

**A COMPARATIVE STUDY OF LOCAL GOVERNMENT
SYSTEM IN NEPAL**



**APF Command and Staff College
Sanogaucharan, Kathmandu**

A Thesis Submitted to

The Department of Security, Development and Peace Studies,

APF Command and Staff College

**In Partial Fulfillment of Master's degree in Security, Development
and Peace Studies**

Submitted by

Raju Gautam

February, 2019

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DECLARATION

I hereby declare that this research paper entitled “**A Comparative Study of Local Government System in Nepal**”, Submitted to The Department of Security, Development and Peace Studies (T.U.), is entirely my original work prepared under the guidance and supervision of Dr. Naresh Rimal. I have made due acknowledgements to all ideas and information cited/extracted from different source in course of preparing this research paper. The result of this research paper has not been presented or submitted anywhere else for the award of any degree or of any other purposes. I assure that no part of the content of this research paper has been published in any form before. I shall be solely responsible if any evidence is found against my research paper.

Signature of researcher

Raju Gautam

LETTER OF RECOMMENDATION

I certify that this thesis entitled “**A Comparative Study of Local Government System in Nepal**”, was prepared by Mr. Raju Gautam under my supervision. The researcher has fulfilled the criteria prescribed by the Central Department of Masters in Security, Development and Peace Studies, Tribhuvan University.

I hereby recommend this thesis for the final evaluation and approval.

.....

Dr. Naresh Rimal

Thesis Supervisor

Date:

LETTER OF APPROVAL

This thesis entitled “**A Comparative Study of Local Government System in Nepal**”, submitted by Mr. Raju Gautam has been accepted in partial fulfillment of Master’s degree in Security, Development and Peace Studies (T.U.).

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ABSTRACT

The Comparative Study of local Government System in Nepal offers an overview of the institutional, legal, financial framework, issues and challenges of different local government during the Panchyat, Unitary and Federal governments of Nepal. The research is a qualitative following descriptive and analytical method.

The study identifies key issues to which the constitutional vision and objectives are being met and indicators identified to be taken into account as to how local governments are constrained, facilitated or enabled during Panchyat, Constitutional Monarchy and Federal System and the extent to which local governments address and meet the objectives of service delivery. The Local Self Governance Act (LSGA) of 1999 offers local bodies fiscal autonomy and authority to generate, collect and mobilize resources from various sources, but LGSA was never fully implemented. With the number of responsibilities delegated to very small and weak local governments, local elections in suspension and a lack of human and financial resources, the promises of the decentralization under the LGSA were never fully realized.

In comparing governments during different periods, the present government is yet to be understood and studied deeply in the future. The research indicates that financial resources and its limitations to the local government and absence of proper management is likely to underestimate oversights due to lack of experience, knowledge and implementation. Such realities can be addressed with the increased accountability between citizens and local institutions with increased autonomy and accountability to create the impetus for fulfilling the aspiration of public at large for needed development.

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LIST OF ABBREVIATIONS AND ACRONYMS

APA	American Psychological Association
APF	Armed Police Force
CDO	Chief District Officer
CPN-UML	Communist Party of Nepal – United Marxist Leninist
DAP	District Administration Plan
DDC	District Development Committee
DIMC	Decentralization Implementation and Monitoring Committee
DP	Decentralization Plan
DRCN	Democratic Resource Center Nepal
DS	Decentralization Scheme
FNF	Friedrich Naumann Foundation
GTZ	German Technical Cooperation Agency
HLDC	High Level Decentralization Co-ordination Committee
HMG	His Majesty's Government
ICIMOD	International Center for integrated Mountain Development
IPPD	Integrated Panchayat Development Design
KII	Key Informants Information
LAA	Local Administration Act
LDO	Local Development Officer

LDTA	Local Development Training Academy
LGFC	Local Body Financial Commission
LGI	Local Governmental Institutions
LGs	Local Governments
LLRC	Local Level Restructuring Commission
LSGA	Local Self Governance Act
MoFALD	Ministry of Federal Affairs and Local Government
NGO	Non-Governmental Organizations
NNRFC	National Natural Resources and Fiscal Commission
OECD	Organization for Economic Co-operation and Development
PDO	Panchayat Development Officer
UCLG	United Cities and Local Governments
UNDP	United Nations Development Programme
VAT	Value Added Tax
VDC	Village Development Committee
WC	Ward Committee

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CHAPTER I

INTRODUCTION

1.1 Background

The present thesis research compares the governance process in the local level government system during the Panchyat, Constitutional Monarchy and Federal Democratic Republic systems of local governance in Nepal. The research examines and compares different aspects of governance system, the structure of local governance system between three regimes as well as the institutional, legal, and fiscal frameworks in place to enable local governments to execute the constitutional mandates. The research analyzed whether local governments have adequate financial resources to meet its development and service delivery mandates. Analyses of both primary and secondary information collected from various sources including the field work in selected Nagarpalikas (Municipalities) and Gaupalika (Rural Municipality). Nepal is a multiethnic landlocked country in South Asia and is bordered by neighboring countries of China and India. The government system is a Federal Democratic Republic (FDR) and the Head of the State is the President, and the Head of the Government is the Prime Minister. Nepal's economic system is a mix of traditional and modern practices where majority of the population engages in subsistence agriculture and allocating available resources at traditional levels. Nepal, a Himalayan country with diverse environmental context with rugged topography which also includes fertile plains, subalpine forest, and eight of the world's ten tallest peaks including the tallest peak, Mount Everest.

The absolute Monarchy holds supreme authority and not restricted by any written laws, legislature, or customs (Mark & Wokler, Rober, 2006). These are often hereditary monarchies. In contrast, in constitutional monarchies, the head of state's authority derives from and is legally bounded or restricted by a constitution or legislature (Harris, 2009).

Marshall (2007) mentions that some monarchies have weak or symbolic legislatures and other governmental bodies the monarch can alter or dissolve at its will. The

countries with monarchies still maintain absolute powers are Brunei, Oman, Saudi Arabia, Eswatini and the Vatican City. Many nations formerly with absolute monarchies such as Jordan, Kuwait and Morocco are now constitutional monarchies. In some cases the monarchs retain highest power or authority to the point that the parliament's influence on political life is non-existent (Marshall, 2007). The Unitary System composed of one central government holds all the power, but at the federal level power is divided between national and local forms of government.

The World Bank (WB) defines, governance as a means to “exercise[d] in the management of a country’s economic and social resources” (World Bank, 1992). According to Organization for Economic Cooperation and Development (OECD), “governance is the use of political authority and exercise of power in a society in relation to the management of its resources for social and economic development” (OECD, 1995). The Governance is made up of the political and institutional processes through which decisions are taken and implemented. Governance is most effective when these processes are participatory, accountable, transparent, efficient, inclusive, and respect the rule of law. Good governance is particularly important at local level, where governments interact with citizens and communities on a daily basis. Rizal (2011) defines the local governance as the following.

“Local governance is the administration of the local affairs of a city, town, or other district...can be defined as a sub-national level of government which has jurisdiction over a limited range of state functions, within a defined geographical area...refers to the institution or structures which exercises authority or carry out governmental function at the local level...All policies and programs formulated in the centre may not be applicable and effective to address the local needs and problems...the discourse of local government has occupied a focal point in the national as well as international theme” - (Rizal, 2011).

The improvement of governance at the local level is imperative peace, boost economic development, maximize administrative efficiency, and ensure social inclusion and environmental sustainability. The United Cities and Local Governments (UCLG’s) work on improving local governance across the world includes research and advocacy on decentralization and local democracy, local finances, gender equality

and access to basic services, all of which are essential elements of good local governance.

The real and effective history of decentralized governance started in Nepal with the formation of the High-Level Decentralization Co-ordination Committee (HLDC) in 1995. It was headed by the Prime Minister of that time. The committee was formed to suggest important changes and reforms in the local government befitting the multi-party democratic order in Nepal (Rizal, 2014).

Based on the recommendations of this committee, the Local Self-Governance Act, 1999 was enacted in Nepal. The Act created a two-tiered system of local government. At the district level, the District Development Committee (DDC) functioned as the district government. At the lower level were the Village Development Committees (VDC) for the rural areas and municipalities for the urban areas respectively. The Act recognized the local bodies as institutions for self-governance.

The Decentralization Implementation Monitoring Committee (DIMC) was also formed. It was a high-level oversight and strategic guidance committee headed by the Prime Minister to monitor and accelerate the progress of implementation of the decentralization process in Nepal. Unfortunately, the committee failed to deliver as per its mandate and expectations. There was also a provision for the creation of a Local Body Financial Commission (LGFC) to analyze the financial conditions and needs, and suggest measures to give further financial impetus and muscle to local governments. The Act introduced the concept of revenue sharing between the centre and local bodies. Moreover, it guaranteed royalty from the development projects implemented within the area of the local units. The Act separated powers between the deliberative and executive organs of local bodies. The executive committees were named by the committee and the deliberative body by the council.

The Act provides for a local service commission to recruit staff for the local government units. The Act reserves 20 per cent seats for women and disadvantaged groups at the village and town council. The Act mandates the existence of the Association of Local Governments to articulate, represent and defend their respective interests.

Election to the local body has been held only twice following the democratic change in 1990. The first local poll was held in 1992, and the second was held in 1997. Like the national parliamentary polls, the last two local body polls were held according to the “First Past the Post System” – one of the important variants of the majoritarian model. In this model, a candidate need not receive majority votes to get elected. He or she can be declared elected by securing the largest number of votes among the contestants in the polls (Rizal, 2013).

However, it is sad to note that the important Local provisions have remained ineffective in promoting the local governance system for the last several years in Nepal. It was because, among others, of the absence of elected and democratically accountable officials at the local level. Moreover, the parallel line agency structures entrenched at the local level was in conflict with the spirit of the local government. Rizal (2013) mentions that a total of over 23 sector laws conflicting with the Local Self Governance Act (LSGA) were never harmonized. Because of the political instability, which resulted from the Maoists insurgency and conflict that overwhelmed the country for over a decade, the local elections were not held. In fact, when the situation gradually became normal and the rebel groups mainstreamed themselves as part of the ruling dispensation, the local elections were never an agenda of priority for the political parties. Elections for the Constituent Assembly were held twice, once in 2008 and the other in 2013, but the local elections were not held for the last one-and-half decades. It is an instance of the denial and negation of the democratic rights of the citizens. The absence of an accountability relationship between the citizens and the local institutions had created a huge democratic deficit at the local level. The Local governance and the development process had been badly affected for long due to the absence of a democratically-elected mechanism at the local level. The negotiated settlement of the 10-year-long violent conflict with the insurgency in 2006 paved the way for the establishment of peace and rebuilding of democratic institutions in Nepal. An interim government composed of moderate parliamentary forces (Nepali Congress, Communist Party of Nepal United Marxist and Lenin (CPN- UML) and the insurgents were formed following the settlement of the conflict. The interim parliament repealed the then prevailing constitutional system established subservient to the Constitution of Kingdom of Nepal 1991, and enacted a new interim constitution in 2007.

The interim constitution provided for the election to the Constituent Assembly to draft a new Federal Democratic Constitution for the country. As a result, a total of 601 members Constituent Assembly were established in on April 10, 2008 to promulgate the Federal Republican Constitution. The interim statute gave vision for strong and autonomous local bodies as self-governing and functional units at the grassroots. The interim constitution mentioned that the interim local bodies shall be formed at the district, municipal and local level with the consent and participation of the political parties that were actively involved at the local level (Rizal, 2013).

Nepal embarked upon a yet another chapter in its governance history in 20th September 2015. After years of prolonged negotiation, a political compromise was reached between the major political parties and the Constituent Assembly of Nepal approved the country's new constitution. The Constitution of Nepal 2015 (the 'Constitution') establishes a federal government structure with the vision of establishing strong local governments (LGs), which are vested with greater authority. In comparison to the 1990 constitution, the new Constitution also introduces measures for greater inclusion of women and Dalits among the marginalized communities within LGs.

According to local level reconstruction committee (LLRC), Nepal is now 6 metropolizes, 11 sub-metropolizes, 276 municipal councils and 460 village councils for official works. The newly established municipalities are overall larger in size, vested with greater authority, and shoulder the responsibility to uphold a promise to the people of Nepal. The local level elections were undertaken in three phases from May to September 2017, and provincial elections were held in November and December 2017. Both the constitutional provisions and the newly elected leadership have promised a lot to the people. Public expectations have been raised through campaign promises, and the people believe that they will now receive services that they expect through the local government that resides 'at their doorstep'.

As the country begin on this aspiring project, it is essential to assess the context in which Local Governance system are being formed and the challenges in seeing through the commitments of the Constitution to the people of Nepal. This study attempts to compare the institutional, legal, and fiscal frameworks during Panchyat, Constitutional and Federal local governance system in Nepal. It tries to study the

critical issues that must be addressed in establishing these frameworks to enable local governments to discharge their constitutional mandates. The study examines the key challenges that the local governments are currently facing in this early phase of the transition and draws out a set of indicators to assess on an ongoing basis in the coming years that will provide insight into the progress being made as the transition to Federal system. Finally, the study inquires about the extent to which local governments are facilitating financial resources and meeting their goals and objectives for service delivery and provision of infrastructure, both looking at the past and current practices.

1.2 Statement of Problem

The political fluidity and instabilities is affecting local governance process and institutions because of the prevailing situation in the country. Hence, the local governance system in Nepal is dysfunctional. The capacity and legitimacy of the local governing institutions is weakened and eroded. The failure to conduct local elections until recently and on top of that an absence of elected democratic institution to implement the Local Self Governance Act (LSGA) provisions pertaining to the local dispute resolution, among others, has created a void resulting anomaly.

Rizal (2011) mentions that even today most of the local government institutions still do not have the capability to formulate plans due to lack of information and skilled human resources. The assigned power and function has proven to be ineffective due to the lack of proper and adequate resources. The power and functions is , entrusted to the local entities from time to time according to the recommendation of various committees on decentralization or local self-governance, have not always been properly exercised. The success of local level depends upon the complementary action taken by the local, regional and national agencies, non-governmental organizations, civil societies and local beneficiaries. Thus there is need for developing institutional mechanism and methods through which interaction and coordination can take place (Rizal, 2011).

The lack of national consensus among the major political parties regarding the number of issues including development, long term vision, extreme polarization, not

identifying local needs and priorities. The major challenges in the local governance include constitutional and legal challenges, political, cultural, economic environmental, social and educational ones. The lack of visionary leadership at central, provincial and local government, lack of consensus on local issues, corruption, lack of practical and effective policies and programs of local governance, lack of proper law and order situation, centralized tendency and culture has created problems in the direction of local governance and development. As Nepal practices present modality of local governance system, it is important to track the evolution of the new system and to examine the attitudes and behavior linked to key actors and stakeholders of local governance. Therefore, this study seeks to understand the past and present indicators of local governance system and to understand whether the trajectories of the transitions are leading to a utilitarian, efficacious local governance system in Nepal. The study identifies fundamentals of problems to make recommendation for the present form of local governance.

1.3 Research Questions

The thesis outlines a number of critical questions regarding the framework for local governance, assesses the current situation and defines a set of parameters to track in the unfolding transition to federalism over the coming years. The ongoing assessment of a set of identified parameters to expose whether the trajectory of the ongoing transition will enable and empower local government in line with the spirit of the Constitution and Local Government Operational Act 2074. The following research question will address the deficit highlighted as above. The study has focused to answer the following research questions:

1.3.1. What was the governance practice during the Panchyat, Constitutional Monarchy and Federal Democratic Republic Nepal?

1.3.2. What are the strength and weaknesses of the local governance institutions especially Rural Municipalities/Municipalities?

1.3.3. Are local governments receiving adequate financial resources and meeting their objectives for service delivery?

1.4 Objectives of the Study

The overall objective of the study is to assess challenges, issues and problems of local governance system in Nepal, to assess the shift in the paradigm of local governance and compare the different aspects of local government system during different regimes of Nepal. The specific objectives of the study are as follows:

1.4.1 To know the institutional, legal and fiscal frameworks in place to enable local governments to discharge their constitutional mandates.

1.4.2. To assess the strength and weaknesses of the local governance institutions especially Rural Municipalities/Municipalities with particular focus on comparison of local governance during different period.

1.4.3. To assess whether the local governments have adequate financial resources to meet their development and service delivery mandates.

1.5 Significance of the Study

The importance of local governance is primarily to support democratic practices and its functional properties necessary to the majority of citizens to participate in the decision-making process and gain prosperity. The thesis research will add value to decision making process by contextual knowledge of the past and on-going scenarios of the local governance.

The local government can be the platform for future leaders to fulfill the aspiration of public at large through gainful experience and knowledge on the art of government policy-making and governance transition at the national and local level of government. The will avoid use of position and power to springboard for success to rise up to higher leadership reaching up to central government leadership roles. The best school of democracy guarantees success in practice at local governmental level. The thesis will be invaluable to the existing and emerging leaderships using it as a guide to senior and junior officers, trainees and personnel of APF as well as student of political science or other discipline. The researcher fills the void by contributing on

particular topic of local governance. The complexity of Nepal's local governance system requires tracking the evolution of the new system to examine the attitudes and behavior of key actors and stakeholders in local governance.

1.6 Limitations of the Study

The area of the study has been limited within the three regimes i.e.: Panchyat, Constitutional Monarchy and Federal Democratic Republic. The thesis research is qualitative study as a social science inquiry focused on structure, fiscal, legal framework of local government of three regimes. The availability of time and the fiscal requirements are the major limitation of the research. This study only focused in Kathmandu District. The study treated primary data as information gleaned from the literature and in-depth interview from participants.

CHAPTER II

LITERATURE REVIEW

The review of the literature deals with the review of the related literatures available on local governance. Primary and secondary sources, mainly the library method of reviewing different related books and Internet websites has been used to process and collect relevant data. Books are limited on the particularly on the comparative study of local governance system in Nepal. But the various internet sites, journals, the international magazines have been the major sources to provide the important data and information. This study has drawn on primary and secondary data sources. The major source has been internet websites, available books and journals.

The academic interest in conceptualizing the role of democratic local governance institutions in different period and to compare their role, structure, inclusiveness, achievements utilization of resources, prospects and challenges has been a fairly new phenomenon. However, some studies that has been undertaken in this sphere has been found premise on the relationship between local governance, institutions and government. It has argued that when local governance and participation processes are not transparent and credible, people withdraw and alienate as they feel frustrated and excluded. It has result into poor and dismal performance of public institutions. The society has been trapped into structural problems and finds itself divided into winners and losers and an endless process of furthering divide in the society erodes a sense of community. This has reduced society to little more than a loose collection of interest groups. But democratic local bodies if they are transparent, responsive and accountable can foster participation to minimize disenchantment and frustration. They do not let conflicts germinate and escalate in the communities. In democratic local governing system, the public have a say in decisions about actions that affect their lives. Public participation encourages and ensures that the people have a say in decision making process. It tends to meet the interests of all those who have the stakes on the issues. It facilitates the involvement and participation of those who are likely to be affected. It communicates to participants how their input affected the decision.

In this chapter, various concepts of decentralization, accountability of local governments, capacity building and the local governance has been reviewed. They form the building block of democratic system in which the local governance can foster. These concepts has been linked and analyzed wherever applicable in the context of Nepal in the consecutive chapters.

The concept of decentralization prominently emerged after the Second World War, especially after decolonization drive. Awortwi (2010) writes that – Countries started seriously considering alternatives like decentralization after the glaring failures of centralized planning in the 1970s. Political changes worldwide have given voice to local demands and the need to bring economic and political systems closer to local communities. In addition, technological changes and global integration of factors of markets have changed the size of government needed to manage economic systems (Litvak, Ahakad, & Bird, 1998).

Rondinelli (1980) believes that Decentralization would also allow greater political and administrative penetration of national government policies into areas remote from the national capital, where central government plans are often unknown or ignored by the rural people or are undermined by local elites, and where support for national development plans is often weak. It is believed that decentralization allows larger engagement of socially, politically and economically excluded, deprived and marginalized groups in development decision makings and equal distribution of the resources. It can pro-mote a sense of autonomy in citizens; enhance social order by promoting the legitimacy of the state, and limit pressures for separatism by diverse regions or ethnic groups (Bardan & Mookherjee, 2006).

Hadiz (2004) adds that Decentralization, moreover, is said to potentially lead to greater prioritization of local needs in development policy, as it encourages greater accountability of those who govern to local communities. It can also enhance political stability, and even national unity.

Haque (1997) argues that Local governments are the core units of representative governments. Being closed to the citizen, they have more responsibilities in articulating and fulfilling the needs and demands of the local people to the extent possible within the available resources. Accountability of the local governments,

however, depends on the pattern, mode of financial, administrative and political decentralization of the given country. In addition, local governments have to maintain accountability both to upward and downward. This relatively bureaucratized mode of local governance, as found in many developing countries, is characterized by the dominance of central bureaucracy over local representatives, limited financial and personnel autonomy of local authorities, their economic dependence on central government, and the lack of opportunity for peoples' participation. As a result, the accountability of local authorities based on de-concentration is accountability to the appointing authorities of central government rather than to the local communities (Haque, 1997).

Accountability can be defined in terms of either the nature of the political process or the outcomes induced. The former definition is the more commonly used, especially by political scientists (Bardan & Mookherjee, 2006). Haque (1997) argues that Local level accountability depends on the level of decentralization. In addition, since most developing countries are usually characterized by weak civil society and fragile and fragmented political systems, the process of exercising people's power to ensure local level accountability can function as an effective means for political education and interest articulation, which in turn, may enable people to exercise their influence to make their national-level political leaders and institutions accountable (Haque, 1997)

Though the word governance is widely used in most of the development sectors; the term has no exact meaning. Governance is the institutional capacity of public organizations to provide the public and other goods demanded by a country 's citizens or their representatives in an effective, transparent, impartial, and accountable manner, subject to resource constraints (World Bank, 2009). Governance is the collective action of all stakeholders such as communities, civil societies, private sectors, NGOs among others. Thus, it encompasses the direct and indirect roles of formal institutions of local government and government hierarchies, as well as the roles of informal norms, networks, community organizations, and neighborhood associations in pursuing collective action by defining the framework for citizen-citizen and citizen-state interactions, collective decision making, and delivery of local public services (Shah & Shah, 2007). That is, governance is about the performance of agents in carrying out the wishes of principals, and not about the goals that principals

set. The government is an organization that can do its functions better or worse; governance is thus about execution, or what has traditionally fallen within the domain of public administration, as opposed to politics or public policy. An authoritarian regime can be well governed, just as a democracy can be maladministered (Fukuyama, 2013).

World Bank argues that conceptually, governance (as opposed to good governance) can be defined as the rule of the rulers, typically within a given set of rules. One might conclude that governance is the process by which authority is conferred on rulers, by which they make the rules, and by which those rules are enforced and modified. Thus, understanding governance requires an identification of the rulers and the rules, as well as the various processes by which they are selected, defined, and linked together and with the society generally (World Bank, 1992). The exercise of economic, political, and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences (World Bank, 2009). Good local governance builds a common consensus in understanding and prioritizing the local development projects. Poorly functioning public sector institutions and weak governance are major constraints to growth and equitable development in many developing countries (World Bank, 2009).

Shrestha (1996) makes a vivid depiction and draws the clear image of Nepal's administrative system covering many of its major aspects. He has traced the historical background from the ancient period, sketched the administrative framework and analyzed the vital regulatory function of law and order of different periods in Nepal. He has also examined the Area administration, Nepal's experimentation with decentralization and various attendant facets of mal-governance, corruption and abuse of authority in Nepal. It contains a treasure trove of materials on Nepalese administration and administrative authorities that exercise the quasi-judicial power to resolve disputes and conflict at the local level.

Vaidya & Manandhar (1985) are first of its kind that analyses the prevailing provision and practices of crime and punishment in Nepal in historical perspective. It is an original contribution covering important dimension of history of Nepal,

including the aspects of crime and punishment during the Rana Period (1846-1951) in particular. This work was written keeping the historical –chronological methodology in view and provides the ample materials to investigate into the historicity of crimes and punishment system in Nepal.

A study undertaken by New Era a research firm (1988) in cooperation with Friedrich Naumann Foundation (FNF) is an empirical attempt on dispute resolution in rural areas of Nepal. It discusses role of the elected officials in local bodies who participate in tackling community disputes. According to the study if the complainant feels that he or she cannot get a fair hearing from his or her nearby traditional local leader or if he or she happens to live near the Pradhan Panch (chief) or Upa Pradhan Panch (deputy chief), then he or she may approach the Pradhan or Upan Pradhan Panch initially. There did not seem to be much difference in the procedure followed in either case. The New Era study concludes that unlike judgments made by the courts, the decision made by local leaders in informal proceedings and even by the officially constituted Panchayat Justice Committee could not be enforced by resorting to force and coercion. They were a kind non-punitive measures enforced through social pressure. But those who disobeyed such decisions, they could be made the subject of social disapproval or ostracism. The various forms of non-punitive options included Mafi Magne (Public apology), Jariwana (Fine), Chhatipurti Bharaune (Compensation) and so on.

Fukuyama (2013) talks about governance as the performance of agents in carrying out the wishes of principals, and not about the goals that principals set. The government is an organization that can do its functions better or worse; governance is thus about execution, or what has traditionally fallen within the domain of public administration, as opposed to politics or public policy. An authoritarian regime can be well governed, just as a democracy can be maladministered but he fails to compare the local governance system in different regimes or in different period in terms of structure, inclusiveness, prospects, challenges and experiences of stakeholders.

Shah & Shah (2007) encompasses the direct and indirect roles of formal institutions of local government and government hierarchies, as well as the roles of informal norms, networks, community organizations, and neighborhood associations in pursuing collective action by defining the framework for citizen-citizen and citizen-

state interactions, collective decision making, and delivery of local public services but he fails to compare the role of local governance system in different periods.

Bardan & Mookherjee (2006) talks about accountability of local governance and its definition in terms of either the nature of the political process or the outcomes induced. The former definition is the more commonly used, especially by political scientists but they also have failed to compare the local governance system of Nepal in different periods.

Vaidya & Manandhar (1985) analyses the prevailing provision and practices of crime and punishment in Nepal in historical perspective. It is an original contribution covering important dimension of history of Nepal, including the aspects of crime and punishment during the Rana Period (1846-1951) in particular.

Awotwi (2010) discusses about the concept of decentralization prominently emerged after the Second World War, especially after decolonization drive, writes that countries started seriously considering alternatives like decentralization after the glaring failures of centralized planning in the 1970s. But he too failed to discuss about the comparative study of local governance in different government system.

All the above literature discusses decentralization, good governance, conflict resolution in local government, accountability of local governance definition of local government. But they all have failed to analysis local governance in terms of micro level they have analyzed only in macro level. Researcher could not find the literature that talk or compare about local governance in different period or in different government system i.e. comparing local government during Panchyat, Unitary and Federal government system. Researcher also didn't find the comparing the role of local governance system in terms of structure, resources, inclusion implementation, strengths, weakness and challenges between local governance system of different periods. So this research paper has specially focused on the comparing local governance system of Nepal of different periods collecting the data from Kathmandu district. Researcher has compared the structure, legal framework, resources of different regimes and challenges, strengths and weakness of present local government of Nepal.

CHAPTER III

METHODOLOGY

Research is an art of scientific investigation and is a systematic effort to gain new knowledge, to establish or confirm facts, reaffirm the results of previous works, solve new or existing problems, support theory or develop new theories. The present research follows a systematic, theoretical analysis of the methods applied to the present field of study. It follows qualitative approach in which data is analyzed by descriptive narrative analysis through explanation of causal linkages encompasses concepts such as paradigm, theoretical model, phases, quantitative or qualitative. The present methodology is set out to understand the research question and its objectives. Overarchingly, the methodology is a logical scientific inquiry with specific techniques or procedures for data collection, analysis and interpretation (Creswell, 2014). This chapter also highlights techniques of data collection which were used for the study with process of data analysis framed under and limitations of the study.

3.1 Research Design

The present study is a qualitative research based on primary and secondary data. Information was collected using structured and unstructured interview questions. The collected information was analyzed descriptively. A wide range of literature was consulted and referred to comparative study of local governance system in comparing the institutional, legal and fiscal frameworks that were in place in Panchyat, Constitutional Monarchy and in Federal democratic Republic of Nepal. Moreover, observation of the comparative study was conducted by unearthing secondary sources and primary data collected. The qualitative description has focused on describing and understanding a phenomenon with reference to concept, actions, process and relationships.

3.2 Data

The secondary data was obtained from relevant works studies/publications, the laws and regulations of the government of Nepal during various time periods. Moreover,

these materials was consulted to discuss and to compare the institutional, legal, political, and fiscal frameworks that were in place in Panchyat, Constitutional Monarchy and federal governance system. The relevant reports/magazines and journals containing articles on local governance, decentralization, comparative techniques and processes of comparing local governance system were consulted. The profiles, records and relevant papers kept and maintained by local bodies/ local mediation panels were consulted.

The primary data for the study was based on the interview questions through purposive sampling through in-depth interviews received from former and present bureaucrats, officials of government of Nepal as well as representatives of parliament and local people of Kathmandu, Bhaktapur and Nuwakot districts.

The data gathering was carried out through in-depth interview with the target respondents using a set of checklists (KII). Most of the questionnaires are non-structured to allow probing and open discussion.

The key distinguishing features of qualitative methodology is that research was undertaken in interpretive often descriptive and usually unstructured. Example of different qualitative methods in governance related research studies was in-depth interviews, interview question and participant observation. In-depth interviews was widely used in a variety of studies, such interview don't use highly structured yes-no type questions which form the basis of most-large scale survey research but use open ended and unstructured questions noted down and tape recorded as well. During each interview, attempts were made occasionally to probe in order to derive information to cater to the objective of the study. The information was gathered from local government office and people of the study site. The researcher also sent the question via email.

3.3 Data Processing, Analysis and Presentation

As this paper has been designed to carry out descriptive and analytical study, the collected data was rationally described and analyzed to come to the research conclusion. The American Psychological Association (APA) 6th edition was utilized

for the citation and referencing. The data/information was processed through editing, coding, classification, creating data file and tabulation.

Analysis was done through reliability and validity test and interpretation of data. Tabulation, percentage etc also was used to analyze and present the collected data. Relevant information, excerpts, quotations, observation and examples was used to compare the institutional, legal and fiscal frameworks that were in place in Panchyat, constitutional monarchy and federal governance system.

The primary data obtained through interview/face to face interaction was analyzed in narrative and descriptive form. Some apt and pertinent responses were also been quoted as evidences in the body of study. However, a statistical technique was not used in the analyzing data and information.

3.4 Data Collection Tools

In the present study information and data were collected by help of open-ended and close questions. Therefore, in depth interview was the main tool for the data collection. For the development of open-ended and close questions, and in depth interview the researcher has consulted with department head, research supervisor and course coordinator as well as different sources such as; books, journals, magazines and previous research report.

3.5 Validation of Tools

Data were cross checked by different sources. Necessary feedback and comments were taken from research supervisor that includes course coordinator, directing staffs as well as with the help of local government expert which has helped me to furnish the research and tool was finalized.

3.6 Presentation of Data

The information collected form secondary source of data was presented and analyzed descriptively, analytically and explanatorily under different headings and sub-headings so that all the information and concepts related to the topic which was

included in this report were clear, comprehensible and authentic. Authentic data was used to clarify the problem and find out the output.

3.7 Ethical Consideration

This paper has followed the APA 6th edition and formats. Normally ten principles (Bryman and Bell, 2007) of ethical considerations were compiled as a result of analyzing the ethical guidelines, while preparing this paper researcher has followed important principals of ethical consideration.

This research participant was not subjected to harm in any ways whatsoever.

- Respect for the dignity of research participants was prioritized.
- Full consent was obtained from the participants prior to the study.
- The protection of the privacy of research participants was ensured.
- Adequate level of confidentiality of the research data was ensured.
- Anonymity of individuals and organizations while doing research was ensured.
- Any deception or exaggeration about the aims and objectives of the research was not avoided.
- Any type of misleading information, as well as representation of data findings in a biased way was avoided.

The research maintained ethical and data protection issues including the protection of individuals, community's identity and environments to avoid of harm, manipulation or malpractice.

CHAPTER IV

DISCUSSION AND FINDINGS

4.1 Local Government during Panchyat

The Panchayat system in 1960 was introduced as the principal political framework and subsequently of local governance system. The Panchayat system was a party-less system created with semblance of decentralization. Acharya (2014) argues that efforts were also made to empower the Panchayat system through decentralization of power. A local government structure was established at four levels as indicated in the figure to strengthen the political system at the grassroots to develop local leadership and involve people in decision-making processes (Acharya, 2014).

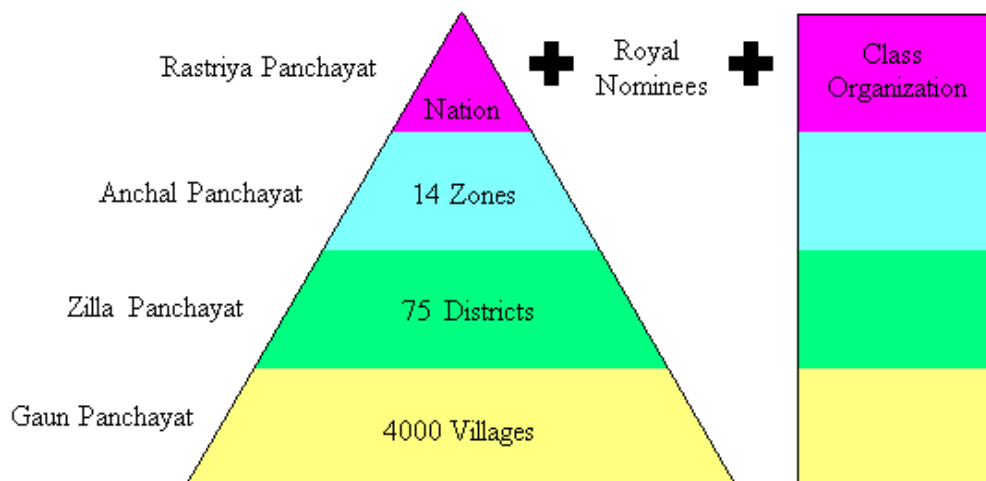


FIGURE 1: Organization of Panchayat System

Source: Tier of Government during 1951 to -1991, Modernization of Nepal, 1951-1991

International Center for integrated Mountain Development (ICIMOD) (2000) mentions that King Mahendra established "National Guidance" system based on local Panchayats led directly by the King and empowered Panchyat through decentralization of power in 1961. The new constitution of December 16, 1962,

created a four-tier Panchayat system (Figure1). At the local level, there were 4,000 village assemblies electing nine members of the village Panchayat, who in turn elected a mayor. Each village Panchayats sent a member to represent in one of the 75 Districts' Panchayat, representing from 40 to 70 villages. A third of the members of these assemblies were chosen by the town Panchayat. Members of the District Panchayat elected representatives to fourteen zone assemblies, functioning as electoral colleges for the National Panchayat called the Rastriya Panchayat in Kathmandu (ICIMOD, 2000). In addition, there were class organizations at village, district, and zonal levels for peasants, youth, women, elders, laborers, and ex-soldiers, who elected their own representatives to assemblies (HMG Nepal, 1962). Lumsali (2012) argues that the objective of the local governments was

to create local Panchayats to strengthen the system at the grassroots level, to develop local leadership through local Panchayats, develop local cadres supportive to the system, mobilizing local people and resources for development, involving local people in decision-making processes and democratic practices, mainstreaming local planning and service delivery process, mainstreaming local plans in the form of periodic and annual plans at the districts and villages, promoting participatory planning processes based on the needs of people, local government institutions to carry out effectively both management and implementation of developed functions, and promoting sectoral coordination at local levels to enhance effectiveness and efficiency of resources and programs. As the country was governed by centralized political and fiscal system, Panchayati System adopted administrative features of decentralization that embodied both the deconcentration and delegation of power approaches. The main motives behind decentralization were to promote local development and to devolve central control to local bodies However; the decentralization in Panchayat did not provide much scope for the development of autonomous municipal government institutions (Lumsali, 2012).

The HMG Nepal (1962) states that during Panchayat system power was decentralized to village Panchayat to act as the village cabinet, the village assembly as the legislative body, the district assembly as a legislative body, the District Panchayat as the district

cabinet and the executive members of the village, town and district. It was to hold the portfolios of agriculture, health, education, irrigation and forest and others. In 1963, the high-level administration power decentralization commission of suggested government to give rights to the Village and District Panchayats to maintain law and order with limited judicial power. Local Administration Act 1965 appointed Chief District Officer (CDOs) and Zonal Commissioner and the Decentralization Plan was introduced. Decentralization Committee (1967) suggested greater power to the Chief District Officers (CDOs) including exercise of power related to maintaining law and order. Administrative Reform Commission (1968) suggested to the government that a Panchayat Development Officer should be the secretary of the District Panchayat office not the Chief District Officer (CDO). It suggested all policy and supervision be within central government and all development related works at the district level be implemented with the assistance of a district committee chaired by the District Panchayat Chairman and member of the National Panchayat and one of its members. The Public Development Officer (PDO) would serve as the District Panchayat Secretary. Decentralization Committee (1969) suggested that Zonal commissioners be the Chief administrators of the Zone, the district assembly be made a legislative body of the district and the Chief District Officer (CDO) made secretary of the district assembly giving all executive power to the district Panchayat. Local Administration Ordinance (1970) relieved the Chief District Officer (CDO) from all development tasks as the secretary of the district Panchayat which became the responsibility of the local development officer. After the establishment of the local development Ministry a working paper on local development Ministry, 1980 recommended the formation of user committees to formulate and implement local development plans. The Local Development Officer (LDO) acted as the secretary of the District Panchayat and also coordinated all district level development plans.

The Panchayat period witnessed numerous efforts in the direction of decentralization to strengthen elected grassroots bodies both in rural and urban areas. Hence, the major initiatives of decentralization and local governance during Panchayat era were: the following.

- (i) Implementation of Decentralization Plan—DP (1965)

- (ii) Promulgation of Local Administration Act—LAA (1971)
- (iii) Implementation of District Administration Plan—DAP (1975)
- (iv) Implementation of Integrated Panchayat Development Design—IPPD (1978)
- (v) Implementation of the Decentralization Scheme—DS (1984)

These are reflected in the Decentralization Act (1982) and Decentralization (working management) Rules (1984) (Shrestha, 1999). Earlier to DS, all the initiatives were aimed at delegating functions and powers to LGIs simply through the executive order of the government, thus the LGIs acted simply on the will of the central government. A traceable process of decentralization was initiated with the implementation of DS that practically continued to the last days of Panchayat System until April 1990. Legally speaking, the DS continued to exist till the enactment of new Local Self Governance Act—LSGA (1999) which has a provision for its revocation (*ibid.*).

Joint HMGN-Donor Review on Decentralization in Nepal (2001) claims that during the period of Panchayat System, a number of issues relating to policy and processes of decentralization and local governance emerged and remained unresolved. The most prominent issues were the roles and tasks of LGIs, the relationship between the government line agencies and LGIs, the roles and tasks of legislators versus local leaders, service delivery overlaps and duplication, the degree of autonomy of LGIs, accountability, transparency and the scope of LGIs fiscal authority (Joint HMGN-Donor Review on Decentralization in Nepal, 2001).

During Panchyat, decentralization was not integrated with political norms. Decentralization was used as a manipulation for development work intended to be undertaken by the state. Lack of political commitment was another setback during Panchyat as decentralization was confined to the local executive as an administrative exercise. There was lack of continuity in the structures of local organizations and rights of the local authorization. Reports and plans were fully implemented instead a new program was introduced each time. There was inadequate planning support to make local authorities efficient and capable. Sectoral programmes often ran parallel to

Village Development Committee (VDC)-initiated programmes creating confusion. No assessments were made and inadequate assistance was provided to the local organization in terms of financial and manpower support.

4.2 Local Government during Constitutional Monarchy

The Article 25 (d) in the Constitution of Nepal (1990) had the provision of decentralization and strengthening local governance through creation of Local Government Institutions (LGIs). The very preamble of this constitution reflected the spirit of ensuring optimum involvement of the people in governance for distributing the fruit of democracy to all people through local self-governance and appropriate decentralization (Dahal, 2002).

In 1990, the interim government dissolved the Panchayats at village, municipal and district levels, but it gave continuity to their functions. Paudyal (1994) mentions that in 1992 the elected majority government promulgated three separate Acts: The Village Development Committee Act, Municipality Act and District Development Committee Act. The Acts specified the organizational structure, representation, and election process and defined tasks and functions of the local governments separately. Most of previous provision/ functions were included in the new Acts. The Acts mainly changed the names of previous district, Municipal and Village Panchayat into development committees. However, the new arrangements could not address all the issues raised regarding autonomy of local governments (Paudyal, 1994).

Khanal (2006) argues that these Acts could not address some key issues. First and foremost, these Acts failed to make institutionalized horizontal accountability of the line agencies to the local bodies, (DDCs, Municipalities and VDCs) up to 1999. Other problems/issues seemingly appeared were that there was no adequate coordination while planning, programming, budgeting and implementing programs among line agencies and the local bodies; there was duplication of tasks and responsibilities; centre used to send the budget and program directly to the district line agency offices; and there was poor resource base and weak organizational structure of local governments. To overcome these problems and make the local bodies powerful, the government in 1996 constituted a high-level decentralization coordination committee headed by the then Prime Minister. Based on the recommendations, of the committee

the local self-governance Act was prepared and passed by the parliament in the form of bill in 1999 and then it became effective (Paudyal, 1994).

The objective of Act was to establish a system of local planning and development involving the recasting of financial resource management, the promotion of accountability and transparency, and the participation of citizens and private sector entities in local decision-making. From the principle and practical perspectives alike, it sought to give local governments the capacity to respond to basic needs of the people in terms of education, health, water supply, sanitation, and other community infrastructure (Khanal, 2006).

This Act was the most comprehensive piece of legislation, with the most far reaching consequence that Nepal had ever implemented in respect of decentralization and local governance (Khanal, 2006). The Local Self Governance Act (LSGA) has clearly stated the principles and policies of local self-governance as the following:

- *Devolve needed powers, responsibilities and means and resources to make local bodies capable and efficient in local self-governance*
 - *Build and develop local bodies capable to understand and respond to the need of people*
 - *Devolve powers to collect and mobilize resources to local bodies to fulfill their tasks and functions accountably*
 - *Promote accountability, transparency, people's participation and civil society*
 - *Promote accountability of local leadership*
 - *Encourage the private sector to participate in local self-governance*
- (HMG Nepal, 1999)

4.2.1 Institutional Framework

Dahal (2002) mentions that to meet the objectives of the local governance in Nepal, local government during unitary government was divided into a two-tiered local governance system, recognized by constitutional and legislative frameworks as discussed earlier. The upper tier was the district level LGI named as District Development Committee (DDC). Municipalities in urban localities and Village

Development Committees (VDCs) in the rural localities were the lower tier of LGIs. According to the Local Self-Governance Act, 75 District Development Committee (DDCs), 58 Municipalities and 3915 VDCs in composite form constitute the entire local government of Nepal (CBS, 2002). Each VDC area was divided into nine wards, while a municipality was divided into a minimum of nine wards but the numbers of wards vary depending on the size/area and population. Each of the ward of the VDC or municipality had ward committee (WC) made up of five popularly elected members, including one woman at least and a ward chairman. Districts were divided into a minimum of nine to 17 Ilakas (areas) (Dahal, 2002).

The HMG Nepal (1999) mentions that a municipality may be established in any area having access to facilities such as electricity, drinking water supply, roads and transport, education and communication. It needed to have a population of no less than ten thousand for the hills and mountains and twenty thousand for the rest of the kingdom. For a Municipal Corporation, it required to have a population of three hundred thousand and an annual income of minimum of four hundred million rupees, having the necessary infrastructures as required for international level activities and availability of adequate and advance educational opportunities and health services and other facilities. HMG Nepal (1999) mentions that for a Sub Municipal Corporation, it required to have a population of minimum one hundred thousand and an annual income of a minimum of one hundred million rupees and other facilities. Other urban and semi-urban areas, as declared by the government, are called Municipalities. District Development Committee (DDC) may be formed in each administrative district as per the Local Administration Act (1971). HMG Nepal (1999) establishes following structure of each District Development Committee (DDC)

Which were divided into a minimum of nine and maximum of 17 Ilakas. the Village Development Committee (VDC) consists of nine wards while this number may increase in the case of Municipality depending on the size of population. Each ward committee consisted of five members including a ward chairperson and at least one woman representative. Each Village Development Committee (VDC) and Municipality had its council and executive. The Village Development Committee (VDC) executive consisted of a total of thirteen members: Chairpersons, Vice-Chairpersons, nine

Chairpersons of the Ward Committees and two nominated members including one woman by the Village Development Committee (VDC) among its Council members. The composition of the Municipality executive was also the same as that of the Village Development Committee (VDC). It consisted of a Mayor, Deputy Mayor, Ward chairperson and two members, including one women representative nominated by the municipality from amongst the members of Municipal Council. The Village Council comprised a Chairperson and Vice-Chairperson of the Village Development Committee (VDC), Chairperson and members of each Ward Committee and six other members, including the woman nominated by the Village Council. The composition of the Municipal Council was the same as that of the Village Council. The Municipal Council consists of a Mayor, Deputy Mayor of the Municipality, Ward Chairperson, a female Ward representative and Ward Members of each Ward Committee. It also included 6 to 20 nominated members. The municipal council nominated these members (including at least 40 per cent women) from amongst social workers, socially and economically backward tribes and ethnic communities, downtrodden, and indigenous people (living within the area of the municipality, not represented in the municipal council, but eligible to become the member). The DDC was the representative body of all the Village Development Committee (VDCs) and Municipalities within the district. It consisted of an elected President, Vice-President, and two nominated members. Members of Parliament of the concerned district were ex-officio members. DDC also had its District Council, which consisted of Chairperson and Deputy Chairpersons of Village Development Committee (VDCs) in the district, Mayor and Deputy Mayor of each Municipality in the district, members of the House of Representatives and the National Assembly within the district, (ex officio member) and six persons, including one woman nominated by the District Council (HMG, 2000).

The diagrammatic representation of the structure of Local Self-Governance bodies is shown in Figure 2.

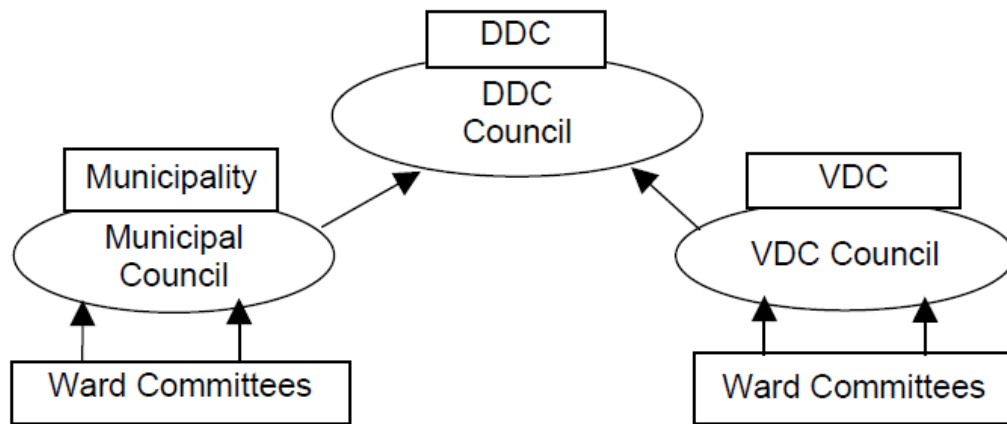


FIGURE 2: Structural chart of Local Self-Governance bodies

Source: HMG, Local Authority Fiscal Commission Report, 2000

4.2.1.1 Organization of Local Bodies: The Institutional Provision of DDC

There were three levels in the District Development Committee (DDC) as the District Council, District Development Committee (the executive level), and Implementation and administration level.

a. District Council:

HMG Nepal (1999) had made provisions that the District Council, which was the highest body of District Development Committee (DDC) works as the legislative organ. According to Local Authority Fiscal Commission Report, 2000, it consisted of Members (Councilors) as mentioned previously. The total numbers of District Councilor were 9,734, excluding the members of the National Council. The numbers of minimum and maximum Councilor were 42 and 262 respectively. The Council performs important functions like approving the program and budget of the DDC, formulating policies; levying tax, fee and service charge; evaluating the program and holding discussions on the audit report.

b. District Development Committee:

HMG Nepal (1999) had made provisions that District Development Committee (DDC) was an autonomous and corporate body with perpetual succession. The District Development Committee (DDC) worked as the executive of the District Council in each district. The number of the District Development Committee (DDC) Board Members ranged from 14 to 28. The total number of District Development Committee (DDC Board Members was 1,492. As the executive body of the District Council, the District Development Committee (DDC) implemented program and decisions passed by the Council and also implemented the district activities/program related to development in the district.

c. Office of the District Development Committee

HMG Nepal (1999) mentions that there was a provision of an office of District Development Committee (DDC) to execute day-to-day administration. Some District Development Committee (DDCs) had prepared their organizational structure and job descriptions to improve their performance level. Some District Development Committee (DDCs) had been following the old organizational structure prepared by the Ministry of Local Development and no attempt had been made to adjust it on the basis of changing time and district workload. In general, the district structure was as illustrated in Figure 3.

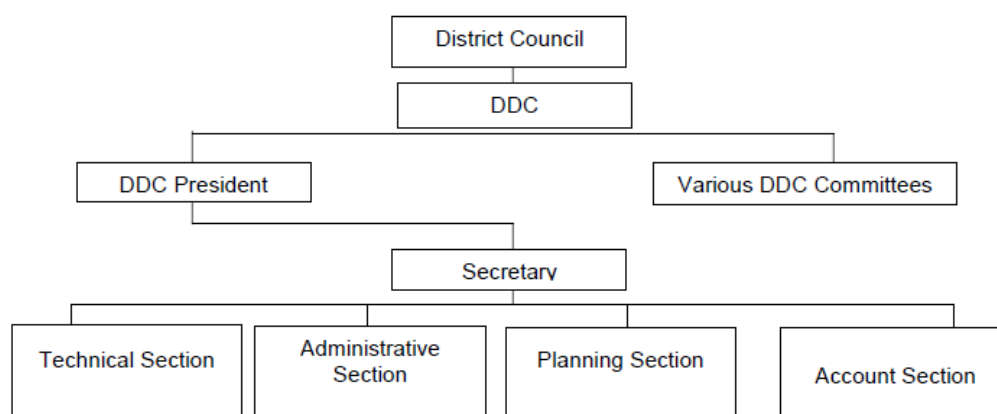


FIGURE 3: Structure of District Development Committee (DDC)

Source: HMG, Local Authority Fiscal Commission Report, 2000, P 30

4.2.1.2 Institutional Provision of Lower Level Local Bodies- Municipality and VDC

a. Municipality

The HMG Nepal (1999) mentions that like the District Development Committee (DDC), the organization structure of municipality had three main components. The first was the Municipal Council, which was the apex body of Municipality. The second was the Executive Board, which implemented the decisions and directions of the Council. The third was the Office of the Municipality, which followed the daily activities under the Executive Board.

b. Municipal Council:

The HMG Nepal (1999) had made provisions for the Municipal Council. The Municipal Council consisted of councilors as mentioned before (the minimum and maximum number of the councilors being 53 and 197 respectively). In total, there were 4,262 councilors.

The Municipal Council, as the legislative branch, controlled and directed the Municipal Board. The Council determined policies and program. It made approval of the budget and program presented to it, approval of proposal to levy and collect tax, fee and charge, disposal of fixed assets, approval of proposals for loan.

c. Municipality Committee

Each Municipality was an autonomous and corporate body with perpetual succession. The Municipality performed as the Executive Body of the Municipal Councils to implement decisions made by the Council. The HMG Nepal (1999) had made provisions that the Executive Body comprised 13 to 39 Board Members. The numbers of total Board Members in 58 Municipalities were 1,038.

d. Municipality Office

Each Municipality had the provision of an office to look after the day-to-day administration of the Municipalities. The Executive Officer, in-charge of the office,

was deputed by the central government. The model structure of the Municipalities is given in Figure: 4.

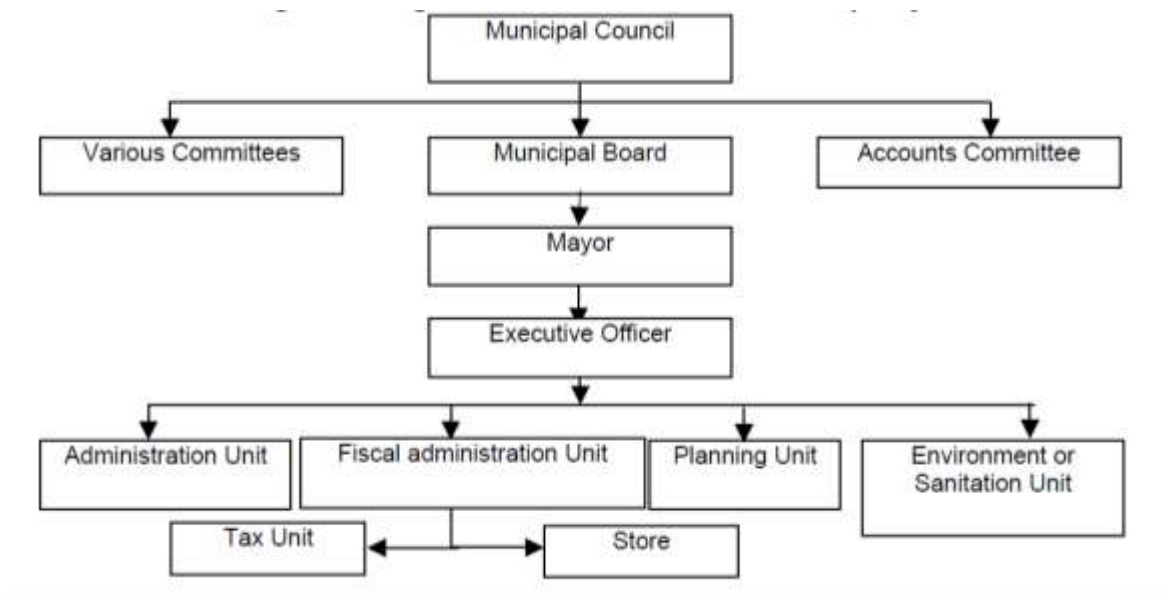


FIGURE 4: Organizational Structure of Municipality

Source: HMG, Local Authority Fiscal Commission Report, 2000

e. The Village Development Committee

The HMG Nepal (1999) mentions that like the District Development Committee (DDC) and Municipality, the organization structure of Village Development Committees (VDC) had three main components. The first is the Village Council, which was the apex body of Village Development Committees (VDC). The second was the Executive Board, which implemented the decisions and directions of the Council. The third was the Office of the Village Development Committees (VDC), which ran the daily activities under the Executive Board.

f. Village Council

The HMG Nepal (1999) had made provisions of Village Council. The Village Council consisted of the members as mentioned before. The Village Council, like the legislative body, controlled and directed the Village Development Committees (VDC). The Council determined policies and program. It approved the budget and

program presented to it, approval of proposals to levy and collect taxes, fees and charges, disposal of fixed assets, approval of proposals for loan etc.

g. Village Development Committee

The HMG Nepal (1999) had made provisions that each Village Development Committees (VDC) was an autonomous and corporate body with perpetual succession. The Village Development Committees (VDC) performed as its Executive Body. It implemented decisions made by the Village Council. The Village Development Committees (VDC) consisted of 13 members as mentioned previous. The total number of Village Development Committees (VDC) member was 50,869.

h. Village Development Committee Office:

HMG Nepal (1999) had made provisions that each Village Development Committees (VDC) had the provision of an office to look after the day-to-day administration of the local bodies. The Secretary, in-charge of the office, was deputed by the central government.

The organizational structure of the Village Development Committees (VDC) as a model is given in Figure 5:

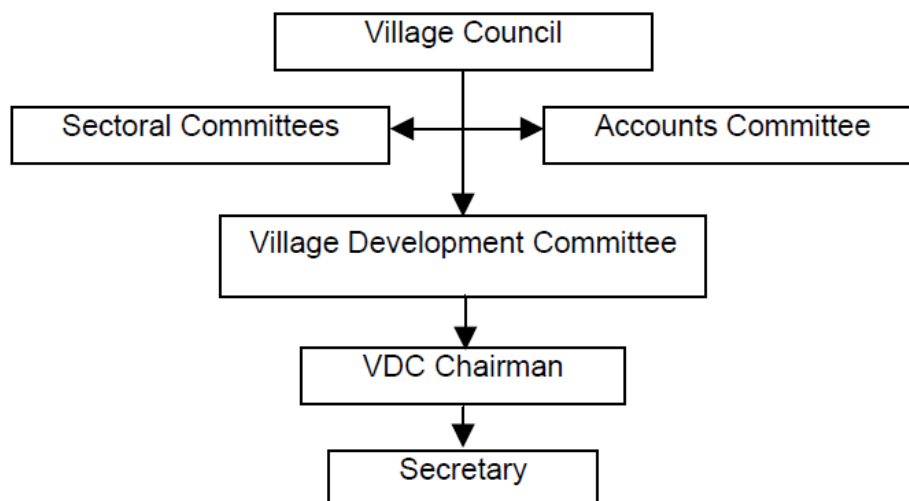


FIGURE 5: Organizational Structure of VDC

Source: HMG, Local Authority Fiscal Commission Report, 2000

4.2.2 Legislative Framework and Legal Power for Local Government

The promulgation of the LSGA in 1999 and LSG Regulation in 2000 had built on and improved the legislative framework for local self-governance. LSGA incorporated provisions of devolving wider authority for planning, service delivery, and revenue generation by LGIs. These legal instruments provide detailed framework for the local governance in most democratic form of decentralization, devolution (Adhikari, 2010). Report of the steering committee of Joint HMG/N-Donor Review on Decentralization in Nepal 2001 enlisted important features of the LSGA as

- i. it is a unified act that defined the principles and policies of decentralization, providing the most integrated legislative instrument for local governments in Nepal and their governance-administrative framework, it devolved wide sectoral authority to LGIs.*
- ii. It established a Decentralization Implementation and Monitoring Committee (DIMC) to monitor and ensure that the objectives, policies and provisions of LSGA are followed.*
- iii. It also established a working committee to execute the directives of DIMC.*
- iv. It enabled the creation of a Local Government Finance Commission (LGFC).*
- v. It made provision for revenue sharing between local and central government, and among LGIs.*
- vi. It made provision for one-fifth representation of women in LGIs and for the representation of deprived and disadvantaged groups.*
- vii. It provided for more accountable and transparent LGIs through village, municipal and district councils, committee systems, and audit committees.*
- viii. It expanded the taxation and service fee collection authority of LGIs and recognized some rights of LGIs over natural resources.*
- ix. It made participatory bottom-up planning, periodic planning, resource mapping and establishment of an information centre compulsory for LGIs.*
- x. It made LGIs funding a compulsory function of the government.*
- xi. It made LGIs' capacity building a sectoral ministry responsibility.*
- xii It authorized DDCs to open sectoral units to gradually take over the work of government line agencies.*
- xiii It authorized LGIs (especially Municipalities and DDCs) to hire their own professional staffs.*
- xiv. It has recognized LG associations as stakeholders and made provisions for representation at DIMC from these associations (Adhikari, 2010).*

Thus, LSGA provided integrated legal framework to the two tiers of LGIs in Nepal, viz. DDC at upper and VDC & Municipality at the lower level. Provision for the formation of civil societies with approval of VDCs/Municipalities, and provision of local councils and elected executive wings (District Council/DDC, Municipal Council/Municipality and Village Council/VDC) resembles the mini-cabinet and mini-legislature in the LGIs. One step ahead, this act has empowered the LGIs to having direct and independent coordination with development partners for implementation of special programmes, however, the mandatory provision to get pre-programme approval from the central government, restricts the autonomy of LGIs (Adhikari, 2010). Likewise, it had incorporated the provision of harmonizing and streamlining through inter-institutional and programmatic coordination committee. However, for various political-legal and historical reasons this initiation could not be much effective. Learning from the failure of DS (1984) to integrate district line agencies with the then District Panchayat (District level LGI), LSGA followed the principle of gradual process of integrating line agencies with DDCs that are functioning more or less independently (Adhikari, 2010).

Adhikari (2010) argues that the LSGA had entrusted the VDC and the Municipality with judicial power. There were 13 cases in which they have the power to hear and settle at first instance. They included cases related to boundary/border of public or private land, compensation for damage of crops, forced labor, and such other cases under the sections of Muliki Ain (Civil Code) on Poor, Missing and Findings of Quadrupeds, construction of houses, Kalyan Dhan (hidden and unclaimed wealth), partition and other cases as specified by the government notification. However, the provisions of judicial power were not implemented for the VDC, and the Municipality. The reason for not awarding this power to the VDC and Municipality is attributed to weak institutional capability of these local bodies.

4.2.3 Local Government Finances

The Local Self-Governance Act has made provision for tax, service charge, fee and revenue resources for the local bodies to enable them to generate adequate income and carry out development functions.

The VDCs were to a great degree dependent on external resources. Most of the VDCs had collected taxes in fiscal year 1998-99; the percentage of the tax of 75 VDCs in the internal resource was, on average, 53.8 per cent. The percentage of the grant was high (74 per cent). This clearly indicates that the VDCs had to raise financial resources locally for which they needed to develop their capability (GTZ, 2003).

Municipalities were entitled to collect various taxes, fees, charges and property rental. On top of this, they got grants from the central government. They also received grants and loans from other financial institutions as well as donor agencies. With the enactment of LSGA 1999, the Octroi (an indirect tax levied on goods entering into town using lowered street barriers) was contributing approximately 67 per cent of their source of revenue. This figure varied between 60 to 90 per cent among the 58 municipalities, and had been replaced with a Local Development Fee (GTZ, 2003). The Local Development Fee was collected from different custom points of the country in addition to import customs by the central government, and it was redistributed to the different 58 municipalities on the basis of specific criteria.

In the case of grants, the central government did influence the local bodies through the allocation of block and development grants. Since there were no specific criteria for the distribution of grants, it was often allocated on the basis of political connection and patronage. However, with regards to internal resources, the central government did not enjoy much influence. Nevertheless, the government had the rights to monitor whether the local bodies had followed the prescribed financial rules and regulations (country reports on local government system, 2016).

Lawoti & Pahari (2010) argues that in 2002, due to the Maoist Communist Party insurgency, the government was not able to conduct the required local government elections. Consequently, responsibility for the work of local governments was handed over to central government employees. Some services were maintained at the local level, but several were not. This resulted in many people having to travel to district offices of central government agencies for service delivery, making the voiceless even more vulnerable by reason of government-provided services not being available at the community level. In 2006, a comprehensive peace accord was signed between the government and the Communist Party (Lawoti & Pahari, 2010). This provided the

foundation for the extensive transformation of state structures and functions which, after nine years, was formally prescribed in a new Constitution (2015).

4.3 Present Local Government in Nepal

The Constitution formally provides for a federal system of government.

The central government is accompanied by seven provincial governments and 753 local governments. The constitutional recognition of local governments reflects a clear acknowledgement of the important role of local governments in the country's democratization and socio-economic development. There are two types of local government: Gaupalikas (460 village governments) and Nagarpalikas (293 municipal governments), with 77 district coordination committees located above them. The village and municipal entities alike have several exclusive powers, as well as having powers which are shared with the central and provincial governments. (The Government of Nepal, 2015).

Their powers concern local planning and implementation in relation to economic development (agriculture, livestock, cooperatives, and micro-industries), social development (education, health, and social security allowances), the environment, and community infrastructure, as prescribed in the Local Government Operation Act (2017). Within each of the local governments, there are wards as units closest to the people. The wards are expected to ensure that citizens have immediate access to basic services. Thereby, citizens ought to be able receive those services quite easily, and also to have a say in service design and acquire information for the enforcement of local government accountability.

Table 1: Administrative Division of Nepal

Administrative Division	Panchayat	Constitutional Monarchy	Now
Development Region	5	5	-
Province	-	-	7
Zone	14	14	-
District	75	75	77
Metropolitan City		1	6
Sub-Metropolitan City		12	11
Municipality	33	217	276
Village Development Committees / Rural Municipality	4015	3,157	460

Above Table 1 shows the administrative division of Nepal during Panchayat, constitutional monarchy and at the present period. During Panchayat, Nepal was divided into five development region, fourteen zones and seventy-five districts. There were thirty-three Municipality and four thousand and fifteen VDCs. During Constitutional Monarchy, Nepal was divided into fourteen zones, seventy-five districts, a Metropolitan City, twelve Sub Metropolitan cities, two hundred seventeen Municipalities and three thousand one hundred and fifty-seven VDCs. In the present context, Nepal is divided into seven provinces, seventy-seven districts, six metropolitan cities, eleven Sub metropolitan cities, two hundred seventy-six Municipalities and four hundred and sixty Rural Municipalities.

4.3.1 Local Government Structure

One major change in the structure of local governance under the new framework is that the jurisdictions of the LGs are much larger in both area and population. On March 15, 2016, the Government of Nepal established the Commission for Restructuring of Village, Municipalities, and Special, Protected and Autonomous Areas. The Commission commonly known as Local Level Restructuring Commission

(LLRC) was tasked to determine the number and boundaries of local governments under the new governance structure, with a one-year mandate (The Asia Foundation, 2017).

According to LLRC, the new structure of local government was determined, and 753 local governments units have been established within the seven provinces. The 753 LGs represent a drastic reduction from the earlier structure of 3,157 VDCs and 217 municipalities and are comprised of 6 Metropolitan Cities, 11 Sub-metropolitan Cities, 276 Municipalities and 460 Rural Municipalities. Consequently, the new LGs are responsible for much larger territories and are mandated with much greater responsibility.

4.3.1.1 Local Executive

According to the Constitution of Nepal each Rural Municipalities are divided into wards, while municipalities are divided into wards but the numbers of wards vary depending on the size/area and population. Each of the ward of the Rural Municipalities or municipality has ward committee (WC) made up of popularly elected members, including one woman at least and a ward chairman.

Criteria for establishing Municipalities, Sub-metropolitan Cities and Metropolitan according to local government formulation act 2074 are as follows:

a municipality may be established in any area having access to facilities such as electricity, drinking water supply, roads and transport, education and communication. It needed to have a population of no less than ten thousand for the Himalayan area of Himalayan district, forty thousand for the mountain area of Himalayan district and the mountain district. For inner Madhesh requirement is fifty thousand while for terai district is seventy-five thousand and for district within Kathmandu valley is one lakh. It required having an annual income of minimum of one crore rupees in Himali area and minimum of three crore rupees in other areas. Also requires having the necessary infrastructures as required for national level activities and availability of adequate and advance educational opportunities and health services and other facilities. According to local government formulation act 2074, for Sub-metropolitan Cities it required to have a population of

minimum two hundred thousand and an annual income of a minimum of twenty-five crore rupees and other facilities. For Metropolitan Cities, it required to have a population of minimum five lakh and an annual income of one arba rupees and other facilities.(The Government of Nepal, 2017).

According to the Constitution of Nepal, each Rural Municipalities or municipality has local executive and local legislation. The executive power of the Local Level shall, pursuant to this Constitution and the Federal law, be vested in the Village Executive or the Municipal Executive. The responsibility for issuing general directives, controlling and regulating the governance of the Village Body and the Municipality are, subject to the Constitution of Nepal and other laws, lie in the Village Executive and the Municipal Executive. The executive functions of the Village Body and the Municipality are performed in the name of the Village Executive and the Municipal Executive.

According to the Constitution of Nepal 2015, there is a Chairperson of Village Executive in each Village Body. The Village Executive is formed under his or her chairpersonship. The Village Executive consist of one Vice-Chairperson, Ward Chairperson elected from each Ward, four women elected by member of village assembly from amongst themselves and two members elected by village assembly from the dalit or minority communities.

According to the Constitution of Nepal following are the criteria needed to qualify for election and tenure of the Chairperson and the Vice-Chairperson, Mayor Deputy Mayor, and Ward Chairperson.

The Chairperson and the Vice-Chairperson are elected by the voters residing within the basis of one person one vote, in accordance with the first past the post electoral system. To qualify for election Chairperson, Vice-Chairperson, Ward Chairperson and member should be (a) be a citizen of Nepal, (b) having completed the age of twenty-one years, (c) being a voter whose name is included in the electoral rolls of the Village Body, (d) not being disqualified by any law. The term of office of the Chairperson, Vice-Chairperson, Ward Chairperson and member are five years after the date of being elected. A person who has been elected as the Chairperson for two

terms shall not be eligible to be a candidate in an election to the Village Body.

Each Municipality has a Mayor. The Municipal Executive shall be formed under his or her chairpersonship. According to the Constitution of Nepal 2015 the Municipal Executive consist of one Deputy Mayor, Ward Chairperson elected from each Ward and five women members elected by the members of the Municipal Assembly from amongst themselves and three members elected by the Municipal Assembly from the Dalit or minority communities. The Mayor and the Deputy Mayor are elected by the voters residing within the concerned Municipal area by secret ballots on the basis of one person one vote, in accordance with the first past the post electoral system.

The term of office of the Mayor, Deputy Mayor, Ward Chairperson and member is five years after the date of being elected. A person who has been elected as the Mayor for two terms shall not be eligible to be a candidate in an election to the Municipality (The Government of Nepal, 2015).

There is a three-member judicial committee to be coordinated by its Vice-Chairperson in the case of a Village Body and by its Deputy Mayor in the case of a Municipality, in order to settle disputes under their respective jurisdictions in accordance with law. The judicial committee consists of two members elected by the members of the Village Assembly or the Municipal Assembly from amongst themselves. Allocation and conduct of business of the Village Executive and the Municipal Executive are carried out in accordance with the rules approved by the Village Executive and the Municipal Executive respectively (The Government of Nepal, 2015).

There is a District Assembly to make coordination between the Village Bodies and Municipalities within the district. The District Assembly consists of Chairpersons and Vice-Chairpersons of Village Executives, and Mayors and Deputy Mayors of Municipal Executives within the district (The Government of Nepal, 2015). The District Assembly elects the District Coordination Committee consisting of a maximum of nine Members including one Chief, one Deputy Chief, at least three

women and at least one Dalit or minority. The District Coordination Committee shall discharge all functions required to be discharged by the District Assembly. A Member of a Village Assembly or Municipal Assembly within the concerned districts is eligible to be a candidate for the office of Chief, Deputy Chief or Member of the District Coordination Committee. The functions, duties and powers of the District Assembly are to make coordination between the Village Bodies and Municipalities within the district, to monitor development and construction works to make balance of such works, to make coordination between the Federal and the State Government offices and Village Bodies and Municipalities in the district, to perform other functions as provided for in the State law (The Government of Nepal, 2015).

4.3.1.2 Local Legislature

The legislative powers of the Local Level are vested in the Village Assembly and the Municipal Assembly, subject to the Constitution of Nepal. The legislative powers of the Village Assembly and the Municipal Assembly are mentioned in the lists contained in Schedule-8 and Schedule-9 of the constitution of Nepal. Each Village Body has a Village Assembly. According to the Constitution of Nepal, following are the composition of village assembly.

A Village Assembly consist of the Chairperson and Vice-Chairperson of the Village Executive, Ward Chairpersons, and four members elected from each ward and Members of the Village Executive elected from Dalit and minority communities and have representation of at least two women from each ward. Each ward of a Village Body under the Federal law has a Ward Committee composed of the Ward Chairperson and four members. Such Ward Chairperson and Ward members are elected in accordance with the first past the post electoral system. Every person who has completed the age of eighteen years and whose name is included in the electoral rolls of the Village Body has a right to vote as provided for in the Federal law (The Government of Nepal, 2017).

A person who has the following qualification shall be qualified to become a candidate for the office of the Member of the Village Assembly according to LGOA

(a) being a citizen of Nepal, (b) having completed the age of twenty-one years, (c) being his or her name included in the electoral rolls of the Village Body, and (d) not being disqualified by any law. Each Municipality has a Municipal Assembly. According to the Constitution of Nepal 2015, a Municipal Assembly consist of the Mayor and the Deputy Mayor of the Municipal Executive, Ward Chairpersons, and four members elected from each Ward and members of the Municipal Executive elected from Dalit or minority communities. A Municipal Assembly has representation of at least two women from each Ward. Each ward of a Municipality has a Ward Committee composed of one Ward Chairperson and four members as provided for in the Federal law. Such Ward Chairperson and Ward members are elected in accordance with the first past the post electoral system. The term of a Village Assembly and of a Municipal Assembly is five years for the date of election. Another Village Assembly and Municipal Assembly are elected not later than six months of the expiration of such a term(The Government of Nepal, 2017).

A Village Assembly and a Municipal Assembly may make necessary laws on the matters set forth in the Lists contained in Schedule-8 and Schedule-9 of the constitution of Nepal 2015. The process for making laws is provided in the State Law. Other matters relating to the conduct of business of a Village Assembly and Municipal Assembly, rules of procedures of meetings, formation of committees, conditions in which the office of member falls vacant, facilities receivable by members of the Village Assembly and Municipal Assembly and employees and offices of the Village Body and Municipality are provided for in the State law.

The Constitution also empowers the LG with semi-judicial powers for settling various disputes at the local level. The Deputy Mayor or Vice Chairperson of the local unit serves as the coordinator of the judicial committee. The judicial committees can settle cases related to boundaries, distribution of water, unpaid wages, rent, damage to crops, and a number of other matters. In addition, Deputy Mayor or Vice Chairperson also serves as the coordinator of Revenue Determination Committee (The Government of Nepal, 2017).

4.3.2 Legal Framework

The 2015 Constitution lays out a vision for a federal state comprised of three layers of government: Federal, Provincial and Local. The new federal structure entails a radical change from past top-down governance practices (The Government of Nepal, 2017). This requires a new legislative framework to support the Constitutional vision for shared power and shared rule among the three levels of government. This chapter describes the challenges of revising the existing legislative landscape and formulating new legislation to effectively support local government.

A number of areas of legislation are required to empower the newly formed LGs to become operational. In addition to drafting and passing critical new legislation, the country's existing legal frameworks require wholesale revision and amendment to ensure uniformity and to address inconsistencies with the Constitution (The Government of Nepal, 2015). This is essential to enable local governments to operate. For example, the Industrial Enterprises Act 2016 empowers the Federal Government to designate the appropriate agency to register businesses leaving it to the discretion of the Ministry which body will be responsible for business registration. Therefore, it is not clear to local governments which industries can be registered at the municipal level. The review and amendment of Federal laws must be followed by development, review and amendment of laws at the Provincial and then at the Municipal levels in order to establish the consistency required. Furthermore, local governments will need to draft more than a hundred laws simply to have adequate clarity to execute their functions. Each of these laws must be assessed for consistency with the Constitution and with other laws before they are effective.

A comprehensive legislative framework is required for local governments to exercise their constitutionally given functions. According to a study undertaken by the Ministry of Law, Justice and Parliamentary Affairs (2016), at the Constitution's commencement, 110 Laws on Federal Matters, 22 Laws on Provincial Matters and 6 Laws on Local Matters were required for its implementation (Ministry of Law, Justice and Parliamentary Affairs, 2016). Numerous other pieces of legislation and subsidiary legislation require revision and amendment. To date, 86 distinct pieces of legislation have been enacted by the Legislature-Parliament (the transformed Constituent Assembly) (The Government of Nepal, 2017).

The Local Government Operation Act, 2017 (the 'LGOA') is the most important legislative piece required to institutionalize the new local governments. This Act specifies local government functions and powers and provides a basic structure for the working of municipal assemblies. However, it was not until 15 October 2017, months after the completion of elections to the country's local governments, that the Federal Government enacted this crucial legislation, which provides the overarching framework for local (and district) government (The Government of Nepal, 2017).

Therefore, when the locally elected officials took their offices after the election, the absence of legislation meant that they were unable to perform their constitutionally envisaged functions, adequately. In lieu of proper legislative frameworks, the Federal Government issued executive orders and directives to maintain everyday governance at the local level. The administrative and service provision systems have continued to operate in the same way that they did under the previous governance system, or 'governance by historical convention'. Consequently, the Federal Government has prevailed over the elected local bodies in framing regulation of local authorities during the transition period. This is far from the Constitution's vision for local government autonomy.

Other important pieces of the legislative puzzle, required to support the new structure of governance, have been enacted. These include the Personnel Adjustment Act, 2017, the Inter-Governmental Fiscal Management Act 2017, and the National Natural Resource and Fiscal Commission Act 2017. However, as significant as these Acts are, their enactment is only a minor step in the direction towards instituting an adequate legislative framework for local governance.

Furthermore, in reviewing these newly enacted laws a number of concerns and issues arise. First, these laws were drafted at the federal level without input from either provincial or local government representatives/officials. They thus reflect the centralizing inclinations of the country's central political and administrative forces.

Secondly, there are many areas in which the Acts fall short of implementing the constitutional vision for federal division of power among the three layers of government. This includes instances of federal government overreach. For example, while Schedule 9 of the Constitution establishes the collection of royalties from

natural resources as a concurrent power to be exercised by all three layers of government, the Inter-Governmental Fiscal Management Act confines the right to levy and collect these royalties to the Federal Government. Furthermore, the new Acts do not provide strong safeguards for the representation and voice of local governments in key deliberative spaces. Local government representatives on the Inter-Governmental Fiscal Council, the body that is tasked with coordinating finance management between the three spheres of government, are nominated at the recommendation of their provincial government (Inter-Governmental Fiscal Management Act, 2017). This may enable provincial officials to co-opt LG interests. Similarly, the Organization and Management Survey Committee, constituted under the Personnel Adjustment Act to design the country's new bureaucratic structure, is not mandated to consult or cooperate with the provincial and local governments.

Thirdly, the new Acts include provisions that are inconsistent with the Constitution. The Inter-Governmental Fiscal Management Act provides for royalties raised from natural resources to be distributed to the District Coordination Committees (in addition to local governments) (Inter-Governmental Fiscal Management Act, 2017). However, the Constitution only allows for revenue to be deposited and shared among the Federal, State, and Local Consolidated Funds (The Government of Nepal, 2015). On its face, there is no constitutional basis for the Federal Government to fund the District Coordination Committees and thus this provision is constitutionally invalid.

Fourthly, a number of key legislative areas are not reflected or fully elaborated in the Acts. For example, the LGOA insufficiently enumerates local government power with regard to cooperatives, agriculture, disaster management, mines and minerals, and education – all areas over which local governments have legislative competence under Schedule 9 of the Constitution. In the eyes of many legal commentators, the LGOA thus does a 'bare minimum job' of translating the spirit of the Constitution into legislation.

Finally, the required regulations and subsidiary legislation associated with these laws have not yet been drafted. Instead, the Federal Government has issued directives to provide a basis for local governments to execute many basic functions. Thus, despite their enactment, these framework laws are not yet sufficient to regulate and guide LG decision-making.

4.3.3 Law Making at the Local Level

The Constitution vests the LG with a significant new authority: the power to make local laws. Accordingly, LGs can legislate and administer executive power with regard to 22 functions under their exclusive jurisdiction and further 15 functions with the concurrent jurisdiction of the Federal and provincial governments. As a local legislature, the municipal or village council is vested with the power to enact laws as per its needs, as long as these do not conflict with federal and provincial laws (The Government of Nepal, 2015). Indeed, every service envisioned to be supplied and regulated by LGs requires enabling legislation.

According to interviewees, in the absence of legal frameworks to guide local governance institutions, the new LGs run in a state of confusion, and on an ad hoc basis. Even though the LGs have power to legislate, the first council meetings of both rural and urban governments covered by this study ended without making any laws. These meetings were limited to a formal endorsement of the annual policy and budget of respective LGs (The Asia Foundation, 2017).

The field research revealed that during the months following elections, the LGs focused on the following tasks: - Preparation of updated village/city profile .Division of work among the executive members - Drafting terms of reference, meeting procedures, and codes of conduct; As a first step in the planning process, collection of information from the wards about development projects - Conducting Village and Municipal Assembly meetings - Logistics management for administrative staff and buildings (The Asia Foundation, 2017).

However, since the time of the study, the LGs have begun to draft laws. The legislative assemblies and judicial committees in most municipalities are functional and in some legislative procedures have been adopted. As LGs draw their legislative authority from the powers reserved to them in Schedules 8 and 9 of the Constitution, they do not require legal frameworks to be properly established at the federal or provincial levels to begin enacting local laws. Therefore, some municipalities have drafted laws on assembly procedures, revenue and budget allocation, education, and health (The Asia Foundation, 2017).

The Asian Foundation discusses about local law making as:

In addition, the Ministry of Federal Affairs and Local Development (MoFALD) announced that it would prepare 22 model laws for LGs to enact. However, at the time of writing, only 14 of these model laws have been drafted and, as with the adjustment of bureaucrats, the MoFALD has turned its attention to the supporting and prioritizing the provincial parliaments' legal needs. Furthermore, reports are emerging that, in the rush to establish legal structures, many LGs are enacting these model laws without due consultation, scrutiny or examination, and thus undermining the local legislative process. It is important that LGs develop their capacity and assert their rights to draft their own laws so that they are not dependent on the central ministries for the development of local legislative regimes. Model Laws Prepared by the Ministry of Federal Affairs and Local Development, Local Level Decision Authentication Act, Local Level Financial Procedural Act, Village Executive Business Performance Regulation, Municipal Business Performance Regulation, Business Allocation Regulations for the Village Executive, Business Allocation Regulations for the Municipal Executive, Business Allocation Regulations for the Sub-Metropolitan City Executive, Business Allocation Regulations for the Metropolitan City Executive, A Law to Regulate and Manage Financial Procedure of Rural Municipality / Municipality, Local Level Cooperative Act, Education Regulation, Agriculture Business Promotion Act, A Law to Regulate Administrative Procedure of Local Level, A Bill Related to Operating Procedure of Judicial Committees while Settling Disputes (The Asia Foundation, 2017).

In a Municipal Round Table Discussion, newly elected Mayors and Deputy Mayors along with the Chief Administrative Officers from 11 municipalities highlighted the adoption of local laws, rules and regulations, which are required to legitimize executive action and budgetary allocations as a key priority for the new LGs. The elected and administrative officers raised the need for enabling laws in 20 distinct areas. The most commonly raised subject areas included: cooperatives, town police,

local taxes, management of local services, basic and secondary education, and basic health and sanitation.

Need for Enabling Laws - Top Ten Identified Areas – Cooperatives, Town police, Local taxes, Management of local services, Basic and secondary education, Basic health and sanitation, Local Assembly, Judicial Committee, and courts, Planning and projects, Markets, environment and biodiversity, Agriculture, livestock, and poultry.

4.3.4 Financial Resources and Fiscal Autonomy of Local Governments

One of the most important factors in the ability of LGs to effectively operate lies in their financial capacity. Any multitier government system requires a balanced approach to fiscal assignments between the levels of government so that adequate funds are available for each level of government to execute its assigned functions. LGs rely on a combination of inter-governmental transfers, revenues from taxes and fees and in some cases private finance. For fiscal decentralization to be successful it should be carefully sequenced with true devolution of authority and discretion to local officials and increased revenues or the ability to raise revenues at the local level (Bahl, 2009).

A coherent legal framework for fiscal management both generation and distribution is critical for the operation of the new governance structure. Apart from the money raised by the local governments themselves (which in most cases is negligible), the constitutional arrangement requires the Federal Government to provide grants to the local level. Legislation to empower revenue collection at the provincial and local levels is necessary to provide clarity on the concurrent fiscal powers enumerated in the Constitution. It will also enable local governments to determine their budget sizes.

However, LGs have yet to receive grants under the fourfold grant regime established by the Constitution (conditional grants, complementary grants or special grants, and equalization grants) (The Government of Nepal, 2015). It is the role of the National Natural Resources and Fiscal Commission (NNRFC) to regulate centrally dispersed fiscal equalization and conditional grants. Until this occurs, local governments must spend money in line with central government policy (i.e. in accordance with executive orders); otherwise they are in breach of the Audit Act 1991.

The Constitution assigns substantial expenditure responsibilities to the sub-national level. Among the 22 functions bestowed under their jurisdiction in Schedule 8 of the Constitution, LGs assume responsibility for: the management of the local services; local level development plans and projects; basic and secondary education; basic health and sanitation; local roads; town police; water supply and small hydropower projects; and disaster management. In addition, under Schedule 9, LGs share legislative responsibility with the federal and provincial governments for: cooperatives, electricity service, social security, and the registration of personal events (see Table 2). The Local Governance Operation Act expounds these schedules, enacting them into national law.

TABLE 2: Local Government Powers (Schedules 8 and 9 of the Constitution)

Exclusive powers (Constitution, Schedule 8)	Municipal Police
	Cooperatives
	Operation of F.M. Radio
	Local taxes (property tax, house rent tax, fee on registration of houses and land, vehicle tax), service fee, tourism fee, advertisement tax, business tax, land tax (land revenue), fines, entertainment tax
	Management of local services
	Local statistics and record keeping
	Local level development plans and projects
	Basic and secondary education
	Basic health and sanitation
	Local market management, environment protection and bio-diversity
	Local roads, rural roads, agricultural roads, irrigation
	Management of Village Assembly, Municipal Assembly, District Assembly, local courts, mediation and arbitration
	Management of local records
	Distribution of land, building ownership certificates
	Agriculture and animal husbandry, agricultural production management, animal health, cooperatives
	Management of senior citizens, persons with disabilities and the incapacitated
	Collection of statistics of the unemployed
	Management, operation and control of agricultural extension
	Water supply, small hydropower projects, alt. energy
	Disaster management
Protection of watersheds, wildlife, mines and minerals	
Protection & development of languages, cultures, fine arts	

Source: Diagnostic Study of Local Governance in Federal Nepal 2017

Concurrent powers, shared with the Federation and provinces (Constitution, Schedule 9)	Cooperatives
	Education, Health and Newspapers/Magazines
	Health
	Agriculture
	Services such as electricity, water supply, irrigation
	Service fee, charge, penalty and royalty from natural resources, tourism fee
	Forests, wildlife, birds, water uses, environment, ecology and biodiversity
	Mines and minerals
	Disaster management
	Social security and poverty alleviation
	Registration of personal incidents, births, deaths, marriages and statistics
	Archaeology, ancient monuments and museums
	Landless squatter's management
	Royalty from natural resources
	Motor vehicle permits

Source: Diagnostic Study of Local Governance in Federal Nepal 2017

However, it appears likely that the newly created sub-national governments and their entities will lack sufficient resources to deliver the range of services for which they will be held accountable. This is due in part to significant challenges with regard to sub-national expenditure, including a lack of clarity on the authority of sub-national governments to raise the required resources to implement their budgets. The LGs rely heavily on federal government transfers, with weak revenue bases compared to expenditure. Revenue assignments according to the Constitution reveal that, “the major sources of revenue custom duty, value added tax Value Added Tax (VAT), excise duty, corporate income tax, and personal income tax which comprise around 80% of total tax revenue are assigned to be collected by the federal government... (and) around 90% of total tax revenue would be under the jurisdiction of the federal government.” (Shanker, 2015).

Moreover, the revenues raised by LGs from their own sources are projected to be severely insufficient to meet their needs for infrastructure investment. Recurring expenses alone will most likely exhaust federal fiscal equalization transfers meaning that capital programs will need additional sources of funding. With a high degree of dependence on grants from the federal government, local governments will have limited access to capital markets and private sector finance for their infrastructure projects. Furthermore, infrastructure investment, particularly at the sub-national level, will require laws dealing with private participation and capital market access to be put in place. At this stage, most local governments will not have the capacity to engage the legal frameworks pertaining to the management of operations involving the private sector and capital market access. Ultimately, inadequate capacity may lead to a lack of investment and insufficient mobilization of resources, weakening the potential of the economy. Therefore, it will be essential that local governments are advised on legal provisions and the regulatory framework at the sub-national level to mobilize private capital as a means for resource mobilization.

An analysis of the vertical re-allocation of the public spending composition of five key ministries (Education, Health, Agriculture, Urban Development, and Federal Affairs and Local Development), calculated that under the three-layered governance structure at least 20% of public sector expenditure is expected to take place at the local government level. The study expects that local expenditure on public services and economic affairs would remain a small percentage of national expenditure. However, the bulk of national spending on education and on housing and community affairs and a significant portion of the total spending on health would take place at the local level (Boex, 2016). Meanwhile, in the fiscal year 2013/14, local level expenditure comprised only 8% of total government expenditure

4.3.4.1 Sources of Revenue

Nepal's Constitution provides for a fiscally centralized system. The Federal Government retains all major revenue sources such as individual and corporate income taxes, and Value Added Tax VAT; provincial and local governments are only assigned a limited number of comparatively low-yielding revenue sources, such as

property and vehicle taxes (see Table 3). The Federal Government thus performs a redistributive function.

TABLE 3: Sources of Revenue According to Schedules 5, 6, 8, and 9 of the Constitution

Level of Government	Source of Revenue
Federal Government	Custom duty Excise duty Value added tax (VAT) Corporate income tax Personal income tax Tax on remuneration Passport fee Visa fee Tourism fee * Service fee * Penalties and fines * Gambling, lottery and casino Royalty received from natural resources *
Provincial Government	Land and house registration fee * Vehicle tax * Entertainment tax * Advertisement tax * Tax on agricultural income Service fee * Tax on tourism * Fines and penalties * Royalty received from natural resources *
Local Government	Local tax, including: - Property tax - House rent tax - House and land registration fee * - Vehicle tax * Advertisement tax * Business tax Entertainment tax * Land tax (land revenue) Service fee * Tourism fee * Fines and penalties * Royalty received from natural resources *

* Simultaneously assigned to another government level

Source: Diagnostic Study of Local Governance in Federal Nepal 2017

The assignment of revenue sources within the new federal setup does not signal a departure from the arrangement of revenue assignment under the erstwhile Local Self-Governance Act 1999. Indeed, “there is almost no difference between the [previous] assignment of revenue powers and the one contained in the Constitution.” (Boex, 2016). Generally, what were central taxes have simply become federal taxes, whereas district, municipal and village taxes have largely been assigned to local governments, notwithstanding some duplication at the provincial level (Boex, 2016).

Consequently, local governments in Nepal are heavily dependent on federal grants to meet their expenditure. According to Inter-Governmental Fiscal Management Act 2017, which was enacted in October 2017, according to Constitution, local governments will receive the following four types of federal grants (i) equalization grant, (ii) conditional grant, (iii) supplementary grant, and (iv) special grant. In addition, LGs are entitled to 15% of revenue collected from value added tax (VAT) and excise duties and to 25% of the royalties generated from natural resources (The Government of Nepal, 2015).

In the future, LGs may also expect transfers from the provincial governments, however these will likely be minimal since the provinces will also heavily depend on transfers from the Federal Government. Moving forward, an assessment of the provincial government budgets and allocations to local governments will be critical.

4.3.5 Service Delivery

There is a need for strong local governments who can administer their authority effectively, build their influence, and progressively demand and push for continued growth in the power and autonomy of local governments. These LGs will provide models for other LGs to follow. This will require local government officials who are able to take on new responsibilities, model strong performance, and access platforms to demonstrate their success and promote greater levels of decentralization. In order to play this advocacy role, leading LGs will need to first be locally legitimate. Legitimacy will emanate from success in delivering services and empowering and engaging the local population, including women and marginalized groups. A key area both for generating local legitimacy and increasing the influence of a local

government to advocate for more responsibility and discretion will be economic growth.

Ultimately, majority of the population assesses the success of local government by their effectiveness in providing services. This is especially pertinent in Nepal where, as recent Survey of the Nepali People (2017) data demonstrates, most people consider the LG to be the primary level of government responsible for local education, health care, and roads.

Increasing local government authority over service provision is pursued in part to reduce the gap between citizens and government authorities, as LGs are considered to be closer to constituents. LGs can induce greater participation of citizens in forums with government agencies to address inadequacies in service provision, which could enhance overall public service delivery (Cheema & Rondinelli, 2007). Also, if local elected officials and bureaucratic officials are mandated with greater responsibilities in urban management, it is expected that citizens will take more interest in elections and apply increasing pressure for more accountable service delivery (Aehyung, 2008). However, the empirical evidence to support the relationship between increased responsibility of LGs over service delivery and actual improvements in service delivery is surprisingly mixed (Cheema & Rondinelli, 2007). For example, an underfunded federal government struggling to deliver services may choose to hand over the authority to LGs, even though LG bodies may be even less equipped (Aehyung, 2008). Moreover, even with increased opportunities for public participation, the participation may not yield better access to services due to existing power relationships between constituents and local elites (Cheema & Rondinelli, 2007). Also, decentralization can provide more opportunities for corruption among local level officials who have increased control over the distribution of resources unless effective accountability mechanisms are in place.

The study respondents, including citizens, civil society leaders and elected leaders, expressed an expectation of the LGs to improve infrastructure development and delivery of basic services. The study found that constituents prioritize infrastructure development. This is consistent with findings from the Survey of the Nepali People (2017), which found that basic amenities and public services are seen as the biggest problems for people's day-to-day lives. However, one shift since previous studies on

this issue is that the demand for construction of school buildings and health posts has decreased, but demands for improvements in the quality of services in education, health and drinking water, have increased.

Majority of the respondents in this study identified ‘lack of or inadequacy of infrastructure’ as the major problem in their area. Among the services anticipated from the local government, roads are the highest priority, followed by drinking water, education, sewage and waste management, employment, and electricity

4.3.6 Expectations and Priorities

The study respondents, including citizens, civil society leaders and elected leaders, expressed an expectation of the LGs to improve infrastructure development and delivery of basic services. The study found that constituents prioritize infrastructure development. This is consistent with findings from the Survey of the Nepali People (2017), which found that basic amenities and public services are seen as the biggest problems for people’s day-to-day lives. However, one shift since previous studies on this issue is that the demand for construction of school buildings and health posts has decreased, but demands for improvements in the quality of services in education, health and drinking water, have increased. Majority of the respondents in this study identified ‘lack of or inadequacy of infrastructure’ as the major problem in their area. Among the services anticipated from the local government, roads are the highest priority, followed by drinking water, education, sewage and waste management, employment, and electricity.

Across both rural and urban areas of the municipalities, more than half of the respondents expressed a need for infrastructure development in a list of ‘major expectations’ from the newly formed Local Governments. Other expectations in preferential order included: ‘no corruption’, ‘employment’, ‘easy and efficient service delivery’, and ‘economic development’ (see Figure 6).

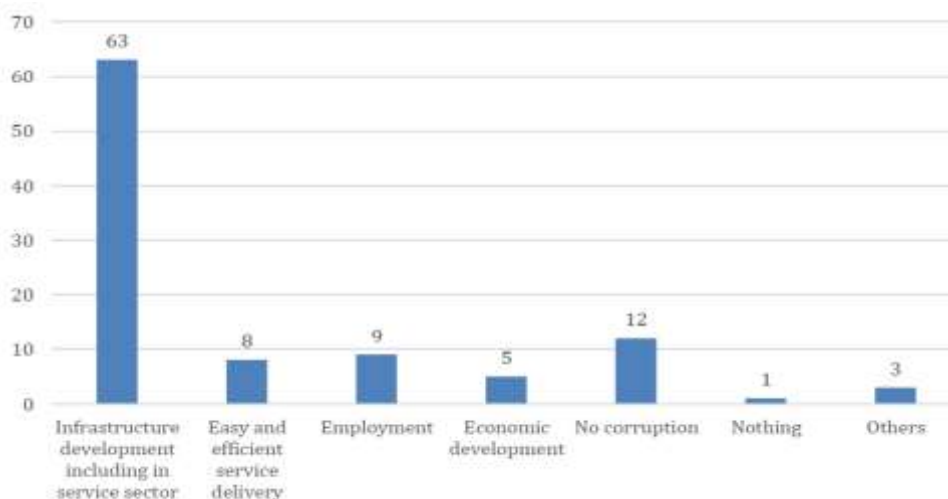


FIGURE 6: Expectations from Local Governments (figures in %)

Source: Diagnostic Study of Local Governance in Federal Nepal 2017

Respondents identified the repair of roads as the top priority among the options for infrastructure development (see Figure 7).

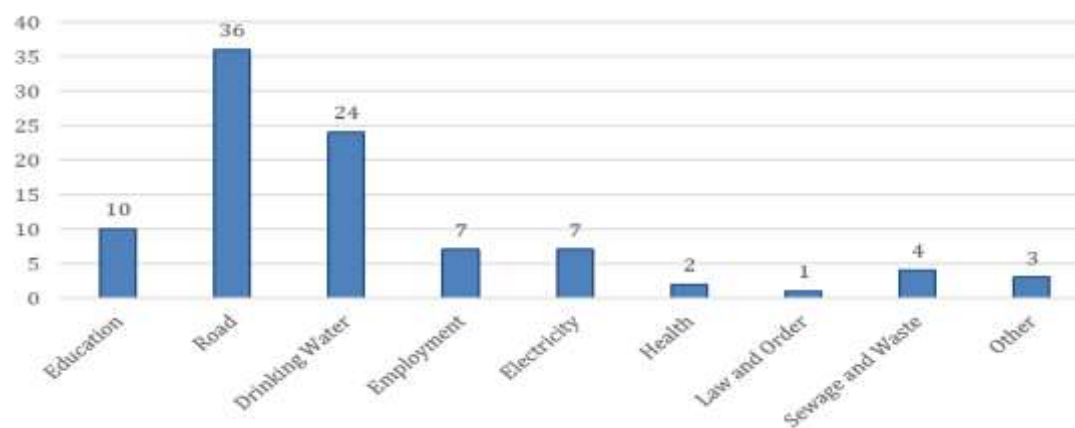


FIGURE 7: Constituents' Priority Areas for Local Governments (figures in %)

Source: Diagnostic Study of Local Governance in Federal Nepal 2017

The study found that the LGs received a bulk of the central grant under the 'Build Your Village Yourself' scheme, which was initiated in 1995. As such, the investment in road construction in rudimentary stages was noticed throughout the country. The construction of rural roads to connect with district headquarters has been one of the priority areas of national planning. However, the impetus for this now includes the

integration of the extended territories of the newly formed LGs through a more extensive road network. The newly elected leaders in the study areas, except in Bhaktapur, expressed a common mission to build link roads within the territories of their respective local governments. The newly elected leaders in the study areas expressed a common mission to build link roads within the territories of their respective local governments.

4.3.7 Strengths and Weakness of Present Local Government

Present local government system has sufficient constitutional recognition and necessary legislative provisions and institutional/structural development of local Government organizations. There are immense strengths with local-self-governments to work for overall local development and democratization in Nepal. However, these prospects are not free from weakness. The following table 4 is critical for discussion of strengths and weakness of present local government.

TABLE 4: Participants' understanding of Strengths and Weakness of Present Local Government

Strengths	Weakness
<ul style="list-style-type: none"> • Singhadarbar has reached to village • Local people have their representative from themselves or from within their locality • End of legacy of going to Kathmandu for small budgets • Saving of time and money of people • Remote people now have access to information • Participation of women in local government • Representation of Dalit in local government • Infrastructure developments like road, bridge, irrigation water supply • Increase in employment • Increase in the service of education, health, banking and agriculture business • Good coordination at local level • Very good place for public service delivery • Freedom of making budget • Freedom of executive • Rapid in judicial decision • Nice behavior of staff • Local governments have more authority. 	<ul style="list-style-type: none"> • Not enough resources • Not enough laws and policies • All representatives are not well educated • Influence of ideology • Influence of party leader • Local government still in infant stage • Not good coordination with center • Loss of time through inauguration and closing program • Too liberal and too directional • Legal barrier • Not able to enhance the capability of marginal, woman and Dalit representative • Waste management poor, • Elite selfishness • Budget capture by elite social activist • Ignorance, poverty and illiteracy are the major institutional and bureaucratic constraint • Lack of willpower and moral values

Above table shows that present Constitution formally provides for a semi-autonomous and stable system in which local governments have considerable powers and responsibilities for local service delivery. Their closeness to communities is certainly an asset which allows them potentially to be very well informed of

community needs and demands. This should enable them to foster active citizen involvement in local decision-making, with the possibility of significant flow-on benefits in the form of effective service design and delivery, along with enhanced collaboration with community groups and private enterprises. Now, through the present local government structure and powers and responsibilities they have got people feel that Singhadarbar has reached to village. Local people have their representative from themselves or from within their locality, end of legacy of going to Kathmandu for small budgets, good coordination at local level, very good place for public service delivery, freedom of making budget, freedom of executive, rapid in judicial decision, nice behavior of staff and local governments has more authority.

While the merits of the constitutional and associated provisions are clear and compelling as bases for a degree of local autonomy and democratization, considerable challenges remain to be met before sound governance and governability become a reality. There are major shortcomings to be overcome as we can see it above in the table that lack of capacity of political representatives and council staff is hampering the functioning of local government. There are deficiencies in technical and administrative knowledge and skills, poor staff compliance with directives of representatives, inadequate attention to budgetary demands and constraints, and sluggish implementation of programs and projects. There are also pertinent differences in understanding among elected representatives concerning the nature and significance of central and local government responsibilities for law-making, financial management, and the recruitment and retention of staff. The lack of capacity and differences in understanding inevitably reduce considerably the extent to which local governments can become prominent and legitimate centers of local governance and action. Present local government suffers from lack of enough resources, lack of enough laws and policies, influence of ideology in administration, not able to enhance the capability of marginal, woman and Dalit representative, poor waste management, elite selfishness, budget capture by elite social activist, ignorance, poverty and illiteracy are the major institutional and bureaucratic constraint as well as lack of willpower and moral values.

4.3.8 Challenges of Local Government

Due to the constitutional recognition and necessary legislative provisions and institutional/structural development of LGIs, there are immense prospects with local-self-governments to work for overall local development and democratization in Nepal. However, these prospects are not free from challenges. The following challenges are information received from participants and author's observations.

TABLE 5: Participants' understanding of Challenges of Present Local Government

Lack of Resources in Regard to People's Expectation
Lack of Capable Human Resources
Lack of Experiences of People's Representative
Lack of Law
Lack of Plans and Policies
Difficulty in Decision Implementation
Use of Technology
Viability of Financial Resources
Accountability and Transparency

Above table 5 explains that people have expected a lot from federal system of governance they think that power decentralization and devolution to the local government will improve their life standard in a blink but the worrying factor is the lack of resources of local government which will be their most challenging factor in the days ahead. Capable human resources are the backbone of development. Though legal, financial and administrative power has been given to the local government but they are not able to perform in better way due to lack of human resources. Representatives are the drivers of the economy as well as agent of development of local community and society but our people's representative lack experience of work in local government this will be a great challenge to overcome. In order to operate development project as well as other functions we need law. Local government in order to implement development decision has been hampered by lack of law. Lack of law is another challenge for local government. Since local government in federal government is in infant stage and representatives are inexperienced and less educated, they cannot make plans and policies which is a major challenge for local government. As there are many political parties and they have many hidden interests, it is very

difficult to implement decision in local level. Decision implementation is another challenge. In the age of globalization technology and its use is utmost importance but in our local government due to lack of knowledge of technology we are not technology friendly which is another big challenge.

Given the low level of economic development, agriculture-based subsistence economy and low level of urbanization, LGIs cannot generate sufficient tax and non-tax-based revenues. They have to rely more on central government grants and budgetary allocation for implementing local plans and program. Without autonomy to generate sufficient financial resource base, we cannot imagine of strong local governments for carrying out social and economic development tasks (Adhikari, 2010). Local bodies in Nepal have a dual accountability upward to the line agencies and Downward to the people. So, maintenance of accountability and transparency is another big challenge.

4.4 Findings

4.4.1 By comparing Panchyat, Constitutional Monarchy and Federal local government of Nepal, researcher found out that federal local government is far better local governance system though it is still in infant stage in Nepal. It is better because it is more democratic, participative, and inclusive and people centric. It is democratic and people centric because this is the government of the people, for the people and by the people, plans are based on pro-people agenda that fulfils the aspirations of the society as well as individual and pro-active in anticipating and responding to their needs. It is participative because there is involvement of citizens in decision making and implementation and empowering women in all aspects. It is inclusive because there is inclusion of all groups, with special attention to the economically weak, marginal groups, backward communities, the rural sector and farmers, youth and all categories of minorities. Equality of opportunity to our country's youth, transparency through the use of technology to make government visible and responsive. But it still requires more laws and policies, enhanced institutional capacities, better human resource, willingness of representative, transparent and accountable administration.

4.4.2 Researcher also found out that financial resources are lacking in the local government and even what they get are not managed properly due to lack of

farsightedness, lack of experience, knowledge and lack of decision implementation. Local government is not doing very well because the members of this body are generally politicians with no interest in academic knowledge or in finding out why things were not working well. Its role was to decide allocation of resources for education, health etc.

Present local government is still at infancy. It is trying to find out what its role should be because the role of think tank and development planning for short term and long-term period is not an easy one. There has to be awareness regarding all the constraints, be in touch with professional organizations and then decide whether a program will work or not. Based on this, it has to give suggestions to the State Governments and Government of Nepal. This role has not been performed by present local government therefore; this body needs some more time.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

Several efforts is made in Nepal over the last sixty years to strengthen the local institutions and local governments to involve local people in local development activities, mobilize local resources, and manage local affairs. Local governments and governance comprise various people coming together to elect or become political representatives, to debate local issues, and to make and implement decisions of local significance.

In 1960, the Panchyat system was introduced as the principal political strategy concerning local government. A local government structure was established with three tiers, comprising zonal Panchayats at the upper tier, district Panchyat at the intermediate level, and municipal and village Panchyat at the bottom. However, during the period of Panchyat System, a number of issues relating to policy and processes of decentralization and local governance emerged and remained unresolved.

In 1990, the interim government dissolved the Panchayats at village, municipal and district levels, but it gave continuity to their functions. In 1992 the elected majority government promulgated three separate Acts: The Village Development Committee Act, Municipality Act and District Development Committee Act. The Acts mainly changed the names of previous district, Municipal and Village Panchayat into development committees. However, the new arrangements could not address all the issues raised regarding autonomy of local governments. To address these issues and to local demands for community service delivery arrangements to be improved, the government enacted the Local Self- Governance Act (1999). The objective of this Act was to establish a system of local planning and development involving the recasting of financial resource management, the promotion of accountability and transparency, and the participation of citizens and private sector entities in local decision-making.

In 2002, due to the Maoist Communist Party insurgency, the government was not able to conduct the required local government elections. Consequently, responsibility for

the work of local governments was handed over to central government employees. Some services were maintained at the local level, but several were not. In 2006, a comprehensive peace accord was signed between the government and the Communist Party (Lawoti & Pahari, 2010). This provided the foundation for the extensive transformation of state structures and functions which was formally prescribed in a new Constitution (2015).

The Constitution (2015) formally provides for a federal system of government. The central government is accompanied by seven provincial governments and 753 local governments. The village and municipal entities alike have several exclusive powers, as well as having powers which are shared with the central and provincial governments as prescribed in the Local Government Operation Act (2017). Vibrant local governments are an essential component of a well-governed and responsive public sector. As the level of government closest to community, they are better placed to facilitate the access of citizens to basic services and involvement of citizens in public affairs. These are essential elements of effective local governance.

A number of areas of legislation are required to empower the newly formed LGs to become operational. In addition to drafting and passing new legislation, the country's existing legal frameworks require wholesale revision and amendment to ensure uniformity and to address inconsistencies with the Constitution. Therefore, the indicators that provide insight into the legal barriers to effective local governance and progress towards a supportive legal environment include tracking legislation at the federal and local levels, and which support local justice mechanisms.

One of the most important factors in the ability of local governments to effectively operate lies in their financial capacity. However, significant challenges with regard to local government expenditure have emerged, and the major question remains as to whether the local governments have adequate financial resources and fiscal autonomy to meet their budgetary needs and aspirations. It must be assessed regarding local government fiscal capacity, including whether local government revenues meet expenditure requirements and whether they demonstrate capacity to raise their own-source revenues.

By comparing panchyat, unitary and federal local government of Nepal, researcher found out that federal local government is far better local governance system though it is still in infant stage. Researcher also found out that financial resources are lacking in the local government and are not managed properly. Thus, as the Nepali local government experience has indicated, and continues to do so, it is one thing to establish appropriate structures and processes, and quite another to make them work well in pursuit of community needs and expectations.

5.2 Conclusion

The local governments and governance comprise of people of communities elected as political representatives, to debate local issues and implement decisions of local importance. The matured and responsive local governance are close to communities and individuals. The base of local democracy is decentralization with self-governance with local foundation to federal democracy. When local interests, priorities, needs and resource base are different, autonomous local governance institutions should be empowered to manage the local affairs democratically in popular participation of the local people.

Local governments in Nepal have considerable constitutional, legislative and institutional capabilities to institutionalize popular local governance and to bring cultural, political and socio-economic development in the lives of people at large. The viability of financial resources; maintaining accountability and transparency; harmonizing the relationship with central and provincial government, development partners and civil societies are the key challenges of Local Government Institutions (LGIs) in Nepal.

Effective implementation of spirit and contents of local government mentioned in constitution and addressing to these issues through effective legislative instruments and with appropriate structural, administrative, legal, institutional and financial framework as well as make them committed to work well in pursuit of community needs and expectations can strengthen democracy at local level.

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APPENDICES

Appendices “A”

(Refer to page 21-61)

Informed consent form

Armed Police Force Command & Staff College

Sanogaucharan, Kathmandu, Nepal

Consent Form

I have been informed by Raju Gautam about the nature of the research study and possible consequences while taking part in the study. Hereby, I give consent for myself to participate in the research study ‘A Comparative Study of Local Government System in Nepal’ to be conducted in Kathmandu, Nepal. I am also aware that I have all the rights to withdraw from participating in the above-mentioned study whenever I wish to do so.

Consent given by:
by:

Consent taken

Contact address-

Raju Gautam

Contact number-

APF ID no 868

Name of the participant-
C&SC

Address APF

Signature-

Signature

Date:

(Referred to page 21-61)

**QUESTIONNAIRE FOR A THESIS ON A COMPARATIVE STUDY OF
LOCAL GOVERNANCE SYSTEM IN NEPAL**

Name

Age

Gender M F

Education

Marital Stage M / Un / D / W

1. Are the institutional, legal and fiscal frameworks in place to enable local governments to discharge their constitutional mandates?

.....

2. Are local governments facilitating an inclusive environment and meeting their objectives for service delivery and provision of infrastructure?

.....

3. What are the institutional and bureaucratic constraints that hinder local governments from meeting their mandates?

.....

4. What are the strengths of local government institution?

.....

5. Do the local governments have adequate financial resources to meet their development and service delivery mandates?

.....

6. Are local governments able to continue to provide and improve services and develop infrastructure?

.....

7. What is the behavior of staff of local government towards you?

Nice Very Nice Bad Very Bad Fine

8. Are you satisfied with the service of your respective local government?

.....

9. What are the Challenges of rural municipalities or municipalities in current scenario?

.....

10. What are the differences between local governance system during Panchyat, before 2072 and local governance system after 2072?

.....

11. What is the security situation during Panchyat, before and after 2072?

.....

12. Is there any change in the revenue collection after 2072?

.....

13. Are you satisfied with the performance of local governance i.e. rural municipalities /municipalities?

.....

14. Which local governance system was better panchyat, before or after 2072?

Appendix

“c”

(Referred to page 21-61)

Images of Field Survey





