDC council minute/ record book

Figure: 3 Difference of capital budget allocation for FY. 2068/069, 069/070 & 070/071



Source: VDC council minute/ record book

As per the above mention table, the VDC did not followed the policy of allocating the total fund as spelled out in the guideline which should have been 10% for both women, children and 15% for the disadvantage group. During the research, when VDC was asked about the discrepancies in the allocation of fund for the target group, they had a say that due to unclear policy and difficulty in identifying the focus activity/programme for the target group and due to unavailability of list of activities for the target groups, compelled to divert the fund for

other general programme like, road, drinking water, bridge, general toilets which also directly and indirectly benefits the target groups as per their understanding. In the same context, question were also asked with the target group and as per them most of them also agreed on the VDC plan activities and prioritize the fund to be spend on general plan which would benefit everyone in the community.

There is a significant fluctuation in the allocation pattern to the target group. There is limited budget allocated to the target group by the VDC. While the budget allocation for the target group procedure of guideline has not been comply properly. We see the expenditure pattern the VDC has been almost 100% successful in making the expenditure. Therefore, looking at the three year allocation and expenditure pattern for the target groups, the VDC has to be more cautious while selecting the project and should try to allocated 100% fund which is spelled out in the guideline for the target group. The local budget should not be biased and politically influence while selecting the project and should fully adhere with the government policy.

According to some of the respondent though participation of women and disadvantage group are given high priority in the guideline, very few women and disadvantage group participate in the VDC meeting and other development meetings because either because of the lack of information and awareness or being busy with their own business.

5.3 Assessment of Level of Participation

As per the provision of LSGA and its regulation there are various institution and mechanism in VDC ie. VDC council, VDC Meeting, Ward committee, Advisory Committee, Accounts , committee, Sectoral committee, VDC integrated plan formulation committee, Users, Committee, Supervision and Monitoring Committee where women, children and disadvantage community people could participate as a member or invites observer. Besides above mention committees other several committees are existing in village level, such as ward citizen forum, citizen awareness centre, village education committee, village agriculture development committee, village water, sanitation and hygiene committee, community forest users committee, water resource management committee, village child protection committee etc.

5.3.1 Status of women and disadvantage group participation

Find out women and disadvantage people participation in the planning, implementation and VDC level decision making process is very important aspect of the study. Since local election is not held after BS 2059, most of the committees are defunct. Though, In order to measure the community participation in the planning process, implementation and decision making process questions related to the participation were asked through questionnaire method. The information obtained through this process is interpreted here in tabulated form.

Table NO : 5.20 People's Participation in Planning Process

People Participation	No. of Respondents	Percentage
Willingness	65	76
Unwillingness	9	10
General	10	14
Total	84	100
Source Field Survey, 2014		

The status of people's participation during the survey found willingness but unwillingness among the people was close to general as well.

Participation of women and disadvantage group in the planning, implementation and decision making process is very necessary in order to obtain the expected result and sustainable development of the VDCs. Participation of women, children and disadvantage groups in planning, implementation and decision making process of local bodies has had mandatory by Local Self Governance Act, 2055, Local Self Governance Regulation, 2056, Financial Regulation, 2064 and Local Body Resource Mobilization and Operation Management Guideline, 2069. The participation of the above mentioned group of the Padampur VDC is shown below.

Among the total respondent eighty four, eighteen respondents were Brahman/chhetri female and forty four were disadvantage group male and female. During the research work found following fact.

Table NO : 5.21 Respondent number of women and disadvantaged group

Total Respondent	Among the total respondent			Total women and disadvantage group
	Brahman/Chhetir female	disadvantage group female	disadvantage group male	
84	18	25	19	62
Source: Field survey, 2014				

Among the total 62 women and disadvantage group people, most of the people are participate in VDC level different mechanism. The following table gives an idea about the status of participation.

Table NO 5.22 Status women and disadvantage group participation

Status	Number	percent
Participate	49	79
Does not Participate	13	21
Total	Total	100
Source: Field survey, 2014		

According to the above table 79% of that total respondents said that women and disadvantage group participates in the planning, implementation and decision making process in village development committee. Though the participation of children in different mechanism in VDC is missing. Likewise, 21% of the people mentioned that women, disadvantage group does not participates in the planning, implementation and decision making process. Participation of women and disadvantage group in the cycle of development (planning, implementation, monitoring and evaluation) is most important for the lasting and fruitful result. Even though knowing the fact, the outcome is not as expected. However, the number of women and indigenous people participation in different level of VDCs, ie VDC council, ward citizen forum, citizen awareness centre, users committee, planning committee is satisfactory.

Table NO: 5.23 participation status of women and disadvantage peoples in different mechanism

SN	Organization/Mechanism	Number participants			Total
		Bhrman/ chhetri female	disadvantage female	disadvantage male	
1.	Ward citizen forum	4	5	4	13
2.	Citizen awareness centre	5	4	-	9
3.	Integrated planning committee	1	1	1	3
4.	Users committee	4	3	5	12
5.	village water, sanitation and hygiene committee	2	2	3	7
6.	community forest users committee	5	6	6	17
7.	water resource management committee	1	1	1	3
8.	village child protection committee	1	-	-	1
	Total	23	22	20	65

Source: Field survey 2014

The above table shows that the women and indigenous peoples participation in different mechanism. The LBRM guideline, 2069 has avoided the same people at the same time to participate in different users committee. According to the respondent the same people participate different mechanism at the same time as well. So that the number of participation is seems high. Likewise, as per the provision of guideline VDC has had participate women and indigenous people's representation in integrated planning committee, supervision and monitoring committee as well.

5.3.2 Constrain and Challenge of participation

Though the participant of women shows satisfactory at the above chart but still the women from disadvantage group are very less and does not get involved in such meetings either because of illiteracy, lack of awareness, gender discrimination or because of being busy with their own business. Though the participation looks good and the implementation are gradually taking up the pace even in the absence of the local representative but local government should encourage the disadvantage group to participate and get involved in the development activities. Various research have shown that implementation of program in the absence of the elected representatives are due to lack of coordination between inter agencies, lack of monitoring mechanism , lack of people interest and participation, lack of transparency and accountability. According to the field study the reason behind the people for not participating in the development activities are either due to lack of information, lack of time, busy with their own business, lack of interest etc.

According to different studies, women and disadvantage group are far from the fruits of development in the country but few populations of women and disadvantaged group were engaged in many of the projects. As per field survey, it is observed that some of the women were engaged in the project formulation and implementation but disadvantaged group's were less engaged compare to advantage groups. According to the respondent, reason for their less participation, is due to illiteracy, lack of awareness, access to information and resources, inactiveness, language problems, socially marginalized, lack of empowerment, gender discrimination and many other reasons.

5.3.3 Perception of Target Group

The points and issues listed below are taken from discussion with the target group in Padampur VDC.

1. Target groups are involved in ward bhela (gathering) for ward level planning process. VDC office invites them sometime formally or some time informal way. VDC people are very alert to make plan.

2. Target groups are also active for cost sharing and participation in the construction of infrastructure for example women community building construction.
3. There is limited budget for children, but women are reluctant to implement the women targeted budget. They ask for more budgets but when the VDC call for agreement with the women groups, they do not care for agreement to implement the project.
4. The targeted budget is used for Income generation (goat) and for protection of tradition, musical instruments like Panchebaja.
5. If any accidental incident happens to the deprived child, VDC supports to that child for their treatment.
6. There is a provision of educational materials support to excellent students those who are economically weak.
7. There are various good works for children but few young children create pressure at the VDC for money (CHANDA).

5.4 Problem and Challenge

Local Self governance Act, 2055 has accepted to the local bodies as an autonomous unit. According to the LSGA preamble, constitute local bodies for the development of the local self-governance system in a manner that they are able to make decisions on the matters affecting the day-to-date needs and lives of the people, by developing local leadership. Likewise, in Nepal decentralization, pursue the following principles and policies for the development of local self-governance system:-

- (a) Devolution of such powers, responsibilities, and means and resources as are required to make the Local Bodies capable and efficient in local self-governance.
- (b) Building and development of institutional mechanism and functional structure in Local Bodies capable of considering for local people and bearing responsibilities.

(c) Devolution of powers to collect and mobilize such means and resources as are required to discharge the functions, duties, responsibility and accountability conferred to the Local Bodies.

(d) Having the Local Bodies oriented towards establishing the civil society based on democratic process, transparent practice, public accountability, and people's participation, in carrying out the functions devolved on them.

(e) For the purpose of developing local leadership, arrangement of effective mechanism to make the Local Body accountable to the people in its own areas.

(f) Encouraging the private sector to participate in local self-governance in the task of providing basic services for sustainable development.

Though the outcome of decentralization has not been take in place as per the LSGA preamble and principle of local self governance. There are many problems to institutionalize the local governance system in local level. This study highlights only the problems of VDC service, budget preparation and its implementation process. Participant as a key informant, focus group discussion and opinion survey, express following problems that VDC were face day to day life.

1. Since long (BS 2054) local election could not take place in time. So that elected representative in local bodies is vacant. All duty and responsibility should carry out VDC secretary itself. Hence, there is problem to provide service timely.
2. The size of work is very large compare to number of VDC staffs. In centre there are 27 ministry, but VDC secretary alone must be perform all ministry related work. However, they are not properly aware these works.
3. Owing to up to date knowledge and skill of VDC secretary as well as other staffs of VDC, there is problem to delivery effective service. So that they need to capacity development program, such as computer skill, financial management, record keeping, leadership, coordination skill etc.
4. The number of program demand by ward level is very far above the ground and compare to available resource. So that it is very difficult to select and prioritize the program and budget.

5. The budget is scattered small unit of project owing to Unhealthy political competition. Thus, the real need and demand missing always.
6. There is exist number of government agency, NGO and INGO and working in different field. Lack of inter agency coordination, duplication in work.
7. Almost users committee complete the specific task as contract document. Some of users committee are taking advance money but they do not work accordingly.
8. Some time delayed to program start due to unnecessary pressure and unreasonable competition within users of users committee formed.
9. Quality of completion works has gradually diminished. There is unhealthy competition to select new project than focus to complete previous project.
10. There is less priority to maintenance and management the complete Project.
11. There is not properly pursuing the environmental aspect to select project and its implementation process.
12. Increasing outstanding tax and other liabilities of VDCs.

5.5 Key findings

The key findings of the study listed as follows.

- The current VDC secretary is serving more than four years in the same VDC.
- VDC office is located nearby road and is operating smoothly.
- The VDC has own office building with well furnishing.
- Citizen charter is not properly managed for use.
- VDC secretary is aware of the VDC grant guideline.
- VDC has conducted public hearing, annual budget and program publication. Income and expenditure account is shared with All Party Mechanism.
- There has been no confusion and problem for understating of the service receivers due to communication.
- There are altogether 4 staff (Secretary) and 2 female staff in the VDC.
- There are plan formulations and plan monitoring committees, women, children and disadvantaged committees are also formed.
- VDC secretary is responsible for only one VDC. She is looking only Padampur VDC.

- The VDC follows the Ward level, VDC level and community level and Chairman Manager Gatherings are conducted during plan formulation in VDC. And there is connection with experts and intellectuals.
- During the various level gathering, and meetings the participants interact and discuss about plan formulation process, VDC grant allocation, prioritization of plans, plan operation process
- VDC profile is prepared and followed in plan formulation process.
- Basically, community organizations and VDC representatives are considered for determining annual plan and budget.
- VDC has given priority on physical infrastructures projects while preparing annual plan.
- There were very limited representation from Children and Disadvantaged group in VDC.
- VDC is not fully aware about the budget release to the sectoral agencies by DDC.
- There is lack of coordination and collaboration among the major stakeholders in VDC level. However, to some extent VDC has initiated to coordinate to the other stakeholders.
- Targeted focused programs have contributed to enhance the social and economic condition of the target group by the activities such as saving credit program and income generating activities.
- There is practice of monitoring and evaluation of the projects in different level public hearing; public audit and review meeting are the tools for monitoring.
- Target groups are not capable of writing proposal due to lack of education. They have not received any opportunity to participate in any capacity development training and again due to illiteracy, they are not able to maintain book of account.
- There is a need to provide appropriate capacity development trainings and awareness program to the targeted groups.
- VDC should provide opportunity to the targeted groups for participating in plan formulation and implementation process. Moreover, awareness program must be provided for the meaningful participation.

Development activities are approved on the basis of community demand but the prioritization is made on the basis of the available fund and to some extent interest of the political party and pressure group as well. Though participation of women, children and disadvantage group has been in the priority list of local governments but they have not been able to receive the benefits as expected. However, the result of this VDC looks much better in terms of participation and benefits sharing by the target groups. People's participation are not encourage by the local government and the budget allocated for the target group are used as per their desire as they could not identify the focus programme for the target groups. Project are mostly selected on the basis of the personal interest

Chapter-VI

SUMMARY, CONCLUSION AND SUGGESTION

6.1 Summery

The decentralization is considered as the backbone of the democratic exercise in Nepal and is based on the basic principle of people's participation and empowerment. In order to take the benefits of democracy by the people particularly poor women and disadvantage group at all levels. It is necessary to make them socially and economically strong to enable them to enjoy their rights. To promote the enjoyment of the fruits of democracy by maximizing the participation of the women and disadvantage people in the process of governance by way of decentralization and devolution of services from the centre to the local level. Now, two tier of local bodies District development committee and Village development committee/Municipality are exist in Nepal. Village development committee are established at the bottom to implement the policies and program which take on government, to carry out the development activity which demands by local people and to look over the welfare of the people. Nepal is predominately rural area. Therefore, the rural development efforts is very important and essential for accelerating the overall development of Nepal.

This study is concentrated to find out the status of utilization of block grant by the local bodies in Nepal and focus to respective research area Padampur VDC Chitwan. This study has covered only three year budget analyzing, particularly VDC grant, inclusive budget and its expenditure, capital budget and its expenditure, women and disadvantage people participation in VDC level deferent mechanism and decision making process of VDCs and find out the major problem and constrain that barriers to plan implementation.

This study carried out an explorative and descriptive both type of research design. This study collected qualitative and quantitative data using random sampling and observation method. Opinion survey, focus group discussion and key informant interview tools applied for primary data collection. Similarly, collect secondary data through published book, journal, annual budget and program book, annual review report.

In this study found following facts with regards to budget allocation.

Table NO : 6.1 VDC budget of three FY.

Description	Fiscal Year budget Rs.		
	068/69	069/70	070/71
Total budget	11979450	10731315	12336167
VDC grant	2132700 (18%)	1500000 (14%)	3215950 (26%)
Capital budget from VDC grant	1712700 (80%)	1080000 (72%)	2725700(85%)
Inclusive budget allocation from VDC capital grant	392511 (23%)¥	392511 (35%)¥	983500 (36%)¥
Physical infrastructure development budget from VDC capital grant	1320189(77%) ¥	687489 (65%)¥	1742200 (64%)¥
Source: VDC council minute/ record book			

From Total budget

From VDC grant

¥ From VDC capital grant

Status of women and disadvantage group participation in VDC level decision making process (participation in various mechanisms of VDC) is reasonable. Among total women and disadvantage people respondent, 79 percent are involving yourself VDC level planning and decision making process.

However, lack of interest among them, it has not been able to involve the women and disadvantage group more in number. VDC even though there is not much encouragement from the VDC due to budget constrain and other external factor and lack of clear policies. During the communication with the respondent it was found that around 40 % of women and disadvantage and 30% of children received direct benefit from the VDC grant. During the field visit, through the survey it was found that almost 60% of the people of this VDC are aware of the grant allocated to VDC for women, children and disadvantage group.

Likewise, there are some problems regarding the budget preparation, implementation process. Absence of elected local bodies, mounting work load, enlarged the range of service, lack of coordination, not have enough resources and staff are some problem that faced VDC.

6.2 Conclusion

Village Development Committee Padampur is committed to pursue the rule of LSGA and regulation. It has followed the 14 step planning process and prepare VDC annual budget and program/plan accordingly. The allocation of VDC grant more or less in line to LBRM guideline. There are formed different users committees for the program implementation. Women and disadvantage group people actively involved in users committee either as committee member or as beneficiary.

Every year, VDC make an effort to mainstream women and disadvantage people in VDC planning, implementation and decision making process. Despite this effort the result has not been seen as expected. In the course of the survey it was found that the VDC is in the interest of giving priority to the disadvantage group in all the project cycle.

There is not any specific problem that faced Padampur VDC. These problems are common problem across the country which faced all VDC in Nepal. So that central government should take initiate to resolve the problem.

6.3 Suggestion

The country with political stability over the period had faced difficult situation to ensure the effectiveness of service delivery to the common people but with the possibility of election held on 19 November 2013, new hope is raised for Nepal's new constitution which will create an environment for better development of the nation. Local development is the development of the nation. If local development programs are disturbed then it will disturb all the planning process of the nation, therefore, political stability is the first and foremost thing in the nation. Keeping in mind the realities and with the present scenario, below recommendation are made.

All stakeholders including the beneficiaries need to understand how the programme works and should feel the ownership. Local bodies should encourage active participation from communities especially the target groups. Budget allocated for the target group should be

allocated for appropriate intervention and the target beneficiaries should participate in the project meetings. Local Bodies should approve programme on time. Budget allocated for the target group should be used for the said purpose and should not use for other activities for example fund allocated for children should not be used for teachers' salaries or other developmental activities. There should also be proper mechanism for the monitoring of the fund released for the target group

Donor agencies and development partners should launch program on the basis of local people's need and on the basis of their demand. Similarly monitoring mechanism of the programme should be very strong. The Local development plan should be formulated and implemented on the priority basis of the local people needs and there should be high number of participants from the target group for whom the program is demanded.

There must be very good coordination between the donor agencies, NGO, INGO and district line agencies for the effectiveness and to avoid any duplication of the program. Reward and punishment provision should be applied in the local government to avoid corruption. The grants allocated by the government for the development of the local people as well as for the infrastructure as mentioned in the VDC guideline should be seriously follow and should transparently implement the entire program. Local Government should provide opportunity to the targeted groups for participating in plan formulation and implementation process. Moreover, awareness program must be provided for the meaningful participation.

There should be close coordination among the stakeholders, line agencies, private sectors including civil societies and all of them should participate in common forum with common agenda so that development could be possible.

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VDC Block Grant Assessment Form
Padampur Village Development Committee, Chitwan Nepal

Annex 1

Key informant question

1. Have you meet the terms of Local Self Governance Act, 2055, local governance regulation 2056, financial regulation 2064 and Local Body Resource Mobilization and Management Operation Guideline, 2069?
A. Yes B. No
2. If No, what are the problems to comply the Act, rules and regulation?
3. Does VDC organize Village council meeting with in specific time line, which has provision of LSGA?
A. Yes B. No
4. If No, Why did not organize VDC council in specific time line?
5. Does VDC informed properly to the key stakeholder for participate council meeting?
A. Yes B. NO (if no give reason)
6. Does all Key stakeholder are participate VDC council meeting?
A. Yes B. No
7. If No, why they absent council meeting?
8. Does VDC council approve all plan and program, which recommend by integrated planning committee?
A. Yes B. NO
9. If No, why not accomplish the recommendation of IPC?
10. Does VDC allocation budget in line with local body resource mobilization and management operation guideline 2069?
A. Yes B. No
11. If No, what are the problems to comply the guideline?
12. Does Village development Committee provide service in accordance with the Citizen Charter?

Annex 3

Question for focus group discussion

1. Do you have any understanding about VDCs job, duty and responsibility?
A. Yes B. No
2. If yes, notify three major works of VDCs?
3. Have you satisfied to VDC service?
A. Yes B. No
4. If No, what is the missing?
5. Are you satisfied to the VDC annual budget and program?
A. Yes B. No
6. If No, what should be improvement?
7. Are children, women and indigenous community people participate in VDC planning process?
A. Yes B. No
8. If No, what measure should take on to increase the participation of children, women and indigenous people?
9. Does VDC have maintained transparency?
A. Yes B. No (If No, give reason)
10. What kind of plan will give priority by VDC? Give name.
11. How is the coordination between political party and VDC regarding the VDC operation?
A. poor B. good C. satisfactory
12. If poor, what measure should take up to improve the coordination?

Annex 4
Map of Chitwan District

