

**UTILIZATION OF BLOCK GRANT IN LOCAL BODY:
A Study of Kabilas VDC in Chitwan District**

A Thesis

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April, 2017

LETTER OF DECLARATION

I hereby declare that the thesis entitled “**UTILIZATION OF BLOCK GRANT IN LOCAL BODY : A Study of Kabilash VDC, Chitwan District**”, submitted to the Department of Economics and Rural Development, Saptagandaki Multiple Campus BharatpurChitwan, is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different source in the course of preparing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

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LETTER OF RECOMMENDATION

The Thesis entitled **UTILIZATION OF BLOCK GRANT IN LOCAL BODY: A Study of Kabilas VDC, Chitwan district** has been prepared by SURYA PRASAD PAUDYAL under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

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Supervisor

Date: 13 April, 2017

APPROVAL LETTER

The Thesis entitled **UTILIZATION OF BLOCK GRANT IN LOCAL BODY : A Study Of Kabilas VDC Chitwan District** has been prepared by SURYA PRASAD PAUDYAL in partial fulfillment of the requirement for the Master's Degree (MA) in Rural Development has been approved by the evaluation committee.

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ABSTRACT

Decentralization is accepted as a main means of enhancing good governance, a process of administrative, political, social and economic development works, and a strategy for promoting people's participation and empowerment of peoples. By the way of decentralization and devolution of services from the Centre to the local level there are provisioned two tier local bodies District Development Committee and Village Development Committee/Municipality. Every year government provides the grant to local bodies for carrying out development activities. This study gives attention the status of utilization of block grant in local body; a case study has been taken by Kabilas VDC of Chitwan district.

This study was carried out three major objectives. The first objective was to find out the utilization of block grant received by VDC from center budget and DDC. As per the finding of this study, VDC have got regularly grant from national budget as target. Second objective was to find out the status of women, children and disadvantage people participation in planning, implementation and decision making process in VDCs. However, there is lack of meaningful participation and need to participation to them. Third, what are challenges and constrains of utilization of block grants to target groups.

Finally, the study is for the partial fulfillment of MA Rural Development having general objectives of utilization of block grant in local body with the focused on study of Kabilas VDC in Chitwan district.

This study carried out based on explorative and descriptive both type of research design. The nature and source of data collection through primary as well as secondary method has been applied. Main source of primary data are collect form Kabilas VDC. For the primary data collection, choosing seventy two respondents throughout the VDC through accidental method and observation method also applied for the data collection. Other secondary data collect from different published, book, journal which is published by respective VDC and DDC and different website as well. Likewise, an interview was conducted to each key informant with structured or unstructured questionnaire. Similarly, data collection form general public and focus group discussion with structured and prepared open ended question.

The study was focused to lot of challenges and constrictions to implement the budget and program of VDCs. Absent of elected local bodies, raising work load of staffs, lack of proper knowledge for the job responsibility, political interferes, lack of coordination are

major challenges and constraints to implement the budget and program. Government has prepared separate guideline for effective implementation and proper utilization of VDC grant and earmarked certain percent budget for children, women and disadvantage people.

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

The function, duty and power of local bodies is to look after agriculture, rural drinking water, works and transport, education and sports, irrigation and soil erosion and river control, physical development, health service, forest and environment, language and culture, tourism and cottage industries development etc. The function, duty and power of council are to pass the budgets, plans and program submitted through participatory planning process.

Despite the fact of the compliance of budget allocation and program implementation systems are still out of track. It is hoped that this study will help to understand how VDC allocate VDC grant and made expenditure. Similarly, this study will help to find the level of women, children and disadvantage people participation in VDC level. The large contribution that these grants make to local development has led the Government to increase the amount over recent years.

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ACRONYMS

ADDCN	-	Association of District Development Committee Nepal
BS	-	Bikram Sambat
CAC	-	Citizen Awareness Centre
CBO	-	Community Base Organization
CFUG	-	Community Forestry User Group
DDC	-	District Development Committee
DPs	-	Development Partners
FY	-	Fiscal Year
GIZ	-	German Technical Cooperation
GoN	-	Government of Nepal
INGO	-	International Non-Government Organization
IPC	-	Integrated Planning Committee
LAs	-	Line Agencies
LBFCS	-	Local Body Financial Commission's Secretariate
LBFR	-	Local Body Financial Regulation
LBRMG	-	Local Body Resource Mobilization Guideline
LGCDP	-	Local Governance and Community Development Program
LGs	-	Local Governments
LSGA	-	Local Self Governance Act
LSGR	-	Local Self Governance Regulations
MCPM	-	Minimum Condition and Performance Measures
MoFALD	-	Ministry of Local Development and Federal Affairs
MUA N	-	Municipal Association Nepal
NAVIN	-	National Association of VDC Nepal
NGO	-	Non Governmental Organization
NPC	-	National Planning Commission
SMC	-	Ward Citizen Forum
UC	-	User Committee
UNDP	-	United Nations Development Program
VCPC	-	Village Child Protection Committee
VDC	-	Village Development Committee
VEC	-	Village Education Committee
V-WASH CC	-	Village Water Sanitation and Hygiene Coordination Committee
WCF	-	Ward Citizen Forum
WRMC	-	Water Resource Management Committee