

# CHAPTER-I

## INTRODUCTION

### 1.1 Background of the Study

A local development framework focuses on strengthening decentralized institutional arrangements for empowerment, governance, service provision, and private sector growth as the building blocks of sustainable capacity for local development. Empowerment means people and communities, especially those frequently marginalized, having both the opportunity and the capability to participate effectively in social, economic and political spheres. Empowering people in the context of local development requires increasing the quantity and the quality of their opportunities to participate in local governance and local service delivery. To participate effectively in local governance citizens need institutionalized opportunities to influence local planning and policy processes, local decision-making systems, and accountability mechanisms linking decision-makers and citizens. To participate effectively in service delivery people need opportunities to influence the mobilization and management of resources and the delivery of services through voice (consultative and oversight mechanisms channeling service users preferences to service managers and frontline service deliverers) and choice (available options to select among multiple providers) so that people and communities are not forced to accept unresponsive service delivery (GIZ).

The annual block grants to Nepal's village development committees have become an increasingly important means of devolving governance responsibilities from the central to the district and village levels. The large contribution that these grants make to local development has led the Government to increase the amount over recent years. The major landmarks were the successful holding of the 1991 and 1997 local government elections and the coming into force of the Local Self-governance Act (LSGA) and its rules (LSGR) in 1999 (MoLD 1999a and 1999b). This legislation has empowered local bodies and enabled them to provide services and conduct development activities at the local level using both their own resources and grants from central government.

Social inclusion is one of the most vibrant issues raised strongly by indigenous peoples, women, Madhesi, Dalits and other marginalized communities in Nepal. At present, this issue has been a political agenda among political leaders, a subject of academic discourse among intellectuals and a field of development priority among development

practitioners. Given the fact that the present state is exclusionary, non-participatory and non-representative and discriminates against indigenous peoples, women, Madhesis, Dalits and other marginalized communities on the basis of caste, ethnicity, language, religion, sex, class and geographical territory, these marginalized peoples and communities are demanding for a inclusive state through its restructuring along the line of federalism on the basis of national regional autonomy. For this purpose the election of constituent assembly has served as a legitimate and democratic process in present day Nepal.

The report of National Living Standards Survey (NLSS) 2010/ 2011 shows that indigenous peoples and other marginalized communities have access to social services and other economic opportunities far behind the national average. For example, the national poverty rate is 31 percent, but 44 percent indigenous peoples, 46 percent Dalits and 41.4 percent Muslims are below poverty line. The national per capita income of high caste Hindu Bahuns and Chhetris is Rs. 18,400. But indigenous peoples' per capita is Rs.13,300, Madhesis' Rs. 10, 461, Dalits' Rs. 9,202 and Muslims' Rs. 8,483. The national literacy rate of Nepal is 53 percent, but it is 48.8 percent among indigenous peoples, 21.3 percent among women, 36 percent among Dalits, 32 percent among Madhesi and 27 percent among Muslims. Indigenous peoples occupy 12 percent of the administrative works, Madhesis occupy 5 percent, Dalits occupy 1.3 percent and religious minorities occupy only 1.1 percent. The majority of women work in informal sectors of subsistence economy. Indigenous peoples, women, Madhesis and Dalits sell their labour as production workers on daily wage basis to support their subsistence economy. On an average, indigenous peoples and other marginalized communities hold less than 0.5ha of agricultural land. Women manage land, but they do not hold any lands in their name as men control and own land and other properties in a patriarchic Nepali society. The available data show that only 8 percent women have landholding entitlement in their names. In total, indigenous peoples, women, Dalits and Madhesis are at the bottom of the composite human development index.

Empowerment implies a special emphasis on redressing inequities in voice, choice, and access across segments of the local population. Opportunities may not be equally available to all. Differences in social status may give some people less opportunity than others for voice and choice related to improving the quality of their lives. Rules and processes are needed to increase the opportunities available to all groups, especially those frequently marginalized, to participate effectively in local affairs. But even if the

rules governing access to institutions of governance and service delivery are equitable, their implementation, i.e. the way these rules are applied, at the local level may be discriminatory. Barriers to participation and access are frequently rooted not in formal rules but in well entrenched practices of social exclusion.

Local Development planning in Nepal started in 1950 when the first five year plan was initiated in the country. The Constitution of Nepal 1991 has incorporated Decentralization into its directive of the state policy and has stated as "Decentralization be the means for ensuring optimum participation of people in governance and hence enjoy the benefit of democracy", but the decade long armed conflict and prolonged absence of elected bodies in the local level, governance and Service delivery systems at local level have been severely affected. Although community-level networks have managed to remain functional, the discrepancies between service demand and Service supply remains wide. Both local bodies and service providers need to improve their ability to meet the increasing demands of local communities (particularly children, women, and disadvantaged groups) in a responsive and accountable manner. It is therefore essential that Decentralization policy makes provisions to support local government in its efforts to provide services for children and women. A strategy of decentralization will help to empower communities and other stakeholders, and improve the delivery in the areas of education, health, protection, and water and sanitation. The Local Governance and Community Development Program seek to improve inclusive local governance and local service delivery in line with the Local Self Governance Act, 1999.

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

deprived to receive the benefits and the expected services of decentralization (LGCDP-phase II).

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

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

## **1.2 Statement of the Problem**

The Government of Nepal is responsible for the overall development of the citizen. Government of Nepal has recognized local bodies (VDC, Municipality and DDC) as a local self-governance unit. These bodies receive block grants from central government for local development. Further, they themselves generate internal revenues through taxation provisioned by Local Self Governance Act and Rules. The grant including internal revenue is expected to be expended transparently in relevant local development activities as envisaged by existing laws, rules and guidelines. Participation of relevant stakeholders especially women, Dalit, Janajati, indigenous nationalities and disadvantaged groups in grant processing planning and allocation is must for efficient

and appropriate allocation of grants for different development activities. Participation of relevant stakeholders in decision making process and dissemination of information makes things transparent, which in turn empowers people. Empowering people can assert their opinion and can ask questions like why, why not and how about the affairs to the authorities-which is instrumental for holding authorities accountable. Thus, participation of government's processing, planning and allocation of grants, promotion of assertive actions of people will result in enhanced accountability, which in turn, will result in efficient, appropriate and rational expenditure of grants and other resources for local development.

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

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

1. What are assessing of the budget allocation of marginalized people of the study area?
2. What are the level of participation of women children and disadvantage group of the study area?

3. What are the challenges of budget allocation according to LSGA 2055 and LSGR 2056 LBRM guideline 2069 of the study area?

### **1.3 Objective of the Study**

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

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

### **1.4 Significance of the Study**

Local governance is a set of institutions, mechanisms and processes, through which citizens can express their interests and needs, mediate their differences and exercise their rights and obligations at the local level. Local governance includes not only the machinery of the state but also other actors and their interactions with local government institutions. Civil society organizations, non-government organizations, local bodies, private sectors organizations, the international community and the central government all have important roles to play in local governance.

This study is making an effort to analyze the marginalized communities the reasons of backwardness, to assess their provisions of inclusion and participation in the local governance process of VDC and the distribution of budget to women, children, marginalized and disadvantage Janajati and Dalit groups. The finding of study will be helpful for policy maker, planner, VDC, Municipality and DDC, researcher, students, indigenous and backward groups and interested persons. The study also is helpful to find out the real figure of inclusion and participation of the local government for Kabilas VDC regarding local governance process as a key indicator of the empowerment of the marginalized communities.

This study is mainly based on to encourage people to empowering marginalized communities in local development for achieve community development through their own actions and efforts and to make people aware about how to achieve rural

development. Rural and local development is impossible without betterment of community people and their institutions as well.

The study has been focused on the situation of expenditure of grant provided by government to Kabilas VDC of Chitwan, Nepal. The study also helps to find out the expenditure of grant at Kabilas VDC, planning process of VDC and the distribution of budget to women, children, marginalized and disadvantage groups.

The finding of study will be helpful for planner, VDC, DDC and policy maker for the better use of grant of government. The study also will be helpful to find out the real figure of expenditure of grants given by government for Kabilas VDC.

### **1.5 Limitations of the Study**

Kabilas VDC is situating in the mid of the nation with northern part of Chitwan district. The study of block grant disbursement procedure is large and vague which cannot be studied at once. This study is concentrated to analyze the effectiveness and disbursement procedure of block grant of Kabilas VDC for the last three years FY 2069/070, 2070/071 and 2071/72. As such, this study only is an attempt to limit the scope of the research rather than to give a complete account of the block grant disbursement in Nepal.

This study has inherited some inevitable limitation from the beginning. Occurrence of limitations persists up to the data collection, data processing and completion of thesis report. Obviously, such Limitations will influence to the coverage, magnitude and the qualities of research. The study was conducted with limited resources that automatically narrow-down the coverage of study. A study conducted in such a limited period hardly draws the detail and actual information related to cultural and behavioral aspects. Rural people and local authorities are the major respondents of this study. Most of local people were not educated, and the subject itself being new had some difficulty in carrying out the study and collect required information. Therefore, this study cannot be generalized in other areas without considering the contexts. The output of this study may be completely different in the other areas.

### **1.6 Organization of the Study**

This research has been organized in the five chapters. The chapter has been organized following chapters:

The first chapter of this thesis outlines basically deals with the introduction of the study. It deals with background of the study, statement of the problem, objectives of the study, significance, limitation of the study and organization of the study. The second chapter presents review of literature. It includes review of book, reports, journals, Government Acts, Guidelines and other related documents. The third chapter explains the research methodology used in the study, which includes research design, sample size and sample procedure, nature and source of data, data collection analysis and interpretation of data. The fourth chapter deals with setting of the study area with data presentation and analysis. The fifth chapter deals with conclusion and recommendation which is important chapter of this study.



## **CHAPTER-II**

### **REVIEW OF LITERATURE**

In this chapter study literature review is done from two review methods, first survey of research articles, other is conceptual review, it is a theoretical review that examines the various concepts and theories that has been put forward such review gives insight into the issue being examined. In this study above two methods was use and published and unpublished document related has been reviewed. Therefore, not much report is available on the relevant issues. This study has been carried out by reviewing various relevant documents which includes following;

#### **2.1 Theoretical Review**

##### **2.1.1 Conceptualization of Local Governance**

Decentralization has been 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. To promote the enjoyment of the fruits of democracy by maximizing the participation of the sovereign people in the process of governance by way of decentralization and devolution of services from the center to the local level. There are provisioned two tier local bodies District Development Committee and Village Development Committee/Municipality. Local bodies are constituted for the development of local self-governance their local leadership are able to make decisions on the matters affecting the day-to-day needs and lives of the people (LGCDP).

The Term "Governance" and Good Governance" are being increasingly used in the modern discourses of development literature. Similarly, in 1997, the United Nations Development Program definition took into account the relatively weak role of the state in the process of post-cold war globalization and emergence of the capitalist, democratic models of development. UNDP states that "Governance can be seen as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanism process and institutions, through which citizen and groups articulate their interest, exercise their legal rights, meet their obligations and mediate their difference". Furthermore, governance is the art of governing, in which every actors involve on governance process have to play a part in moving the society

which includes process and culture rather than structure. “The governance constitutes three main actors such as State, Civil Society and Private Sector. These actors are considered important for sustaining human development. Local Government is an authority responsible for determining and executing administrative and developmental measures in the particular place. Generally, Local government is defined as an authority to determine and execute measures within an area inside and smaller than whole state. To make the local government successful, local people should be free to organize themselves for political, economic and social democracy and self-governance. Institutionalization of local politics, local autonomy and modern structure of local government bodies, good governance, sound political structure, user’s group and impartial non-parties mass media are some of the pre requisite aspect of local self-government” (Dahal D.R, 1996).

After the restoration of multi-party democracy in 1990, new government was formed and the government also formed high level administration Reform Commission in the country. The local institution was renamed as Village Development Committee (VDC), Municipality and District Development Committee (DDC) in place of “Panchayat”. Three separate Act , The village development act, Municipality Act and District Development Act described the objectives of the local bodies as to handover the responsibility of Local Development to the local people through decentralization by way of active participation of local people in self-governance and development activities thought the institutional development of multiparty democracy from Local level. The first local election under these act took place in 1992, were the newly elected local bodies were very keen to lead the local self-governance and exercise maximum power and authority under the democratic dispensation. The national association of the local authorities known as the National Association of Village Development Committees in Nepal (NAVIN), Municipal Association of Nepal (MUAN), and the Association of District Development Committees of Nepal (ADDCN) was formed to strengthen their voice and enhance the spirit of decentralization and local self-governance in Nepal. The eight five year plan 1992 to 1997 and its enactment was another effort made in the development history of Nepal with its objectives of Poverty Alleviation, sustainable development, reduction of regional imbalance and promotion of rural development through decentralization of power and the participation of people at the grass root level. In 1996, a high level decentralization coordination committee was formed and based on the recommendation of this committee, the Local self-governance Act was endorsed in

1999. Prior to the endorsement of this Act, the ninth plan 1997 to 2002 presented clear view to increase people's participation in the development work through decentralization by creating people's ownership in the development work using local resource and by involving local people in all the cycle like planning, implementing, monitoring and evaluation of any development work of that area (ADDCN).

## **2.2 History of Local Governance in Nepal**

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

Local governance during the "Lichchhavi" dynasty was found in accordance with the spirit of decentralization policy. The local institutions such as "Gram Panchali", "Gram Pradesh", "pur" and "tal" were empowered with delegated authorities to take necessary administrative actions. "Lichchhavi" rulers who ruled Nepal around 500 AD to 936 AD improved trade and transit with India and Tibet, introduced coins, trade and transit tax etc (Khanal).

Likewise, during the "Malla" period, the central level had two important institutions. They were "Bhandari" (Grand Council) and General Assembly or "Council of Notables". It is assumed that the "Bhandari" might be the high level body composed of the chief minister, minister, Royal Astrologers etc since not much is known about these institutions. The local administrative units of the state were known as "bhunti, VisayaandGram". These local institutions were to deal mainly with maintenance of law

and order, collection of land resources, security from external aggression, supervision of customs administration, construction and maintenance of temples, rest houses and roads providing irrigation and sanitation facilities and work as judge of local court deciding minor cases (Khanal).

During the late eighteenth century, prior to unification of the kingdom by Prithivi Narayan Shah, time was passed for emergence and extension of small principalities throughout the country. Though the kings in the medieval period gave very less interest and minimum contribution in local governance process, traditionally established “Panchayat” and “Panchali” like institutions were being more popular to the people. During this period for the first time the centralized authority structure of the state and administrative control was brought into existence. The administration of the government was based on religious principles, socio-cultural norms and tradition and commands of the absolute ruler. The decentralization plans and program introduced during the Panchayat period followed different models, such as delegated functions model, specific functions model and concurrent functions model. It was based on specific function allocation in the sense that local government institution as well as the locally operating government line agencies had been assigned more or less similar types of functions. No attempt were made to clearly define the functional jurisdiction between the two types of institutions i.e. the locally elected authorities and the government line agencies such confused functional jurisdiction of the LGIs and line agencies led to the overlapping and duplication of their responsibilities creating some sorts of functional anarchy at the local level. Due to these reason, implementation of all sorts of decentralization plans and program were failure. Besides, during the “Panchayat” regime (1960-1990), number of issue remained unresolved, such as the relationship between the government line agencies and LGBs, the role and tasks of legislators versus local leaders, service delivery, overlaps and duplication, accountability, transparency etc. (Khanal, Rabindra)

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

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

The Local Self Governance Act, 1999 states that VDCs, DDCs and municipalities are autonomous, corporate bodies with the right to perpetual succession. It defines the multi-sectoral function, duty and power of local bodies to look after agriculture, rural drinking water, works and transport, education and sports, irrigation and soil erosion and river control, physical development, health service, forest and environment, language and

culture, tourism and cottage industries development, etc. The act focuses on the devolution of power, responsibility, means, and resources to ensure efficient, local self-governance. The act also makes provision for local bodies to give priority to projects that provide direct benefits to children, women and disadvantaged communities (GIZ).

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

### **2.3.2 Interim Constitution of Nepal, 2007**

The Interim Constitution of Nepal, 2007 prohibits the state from discriminating against citizens on the grounds of religion, race, gender, caste, tribe, origin, language or ideological conviction. The constitution also makes special provision for the empowerment and advancement of children, women, dalits, indigenous groups, Madheshis, economically, socially, or culturally backward communities, persons with mental or physical disabilities, and the aged. The Interim Constitution also safeguards the rights of women as fundamental rights. It states that no woman shall face discrimination based on gender, nor suffer from physical, psychological or other form of violence; such acts are punishable by law. The equal rights of both sons and daughters to ancestral property are also guaranteed. In terms of child rights, the constitution states that every child has the right to his or her name and identity, the right to be nourished, and the right to have access to basic health care and social security. It goes on to guarantee a child's right to be free from mental, physical, and any other kinds of exploitation. Instances of child exploitation are punishable by law; there are also legal provisions for the compensation of victims of exploitation. In addition, helpless, orphaned, homeless and displaced children have the right to special assistance from the state to secure their futures. This provision also covers child victims of the 10-year conflict and children with mental disabilities. The constitution states that no minor will be employed in factories,

mines, or other hazardous environments. The use of children in armed conflict, and the use of children by the police and the army are also prohibited. The Interim Constitution also provides for the state policy of encouraging increased levels of women's participation in national development; special provisions exist for women's education, women's health, and women's employment. The constitution also aims to ensure that the state pursues a policy to promote the social and economic uplift of backward communities, indigenous groups, Madheshis, dalits, poor farmers, and those individuals and communities living below the poverty line (constitution of Nepal 2072).

### **2.3.3 Local Body Resource Mobilization and Management Operation Guidelines, 2069**

The performance and efficiency of local bodies in overall resource mobilization, management, activities and functioning, to contribute to institutionalization of the concepts of poverty alleviation and sustainable development at the local level by ensuring that local service delivery, development work and governance processes are people-centric, responsive, cost-effective, transparent, accountable, inclusive, equitable, participatory, sustainable and of quality, in a balanced manner, by ensuring access and ownership of the poor, women, children, socioeconomically backward classes and communities, and regions through consolidation and coordination of all kinds of resources received in the funds of local bodies, including all kinds of grants provided by the Government of Nepal (GoN) and development partners, internal revenue of local bodies, Government of Nepal has formulated and enforced the Local Body Resource Mobilization and Management Operation Guidelines 2069 (LBRM 2069).

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

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

This guideline has been designed with an aim to effectively implement principles and policies of Local Self Governance Act, 2055 at VDC level and manage Grant program of VDCs in a planned way. The guideline has also been formulated to conduct/manage VDC activities in a responsible/transparent, systematic and effective way and it is formed under LSGA, 2055 clause 236 (2). Local body resource mobilization and management operation guideline, 2069 focus to obtain objectives like contributing towards poverty reduction through sustainable development by encouraging community groups/user groups formed through the active participation and discussion with beneficiary groups, utilizing local resources and initiate maximum benefits to local people though social economic empowerment mechanism. It also focus on the institutional development of decentralized plans through acquiring participatory planning approach and expand the benefits of development to economically and socially deprived as well as socially excluded groups such as female, dalits, indigenous groups and communities, children, physically impaired and so on and also to help such groups to get social and economic justice. The other objectives of the guideline are socio economic transformation of the VDC by increasing internal income, to improve livelihood by expanding basic social infrastructure at local level and providing effective service delivery, to ensure transparent, disciplined and accountable institutional improvement and capacity development through wise use of all types of resources available in VDC, to maintain complimentary in service delivery through integrated use of the coordinated resources that have been mobilized in VDC by different line agency and partners of development etc. The guidelines focus on capital investment for, and the social mobilization of women, children and disadvantaged groups. This guideline has made mandatory provisions to VDCs to allocate 10% budget for children, 10% to women, and 15% to disadvantaged communities from the capital grant of VDC.

Similarly, this guideline has provisioned different formula to provide the grant for DDC, VDC and Municipalities. Current years MoFALD has been provided formula based

granting system to local bodies (DDC, Municipality and VDC). The Ministry of federal affairs and local development (MoFALD) shall apportion the VDC grant with following formula.

**Table No. 2.1 : Apportioning criteria of grant**

<b>Apportioning criteria</b>	<b>Weight</b>
Population	60 percent
Area	10 percent
Weighted cost	30 percent

As per the formula base grant allocation system Village Development Committee (VDC) is getting minimum RS. 1.5 million And maximum RS.4.6 Million.

### **2.3.4 Participatory annual planning process guideline, 2071**

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

**Table No. 2.2: Fourteen step planning process**

<b>Description</b>	<b>steps</b>	<b>Time line</b>
Budget Ceiling and Guidelines sent from NPC to line Ministries and Line ministries to line agencies	1 <sup>st</sup>	By the mid of November
DDC Reviews of Budget Ceiling and Guidelines with LAs, stakeholders, IPC	2 <sup>nd</sup>	By the third week of November
Pre - Planning Workshop DDC and LAs and stakeholders (setting priority and developing guidelines to send to VDCs )	3 <sup>rd</sup>	By the end of November
VDC Meeting after receiving guideline (calendar of events prepared to complete settlement level consultation	4 <sup>th</sup>	By the second week



<b>Description</b>	<b>steps</b>	<b>Time line</b>
		of December
Selection of settlement level plan/demand (elected 5 members , now WCF)	5 <sup>th</sup>	By the third week of December
Meeting of Ward Committee (prioritization of the demands from settlement)	6 <sup>th</sup>	By the end of December
VDC Meeting ( discussion on proposed plan from wards( current VDC sec. agri .livestock and health)	7 <sup>th</sup>	By the first week of January
Village Council- 53 members , approval of plan with categorization of plan which can be done by VDC, demand to DDC or Center through IlakaWs	8 <sup>th</sup>	By the second week of January
Illaka level Plan Formulation Workshop ( coordination between plan by various VDCs)	9 <sup>th</sup>	By the first week of February
Sectoral Committee meeting	10 <sup>th</sup>	By the second week of February
Integrated Planning Committee meeting ( recommends)	11 <sup>th</sup>	By the third week of February
DDC Board meeting ( DDC chair, vice chair and Ilaka members) final shape and sends to council	12 <sup>th</sup>	By the First week of March
District Council(VDC chair/vice, illaka, nominated , DDC chair, mun. Parliament members)	13 <sup>th</sup>	By the first week of March for coming fiscal year
Implementation of District Plan	14 <sup>th</sup>	By the second week of March

According to fourteen step planning process, VDC level planning start second week of December while VDC got budget guideline and directives form District development committee. People from different settlement discuss and prepare settlement level plan and afterward submit to ward citizen forum. Ward citizen forum priorities the proposal based on need, possible available resource and forward to VDC for their action and the VDC forwards the proposal to the Integrated Planning Committee. As per the local bodies' resource mobilization and management operation guideline, 2069 Integrated Planning Committee will carried out following work with regard the VDC planning (LSGA, 2055).

A. Set priority of the program or projects that have been recommended based on the

priority order of the ward committee by individual sectors, remaining within the estimated budget ceiling, and draw up a final list,

- B. While setting priority, pay attention to impartiality and reality based on needs out of the ongoing projects.
- C. Coordinate the programmes conducted by governmental and nongovernmental sectors.
- D. While recommending projects, submit project funding matrix and a project-wise funding list of capacity building projects, social mobilization, programmes or projects of capital-based funding sectors, promotional programmes and target groups (women, children, ultra poor and backward communities) individually.
- E. Avoid duplication of projects to be implemented within its area and establish mutual relationship and complementarily between programmes or projects.
- F. Discuss the subjects referred to by the final audit report of the village development and municipality funds and provide feedback on it.
- G. Provide advice and suggestions, as well as extend necessary support, in respect of the work of the local body.

## **2.4 National plan and Local governance in Nepal**

### **2.4.1. Five Year Plan:**

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

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

**The Third Five Year Plan (1965-1970):** This plan was formulated within a framework of fifteen years perspective approach of the second five year plan of Nepal which target to double the national income. This plan comes with separate panchayat program to full-fledge sector with a view to benefit from the organizational strength in mobilizing local resources to enhance the development process. Another aspect of this plan was to incorporate different tiers of Panchayat in national development activities especially in local development (Mathema, 2001).

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

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

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

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

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

plan were to alleviate poverty, focusing in the agriculture development, employment generation and human resource development.

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

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

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

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

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

**13<sup>th</sup> Plan (FY 2071/72-2073/74):** A plan is an outline of program and activities designed on the basis of past learning as well as current needs and sustainability prospects, so as to bring about qualitative changes in the lives of people by means of socio-economic development. 13<sup>th</sup> plan has been formulate to achieve inclusive, broad-based and sustainable economic growth by enhancing the contributions of the private, government and cooperative sectors to the development process, develop physical infrastructure, enhance access to social services and improve the use and quality of those

services, enhance good governance in the public and other sectors, empower targeted groups and sectors both socially and economically.

This plan has taken following strategy to strengthen local governance.

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

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

Every year government announces policy and program for balanced and proportional development of nations. Promote gender equity and social inclusion in the development works, the access of geographically, socially and economically backward groups, regions and communities to the available resources, means and opportunities increased is linked to local development and local governance strength (budget speech 2071, NPC).

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

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

### **2.2 Empirical Review of the Study**

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

The current sub-national governance structure and the current system of intergovernmental finances in Nepal find their roots in the Constitution of 1990, which mandates peoples' participation through decentralization as a fundamental rule in the governance system of the country. A two-tiered system of local government was created, comprising 75 Districts as the intermediary level and Municipalities and Villages as the lower level of the government structure.

Formula-based, performance-based grant have been provided to DDCs and VDCs on a nationwide basis since 2008, supported through the Local Governance and Community Development Programme (LGCDP). The LGCDP is a national program administered through the Ministry of Local Development and supported by a wide range of Development Partners (DPs).

Between the contributions made to Local Bodies (LBs) by the Government of Nepal (GoN) and the DPs, almost Rs 1.5 billion is being distributed among the country's 75 DDCs (on average, about Rs 56 per person), whereas almost Rs 9.2 billion is distributed among the country's 3,915 VDCs (in aggregate, approximately Rs 348 per person). Table I provides an overview of the current DDC and VDC grant formulas.

**Table 2.3: Overview of Current DDC and VDC grant formulas**

<b>Factor</b>	<b>DDC</b>	<b>VDC</b>
Minimum grant	Rs 4,000,000	Rs 1.5-3.0 million (GoN)
Equal share	-	30% of remaining pool
Population	40	60
Poverty	25	-
Land area	10	10
Cost	25	30
MC/PM	MCs and PMs	MC
Caps	No	[Rs 320,000-820,000

The main objective of the current study is to undertake an overall review of the existing grant allocation formulas for DDCs and VDCs including indicators, and suggest appropriate methodology for improving the current formulas, including (as appropriate) improving the specification and measurement of the allocation criteria. A review and analysis of the current DDC and VDC block grants (contained in Sections 2 and 3 of the report) concludes that the current grant formula system in Nepal is in relatively good shape. There are no major weaknesses in the allocation formulas that should undermine the overall system of local government finance. Furthermore, substantial changes in the formula or allocation factors (for instance, by developing more accurate measures of certain variables, such as geographic accessibility or cost variations) are not likely to result in a major improvement of resource distributions. Nonetheless, there is certainly



space to improve the current DDC and VDC block grant allocation formulas in a number of ways.

As the GoN considers its options with respect to the reform of the DDC and VDC block grant allocations, it would be appropriate to step back and consider two “big picture” questions. First, in light of the incomplete implementation of the Local Self Governance Act (1999), it would be good to clarify the objective for which block grants being provided to DDCs and VDCs. In other words, what functions and service delivery responsibilities are DDCs and VDCs supposed to fund with these grants? Second, it would be good to consider how the evaluation of the current grant system informs the intergovernmental fiscal system as Nepal moves towards a federalist system.

### **Sub-national governance structure**

The lowest tier of local governance is formed by village and municipal bodies of Nepal. More than 3371 Village Development Committees (VDCs) serve as local governance units in rural areas and 191 municipalities serve in urban areas. An intermediate level of local governance exists at the district, where 75 District Development Committees (DDCs) function as a middle tier between VDCs/municipalities and the central government.

Due to the unique geography and settlement patterns in Nepal, there is an extremely high variation in the size of DDCs and VDCs, both in terms of population as well as land area. In addition, there are strong geographical patterns in the location of the population, with over 93 percent of the population living in the terai and hill ecological regions (generally north-to-south), and about 7 percent of the national population living in the mountain regions of the country. In addition, there are considerable concentrations of population also along the west-to-east axis along the country’s five development regions. In addition, there are clear patterns in poverty and cost across the national territory.

**Table 2.4: Descriptive statistics for VDC and DDC population and land area**

<b>Description</b>	<b>DDC Population</b>	<b>DDC Land Area (km<sup>2</sup>)</b>	<b>VDC Population</b>	<b>VDC Land Area (km<sup>2</sup>)</b>
Average	354,944	1,962	5,643.70	36.1
Standard Deviation	283,712	1,147	4,612.70	76.9

Coefficient of Variation	0.799	0.585	0.817	2.132
Minimum	6,527	119	67	0.9
Maximum	1,740,977	7,889	82,915.00	1,464.00
Source: Computed by author based on preliminary Census 2011 data.				

In terms of the sub-national governance structure in Nepal, it is worth recognizing the impact of the small average size of VDCs, which—on average- have a population of less than 6000 people. Although there is a widespread belief that the VDC is the appropriate level for the delivery of key public services in Nepal, it should be noted that VDCs are too small to capture relevant scale economies in the delivery of most public services and are administratively too weak to function as serious local governance units.

According to budget figures for FY 2009/10 (the latest year for which consistent budget execution figures are available), total grants to Local Bodies accounted for Rs. 21.5 billion, of which Rs. 2.2 billion was provided as DDC block grant, Rs. 7.3 billion was transferred as VDC block grants, and Rs. 361 million in municipal grants. In addition to these unconditional grants, Rs. 11.6 billion was provided in the form of other (conditional) grants to Local Bodies.

VDC block grants are provided for the funding of capital development projects as well as for recurrent purposes. For each “categorical” grant level between Rs. 1.5 and 3.0 million a specific amount is set aside for recurrent activities.

**Table 2.5: Evolution of VDC block grants, 1995/96 – 2011/12**

Years	GoN)		LGCDP (including GoN& donor contributions				
	Total Amount (Rs.)	Amount per VDC	Total Amount	Equal share	Population	Land Area	Cost Index
1995/96	2,250 mn	Rs.300,000					
1997/98	3,750 mn	Rs. 500,000					
2006/07	7,500 mn	Rp 1 mn					
2007/08	7,830 mn	Rp 1 mn					
2009/10	7,830 mn	1.5-3.0 mn	1,200 mn	30%	60%	10%	30%
2010/11	7,830 mn	1.5-3.0 mn	1,360 mn	30%	60%	10%	30%

2011/12	7,830 mn	1.5-3.0 mn	1,420 mn	30%	60%	10%	30%
---------	----------	------------	----------	-----	-----	-----	-----

### VDC block grant formula

Table No. 2.5 indicates that the current VDC block grant formula allocates every village (VDC) a categorical grant ranging in amount from Rs. 1.5-3.0 million. This translates into an average per capita allocation of Rs 354 per resident. However, not every VDC receives an equal amount per resident: the most populous district only receives an amount of Rs 24 per resident, while the least populous district in practice receives a categorical grant amount equivalent to almost Rs 30,000 per resident.

In addition, to the categorical grant, every VDC receives an equal share allocation funded by 30% of the remaining grant pool. This translates into an average allocation of Rs 19.4 (ranging from Rs 1.3 to Rs. 1,630.4 for the most populous VDC versus the least populous VDC). In addition to these amounts, every VDC receives an allocation of Rs 27 per resident. There is no allocation based on poverty in the VDC allocation formula.

Finally, each VDC also receives an allocation based on land area that is equivalent to Rs 7.6 per square kilometer. This allocation translates into an average allocation of Rs 2 per person, ranging from Rs 0.1 in the most densely populated VDC to Rs 1809 in the least densely populated VDC. The detail has been describe in table No. 2.6.

**Table 2.6: An Analysis of the current VDC grant formula**

Particulars	Rs.	per...	Per Capita Minimum	Per Capita Average	Per Capita Maximum
Categorical Basic Grant	1,999.8	district (Rs. 000)	24.1	354.3	29,848.3
Equal share	109.2	district (Rs. 000)	1.3	19.4	1,630.4
Population	27.1	Person	27.1	27.1	27.1
Weighted Poverty	0.0	poor person	0.0	0.0	0.0
Land Area	706.8	km 2	0.1	2.0	1,809.0
Percent of Cost Gap Covered	5.2	-	-	-	-

The current DDC and VDC block grant formulas currently rely on a district cost index that was computed by the Local Bodies Fiscal Commission Secretariat in 2005. As such, in March 2012, LBFCS undertook an exercise to update the price index by collecting updated price data for a broad set of construction inputs from all districts in the country.

## CHAPTER-III

### RESEARCH METHODOLOGY

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

#### **3.1 Research Design**

This report is an explorative and descriptive both type of research. As descriptive, this study associated to obtain facts that happen the current time. This study make an effort how VDC mobilize the VDC grant, find out the level of peoples participation in decision making process, planning process and plan implementation process. Moreover, have to find out the level of transparency as well. So that this study is make descriptive study. This study not only finds out the fact but also examining the fact. So that this study is make exploratory as well. This study does not have any hypothesis to test nor has it to make any prediction.

#### **3.2. Rationale of Selection of the study Area**

In Chitwan district, there are 8 VDCs. Out of eight VDCs the selected research site for this research is Kabilas VDC. The cause of selection is that this Village development Committee is shift from Chitwan National Park area (Rapti area or Barandavar areas) which is surrounded by Barandavar Jungle and suffer this area by Narayani River and flood each year. It is near Bharatpur Sub-Meto-Politan City and on the way of Narayanghat-Kathmandu Highway. The structure of population is more diversity, internal resources of this VDC is higher than other VDCs and the compliance of total governance system is better than other VDC of Chitwan and finally being researcher's familiarity with the area because before 1 years. I was serve Bharatpur Sub-Metropolitan city as a Social Mobilization Coordinator for Local Governance and Community Development Programme (LGCDP). The other cause of the site selection is adjoining VDC of Bharatpur Municipality and Chitwan DDC is serving rigorously. Since last years in this Village Development Committee is serving across the country in proper block grant utilization and maintain transparency for planning, decision making and applying to process and following to guidelines. Similarly, the level of awareness of people with regards to local level planning, implementation and decision making process is quite high and the compliancy of service is better than other VDCs.

### 3.3 Nature and Source of Data

This study collects qualitative and quantitative data using following method.

#### 3.3.1 Population, Sample and Sampling Procedure

The total size of population in Kabilas VDC is 5,828 in the VDC, there are altogether 5,326 number of population of women, children and disadvantage groups out of total 5,828. On the basis of simple random sampling, all together 72 number of women, children and disadvantage groups were selected for the purpose of opinion survey. After that 72 members were selected as sample size from quota sampling method on the basis of number of member involved in planning/budgeting and decision making process. The sampling structure is presented in following table No. 3.1.

**Table No. 3.1 :Sample Size of Respondents According to their ethnic group**

SN	Ethnic group	Number of Respondent	Male	Female
1	Bhraman/chhetri	28	13	15
2	Indigenous community	44	22	22
	Total	72	35	37

Source: Field Survey 2016

#### 3.3.2 Observation

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

### 3.4 Techniques and tools of Data Collection

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

#### 3.4.1 Opinion Survey

Opinion surveys technique use to know the individuals perception regarding the VDCs service delivery, budget, planning and implementation systems. In this method visit each

ward and collect view at least 7-8 people. Opinion survey conducted in each ward of VDC and by using a structured checklist. Representative from ward citizen forum, citizen awareness centre, school teacher, women cooperatives, users committee and disadvantage committee people has been participated in this method.

### **3.4.2 Key Informant Interview**

The study used key informant interviews to collect data. In order to assess the knowledge, perception and practices of service providers about the use of government grants given to the Kabilash VDC of Chitwan and the procedures followed, Key Informants Surveys were conducted and by using a structured checklist/questionnaire<sup>1</sup>, the VDC Secretaries along with their office assistants and VDC line agencies chief were presence at the interview.

### **3.4.3. Focus Group Discussion**

Focus groups were discussed and used to measure public perceptions of local body service delivery, budget, planning and implementation systems representative from political party and local elites. The participants of focus group discussion held at two groups (four people from one group) within different place of VDC. Focus group discussion were conducted and by using a structured checklist/question.

The following focused groups were participated for measure public perception of local body service delivery, budget planning, constrains of implementation, follow up to Local Body Resource Mobilization Guideline 2069. The focused group has been divided into two groups, one from service providers (VDC's personnel) and second is service receivers at VDC block and ward no. 4 respectively.

**Table No. 3.2: Participants of Focused Group Discussion**

Description	Ethnic group	Total	Male	Female	Venue
VDC level service providers	Bramin/Chhetri	2	1	1	VDC Building
	Dalit				
	Janajati	2	1	1	
<b>Sub- Total</b>		<b>4</b>	<b>2</b>	<b>2</b>	
Ward Level Service receivers	Bramin/Chhetri	2	1	1	Ward level (Ward # 4)
	Dalit				
	Janajati	2	1	1	
<b>Sub Total</b>		<b>4</b>	<b>2</b>	<b>2</b>	

### 3.5 Field Visit and Observation

The VDC building and selected Wards was visited to find out the women, children, Janajati and targeted group participation for planning and decision making process. Involved women and Janajati were interviewed by focused group discussion and perception from visiting their home. Members of Ward citizen Forum (WCF) and citizen awareness center (CAC) has been observed to their participation and decision making ability.

### 3.6 Data Analysis

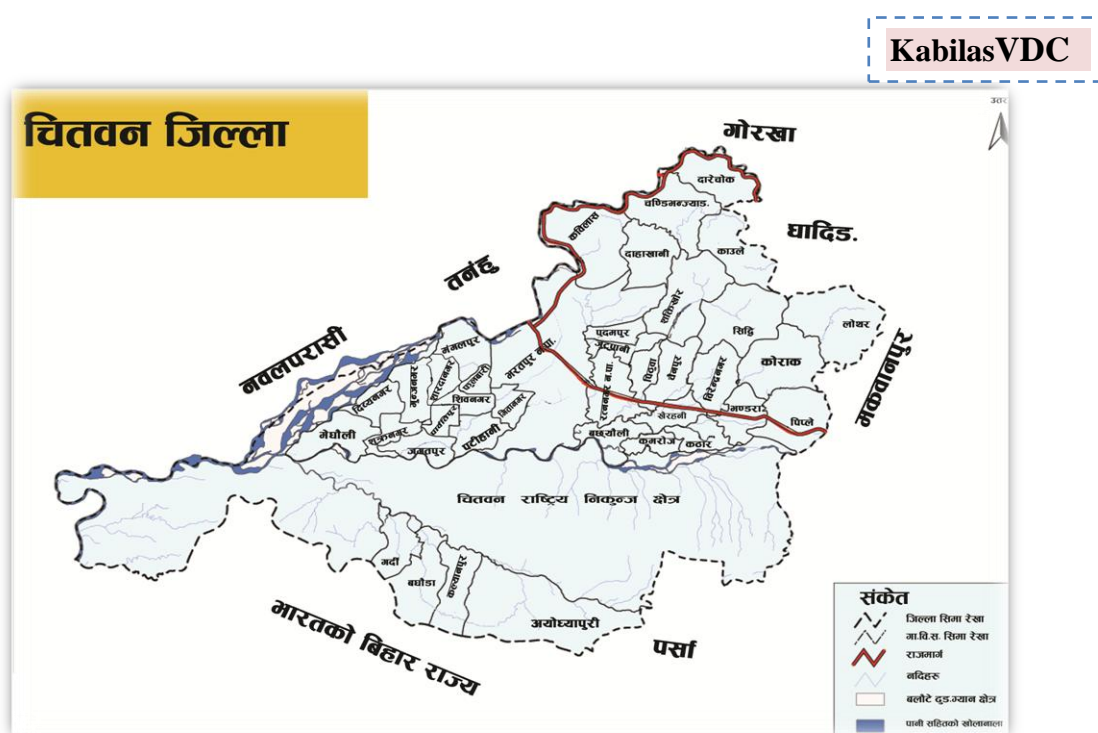
The data have collected during the fieldwork. Obtained data have processed and analyzed according to the objective of the study. The method applied for data processing and analysis are: i) the systemic analysis has been applied for quantitative as well as qualitative data and ii) simple statistical tools such as percentage, average, table and figure have been used for the simply presentation of the finding by using computer.



## CHAPTER-IV SETTING OF THE STUDY AREA

### 4.1 Introduction to the Study Area

Chitwan lies in central part of Nepal. Chitwan is the third tourism district in Nepal, in Chitwan many tourist are visit to anything. Chitwan have many kinds of people and there are many kinds of culture. In Chitwan there are some many forest and wild animals. Chitwan have one National park it name was Chitwan National Park. All governmental offices are lies in Bhratpur. In Chitwan there is one industrials market. Topography/physiographic diversity of Chitwan district are same to Nepal. The district is positioned 121 meter to 1947 meter height from sea level. Narayangadh is the commercial and business centre



Figure

#### No. 4.1 Map of Chitwan district

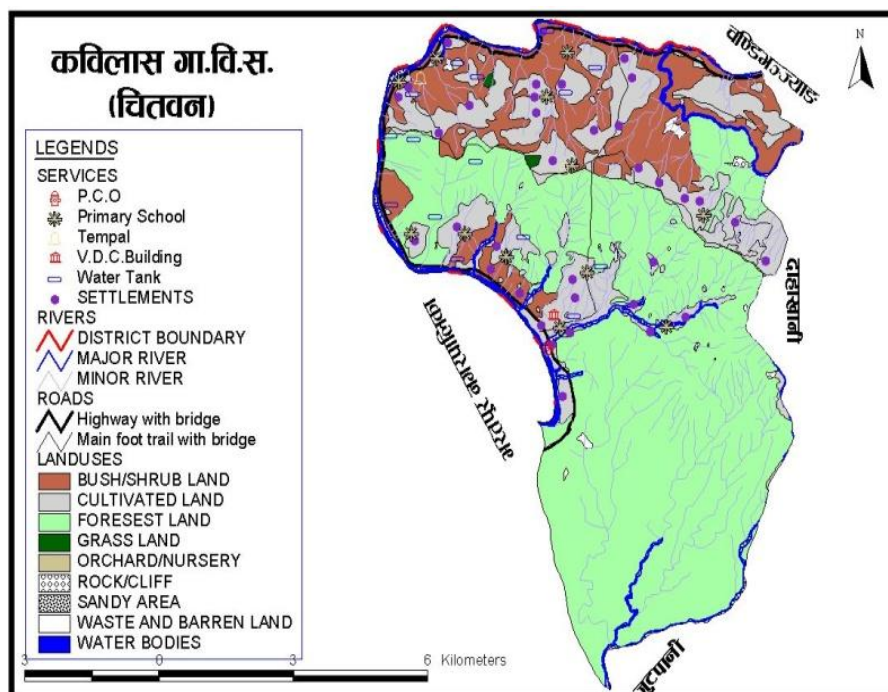
of the district, which is located edge of famous Narayani River. As ecological features chitwan district is located tropical zone.

Kabilas VDC is that one VDC among the 8 VDCs of Chitwan district. It has covered 50.46 Sq Kilometer area (5.89 %) of the district. The VDC is widening the height of 200-1700 above from sea level. It is widening to length east west and width south- north. Kabilas VDC is bounded by Dahakhani VDC of east, Tanahun district and Trishuli River

of west, Barandavar forest and Bharatpur municipality of south part, Chandivanjyang of north part. Kabilas is one of the main growing cities in Chitwan, identified as the commercial farming, commercial agriculture and forestry zone.

Among all the VDC of the Chitwan district, Kabilas VDC is being advanced in term of development due to the facility like road, electricity, transportation, communication, entertainment,

electricity, people from other areas have starting moving into this VDC which have increased the population of this VDC day by day. Ward



number 1, 2, 4, 5, 6 and 8

**Figure 4.2: Map of Kabilas VDC, Chitwan**

Bhateri, Jugedi, Dasdhunga and Simaltal with the touched of Narayagarh- Mugling Road and these area have developed into a market center as people from other district have moved and settled into these ward for business purpose. The total house hold of this VDC is approximately around 1,157 and the total population of this VDC is around 5,828.

The climate of Kabilas VDC is tropical type. Even during summer when the temperature raises high the hot breeze in the village area keeps the weather dried out. During winter season the weather remains cold in every part and sometime breeze cold wave. Kabilas VDC has a 2,947 hector forest area. Six different community forest groups are exist in this VDC. Forest resource is a key source of development as well as daily uses of people life. The VDC have following varieties of trees and herbs.

## 4.2 Economic Condition of Study Area

In socio economic and demographic data, it is found from village profile and district profile. As a socio economic data there is mentioned as sex group, age group, occupation, education etc. Social and cultural setting of the study area as follows.

### 4.2.1 Demographic Condition of Study Area

According to the Population census 2068; the total population of the District is 579984. Among the total population nearly 7% are Brahman and Chhetri, rest are Gurung and other indigenous 80%, Dalit 7% and others 6%.

### 4.2.2 Population of Kabilas VDC

As per Population census 2068, the total population of this VDC was 5,828 with 1,157 Households. Out of the total population 2,828 (49%) are male and 3,000 (51%) are female. In this study, our focus group is children, women and disadvantage group with reference the population.

**Table No.4.1 : Population of women, children and disadvantage groups**

Description	Number of Population
Children	1904 (Age 0 to <15 years) male 946 and female 958
Women	2039 (Age above 15 year)
Disadvantage group	1872 (Except children and women)
Brahman/Chhetri	489
Dalit (Deprived caste group)	411
Targeted population as per LRMG 2069	5326

*Source: Population census 2068*

**Table No. 4.2 : VDC Population distributions by Ward**

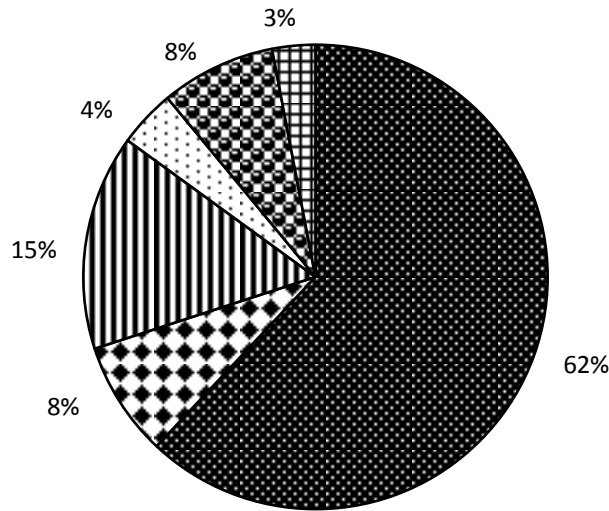
Ward	Household	Total Population	Male	Female	% of Male	% of Female
1	411	2001	975	1026	49	51
2	239	1203	584	619	49	51
3	40	237	113	124	48	52
4	90	453	217	236	48	52
5	67	364	181	183	50	50
6	49	262	124	138	47	53
7	43	208	106	102	51	49
8	52	243	115	128	47	53
9	166	857	413	444	48	52
Total	1157	5828	2828	3000	49	51

*Source: Population census 2068 ward wise*

Most of the population are speaks Nepali language. Around 52% populations speak Nepali language. Similarly, 54% population speaks gurun, 34% magar and rest 12% are speaks Maithili, Newar, Gurung, Rai, Bote, Darai, Chepang language. As religious most of the people is Hindu. 83% populations are hindu, 14% are Buddhist and rest 3% are kirat, Christian, Jain and Shikh, Muslim etc. Dashain and Tihar are the two main festival celebrated by the people of this VDC. Besides Dashain and tihar and other festivals of Tamang and Gurung people celebrate Loshar festival as well.

**Figure: 4.3: Population by Occupation**

■ Agriculture ■ Services ■ Business ■ Oversees ■ Labours ■ Pension



According to table, the large numbers of population residing in ward No 1. The number of household also large in this ward compare to other ward. There is a big market city (Jugedi) of the VDC.

#### **4.2.3 Population distribution by occupation**

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

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

#### **4.2.4 Educational Status of the study Area**

Education is accepted as a means to enhance the economic competence, prepare qualified human resources that are capable to cope with the development of innovative knowledge. The VDC have education facility for children. The VDC have ten number of school. There is one secondary school/Higher secondary, one lower secondary and 12 primary school are exist. The students of this VDC mostly go for higher education either to Bharatpur or Kathmandu. Around 70 percent People are literate in this VDC.

**Table No: 4.3 Literacy rate of Kabilas VDC/population by sex**

Population above 5 year age		Population who are				literacy rate
		can read and write	can read only	cannot read & write	literacy not stated	
Total Both Sex	5361	3812	189	1357	3	71.11
Male	2588	2058	82	447	1	79.52
Female	2773	1754	107	910	2	63.25

*Source: Population census 2068.*

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

#### **4.2.5 Transportation, Communication and Electricity Facility of the Study Area**

Transportation is one of the most important physical infrastructures for development. This VDC linked to national highway from Braratpur to Kathmandu and Pokhara. All wards of VDC are linked by village road. Around 45 kilometer road were constructed in this VDC. The VDC people have access to Mobile phone 1,471, landline phone 49 and CDMA phone 65. Likewise, Electricity services are good in this VDC. More than 95% household has access to electricity (district profile and VDC, 2068)

#### **4.3 Presentation and Analysis of Field Survey Data**

##### **4.3.1 Socio-Demographic Status of Respondents**

The information related to socio-demographic characteristics of respondents such as age, sex, level of education, present occupation are also collected at the time of interview. There are 72 respondents selected as a random sampling size, except key informant. (6-7 respondents from each ward). During the field visit, a total number of sampled respondents are interviewed. Among them, Thirty three were male and Thirty nine were

female. This section represents the characteristics of the respondents, which are included at interview.

**Table No. 4.4: Distributions of the respondents according to their age**

S.N	Age group	Number of Respondent by Sex		Total Number of Respondent	Percent of Respondent
		Male	Female		
1	15-30	15	17	32	44
2	31-45	14	18	32	44
3	46- 60	4	4	8	12
	<b>Total</b>	<b>33</b>	<b>39</b>	<b>72</b>	<b>100</b>

*Source: Field Survey, 2016*

The above mentioned table no. 4.4 shows the distribution of the respondents according to their age. The respondents are grouped into three categories on the basis of years. First group respondent is 15-30 years. The second group is from 31 to 45 Years. The third is 46 to 60 years of ages. Out of 72 respondents (46% male and 54% is female)

#### **4.3.2 Respondents According to their ethnic groups:**

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

**Table No. 4.5 : Distribution of the respondents according to their ethnic group**

SN	Ethnic group	Number of Respondent		Male		Female	
		Number	%	Number	%	Number	%
1	Bhraman/chhetri	28	39	13	46	15	41
2	Indigenous community	44	61	22	54	22	59
	<b>Total</b>	<b>72</b>	<b>100</b>	<b>35</b>	<b>100</b>	<b>37</b>	<b>100</b>

*Source: Field Survey, 2016*

The above table no. 4.5 shows the distribution of the respondents according to their ethnic group. The respondents are grouped into two categories on the basis of ethnicity. Among the indigenous community most of the respondent were Tamang, Lama, Chaudary, Gurung, Mahato, Bishowkarma and Pariyar etc.

#### **4.3.3 Educational status of the respondent**

According to population census report 2068, literacy rate 71.11 percent in Kabilas VDC. Among the total literate 79.52% are male and 63.25 percent are female. The respondents' educational status spell out the similar fact.

**Table No. 4.6 : Educational statuses of the respondents**

SN	Education	Gender		Total	Percent
		Male	Female		
1	Masters	1	6	7	10
2	Bachelors	13	8	21	29
3	Higher Secondary	10	9	19	26
4	Secondary	8	10	18	25
5	Below secondary	5	2	7	10
	<b>Total</b>	<b>37</b>	<b>35</b>	<b>72</b>	<b>100</b>

*Source: field survey 2016*

The above table no. 4.6 shows the educational status of the respondents. Out of 72 respondents, all were literate and none were found illiterate.



#### **4.3.4 Level of Participation in VDCs (Women, Children and Disadvantage Community people)**

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

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

**Table No :4.7 : Distribution of Respondents on People’s Participation in PlanningProcess**

<b>People Participation</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Willingness	55	76
Unwillingness	7	10
General	10	14
<b>Total</b>	<b>72</b>	<b>100</b>

Source Field Survey, 2016

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

#### **4.3.5 Participation of Woman, Children and Disadvantaged Group in the planning, implementation, decision making process**

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

**Table No. 4.8 : Involvement of the Women and Disadvantaged group in Planning and decision making Process**

<b>Participation</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Participates	45	64
Does not Participates	27	36
<b>Total</b>	<b>72</b>	<b>100</b>

According to the above table no. 4.8 and figure 64% of that total respondents said that women and disadvantage group participates in the planning, implementation and decision making process but the children participation is not as equal to the participation of women and disadvantage group. Likewise, 36% of the people mentioned that women, disadvantage group does not participates in the planning, implementation and decision making process. Participation of women and disadvantage group in the cycle of development (planning, implementation, monitoring and evaluation) is most important for the lasting and fruitful result. Even though knowing the fact, the outcome is not as expected. However, the number of women and indigenous people participation in different level of VDCs is satisfactory.

#### **4.3.6 Women and indigenous people's participation on different mechanism in VDCs**

Among the total respondent seventy two, 59 persons (15 Brahman/Chhetri female, 22 indigenous communities female and 22 indigenous communities male) were women and indigenous community. According to the VDC secretary, other staff of the VDC and

available records of different committee meeting, participation of women and indigenous community peoples is suitable. But the children participation is nothing in any committee and mechanism which formed by VDC. Among the respondent, participation of women and indigenous community people in different mechanism of VDC as follows.

**Table No. 4.9: Participation of women and indigenous peoples in different mechanism:**

SN	Organization/Mechanism	Number participants			Total
		Bhrman/ chhetri female	indigenous female	indigenous male	
1.	Ward citizen forum (WCF)	7	5	4	16
2.	Citizen awareness centre (CAC)	6	5	-	11
3.	Integrated planning committee (IPC)	1	1	1	3
4.	Supervision and monitoring committee (SMC)	-	-	-	
5.	Users committee (UC)	4	3	6	13
6.	village education committee (VEC)	-	-	-	
7.	agriculture development committee	-	-	-	
8.	village water, sanitation and hygiene Coordination committee (V-WASH-CC)	2	2	4	8
9.	community forest users group (CFUG)	9	6	7	22
10.	water resource management committee (WRMC)	1	1	1	3
11.	village child protection committee (VCPC)	1	-	-	1
	<b>Total</b>	<b>31</b>	<b>23</b>	<b>23</b>	<b>77</b>

Source: Field Survey 2016

The above table no. 4.9 shows that the women and indigenous peoples participation in different mechanism. According to the respondent the same people has been participated

in different mechanism at the same time as well. So that the number of participation is seems high. Likewise, as per the provision of guideline VDC has had participate women and indigenous people's representation in integrated planning committee, supervision and monitoring committee as well.

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

#### **4.3.7 Constraints and challenges for the participation of women and disadvantaged group**

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

#### **4.3.8 Priorities to marginalized social groups in plan formulation**

In every planning, efforts were made to mainstream the marginalized but despite these effort the result has not been seen as expected. In the course of the survey it was found that the local government is in the interest of giving priority to the disadvantage group in all the project cycle. Priority areas include Leadership programme, skill development, awareness programme, education etc. however, for some reason or the other and lack of

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

**Table No.4.10 : Participants detailed in VDC council meeting**

<b>Fiscal Year</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Dalit</b>	<b>Janajati</b>	<b>Others</b>
2069/70	338	188	150	30	238	75
2070/71	396	223	173	25	302	69
2071/72	450	250	200	50	330	70

*Source :VDC Annual Plan book of Kabilas*

The above mentioned table no. 4.10 has been shows the detailed participants of the VDC council meetings. In the FY 2069/70, total participants were 338 including 150 female, 30 dalits and 238 Janajatis. Similarly, total 396 participants in FY 2070/71 with 173 female, 25 dalits and 302 Janajatis and total 450 participants with 200 female, 50 dalits 330 janajatis in FY 2071/72 were participated. The participated ratio has been shows more proportionately as per LBRM 2069 and LSGA 2055 in the Kabilash VDC.

#### **4.3.9 Fund mobilization (income and expenditure) trend of VDC**

Local governance Act, 2055 (1999) has commence to make provisions conducive to the enjoyment of the fruits of democracy through the almost participation of the sovereign people in the process of governance by way of decentralization, service devolve from center to local level, constitute local bodies for the development of the local self-governance system in a manner that they are able to make decisions on the matters affecting the day-to-date needs and lives of the people, by developing local leadership. Similarly, Devolution of such powers, responsibilities, and means and resources as are required to make the Local Bodies capable and efficient in local self-governance and

devolution of powers to collect and mobilize such means and resources as are required to discharge the functions, duties, responsibility and accountability conferred to the Local Bodies. Under this decentralization principle LSGA has conferred the power to VDC, to collect internal revenue and also provisioned receives grant form government for the development of local area. The government provides the grant with the following criteria: provide the Local Body each year with minimum grant prescribed and also with additional grants on such basis as population, level of development, possibility and capability of mobilizing revenues, necessity of financial resources, regular record keeping of incomes and expenditures, situation of auditing and financial discipline of the concerned Local Body.

The data that was collected from the VDC for consecutive three years were analysis on the basis of LSGA 2055, Local self-Governance Regulation, 2056 and Local Bodies Resource Mobilization and Management Operation Guideline, 2069 (Block Grant Guideline). As per LSGA 2055, Local self-Governance Regulation, 2056 and Local Bodies Resource Mobilization and Operation Management Guideline, 2069 (Block Grant Guideline) VDC got budget from different source. The following table no. 4.11 shows detail budget which VDC council approved as a VDCs annual budget and actual received.

**Table No. 4.11 : Three years budget with income source**

S. N	Source of Budget	FY 069/70		FY 070/71		FY 071/72	
		Projection	Actual Income	Projection	Actual Income	Projection	Actual Income
1.	Internal resource	9,53,500	8,88,599	8,95,000	13,18,051	11,57,569	18,56,593
2.	Current capital	4,20,000	4,20,000	4,20,000	4,20,000	4,20,000	4,53,000
3.	VDC Grant	17,20,000	10,74,800	17,20,000	13,53,200	13,60,000	18,74,580
4.	DDC Grant	500000	1,661,388	5,00,000	38,31,859	5,00,000	8,71,837
5.	Social security grant	26,45,000	24,82,900	26,45,000	26,40,400	29,22,400	30,53,600

6.	Other grants	15,12,000	20,91,563	6,97,000	11,24,767	1,90,000	37,85,740
	<b>Total</b>	<b>77,50,500</b>	<b>86,19,250</b>	<b>68,77,000</b>	<b>1,06,88,277</b>	<b>65,49,969</b>	<b>1,18,95,350</b>

Source: VDC Council Minute and Audit Report

According to available data from village development committee, VDC council projection (approved) the total budget NRs. 77,50,500 for fiscal year 2069/070. But VDC got RS.86,19,250 and mobilized accordingly. It is more than 11.21 percent against the projection. Similarly, the VDC council has been projection total budget Rs. 68,77,000 for FY 070/071. However, VDC has got Rs. 1,06,88,277. It is more than 35.66 percent and in FY 071/72, VDC council projection total budget Rs. 65,49,969. Though, VDC got Rs.1,18,95,350. It is 45 percent high against the plan of outline. Likewise, among the total fund of VDCs average 12 percent fund was collect as internal resource and rest are available as grant from different government organization and donor agency.

The available data shows there is not consistency to projection the budget. Likewise, there is no accuracy to the budget projection because, in the all three years, the sum of budget is more then to projection.

#### **4.3.10 Analysis of VDC grant**

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

Each Village Development Committee must follow the rules of LSGA 2055, Local self Governance (financial) Regulation, 2064 and Local Bodies Resource Mobilization and Management Operation Guideline, 2069 (Block Grant Guideline) while plan/ allocation the annual budget and program of VDC. VDC should allocation the following percentage of budget to the block grant for women, children and disadvantage group (at least 10% for Children, 10% for Women and 15% Dalit and Janjati). In the Kabilas VDC, the VDC Secretary has been serving in the similar post for more than thirteen years and is aware and has knowledge about the VDC Grant Guideline. This section explains the VDC budget allocation in respective three year which study has focused. The following table No.5.9 shows the tentative figure of three year VDC budget.

**Table No. 4.12 : VDC budget of three FY 2069/70, 070/71 & 071/72**

Description	Fiscal Year budget Rs.		
	2069/70	2070/71	2071/72
Total budget	86,19,250	1,06,88,277	1,23,15,350
VDC grant	14,94,800	17,73,200	23,27,580
Capital budget from VDC grant	26,16,000	25,62,000	13,60,000
Inclusive budget allocation from VDC capital grant	6,00,000	5,45,000	3,50,000
Physical infrastructure development budget from VDC capital grant	21,90,000	21,25,200	16,95,000

*Source: VDC Annual Plan Book*

The table no 4.12 shows that the VDC has got Rs.86,19,250 from VDC grant, capital budget and inclusive budget in FY 2069/70. Similarly, 1,06,88,277 and 1,23,15,350 was gained in FY 2070/71 and 2071/72 respectively.

#### **4.3.10.1 Budget and program for FY. 069/070**

Local Self Governance act (LSGA) 2055, Local Self Governance Regulation (LSGR), 2056 and Local Bodies Resource Mobilization and Management Operation Guideline (LBRMG), 2069 has clear guidance to VDC for budget allocation and expenditure. According to the available record from Kabilas VDC, VDC council approved budget (allocation and expenditure) as following for FY. 069/070.



**Table No. 4.13 : Proposed budget for FY 069/070**

Budget head	Total budget	Source	
		VDC grant	Others
All administrative budget	9,53,600	4,20,000	5,53,600
Inclusive development budget	8,50,000	4,50,000	4,00,000
Health post grant	7,80,000	0	7,80,000
Social security grant	26,45,000	0	26,45,000
Infrastructure development budget	21,90,000	13,00,000	8,90,000
<b>Total</b>	<b>74,18,600</b>	<b>21,70,000</b>	<b>52,68,600</b>

*Source : VDC Annual Plan Book*

VDC Council has had approved total RS. 74,18,600.00 budget for FY 069/070. Among the total approved budget the portion of VDC grant is RS.21,70,000.00. This figure has been mentioned in table No. 4.13 shows the total by main expenditure head. Among the total VDC grant Council apportion Rs.8,50,000 for inclusive development and Rs. 21,90,000.00 for physical infrastructure development. The VDC council does not compliance the rule of local body resource mobilization and management operation guideline, 2069. Because, at least 35% budget should be allocate for targeted group i.e. children, women and indigenus group from VDC grant. This year, the VDC council has allocated only 18% budget (Rs.3,92,511 inclusive budget out of Rs.21,32,700 VDC grant) for targeted group development.

The table no.5.11 makes it clear how the VDC council allocations of VDC grant for different program. The other sources are understood VDC internal source, DDC grant and other line agency grant.

**Table No. 4.14 : Allocation of VDC grant FY 069/070**

VDC grant	14,94,800
allocation of Capital Grant from VDC grant	25,40,000
Inclusive budget allocation from VDC capital grant	8,50,000
Physical infrastructure development budget from VDC capital grant	16,90,000

Among the total inclusive budget Rs. 8,50,000.00 VDC council allocated different program and make plan/ activity accordingly which is 50% of the VDC grant.

The table No. 4.15 and figure make clearer about inclusive budget allocation.

**Table No: 4.15 Inclusive budget allocations FY. 069/070**

<b>Allocation Head</b>	<b>Budget Rs</b>	<b>% from VDC capital Grant</b>
Targeted group (Indigenous/ ethnic group, disable, dalit, Backward community) development program	5,30,000	13
children development Program	2,20,000	8
women empowerment program	1,00,000	7
<b>Total</b>	<b>8,50,000</b>	<b>28</b>

VDC council does not compliance the LBRM guideline 2069 with regard to allocation the VDC grant. According to the LBRM guideline total 35% budget should be allocated for inclusive development program. But there is an allocation of only 18% budget. According to the VDC annual plan record book 2069, the following activity such as support education material, construction of toilet, conduct awareness raising program, child club mobilization, support to vital registration campaign, support to immunization campaign, support to informal education, skill development program, construction community building carried out under the inclusive budget head. However, there is still high risk to divert the inclusive budget to road project. Because there is highly demand to construct the road. So that beneficiary especially women, children and indigenous community people also agreed to redirect the budget. Likewise, there is not as much of participation of women, children and disadvantage group people while budget allocation

meeting. There is not giving importance the voice of women, children and disadvantage community people as well.

Among the total VDC grant Rs. 21,32,700.00Rs. 16,65,000.00 budget has allocated as a capital budget for physical infrastructure development. As per the LBRM guideline capital budget should focus to economic development, physical infrastructure development. VDC council alienated the capital budget different ten major programs and make activity accordingly. The following table No. 5.13 and figure makesit clear about the capital budget allocation.

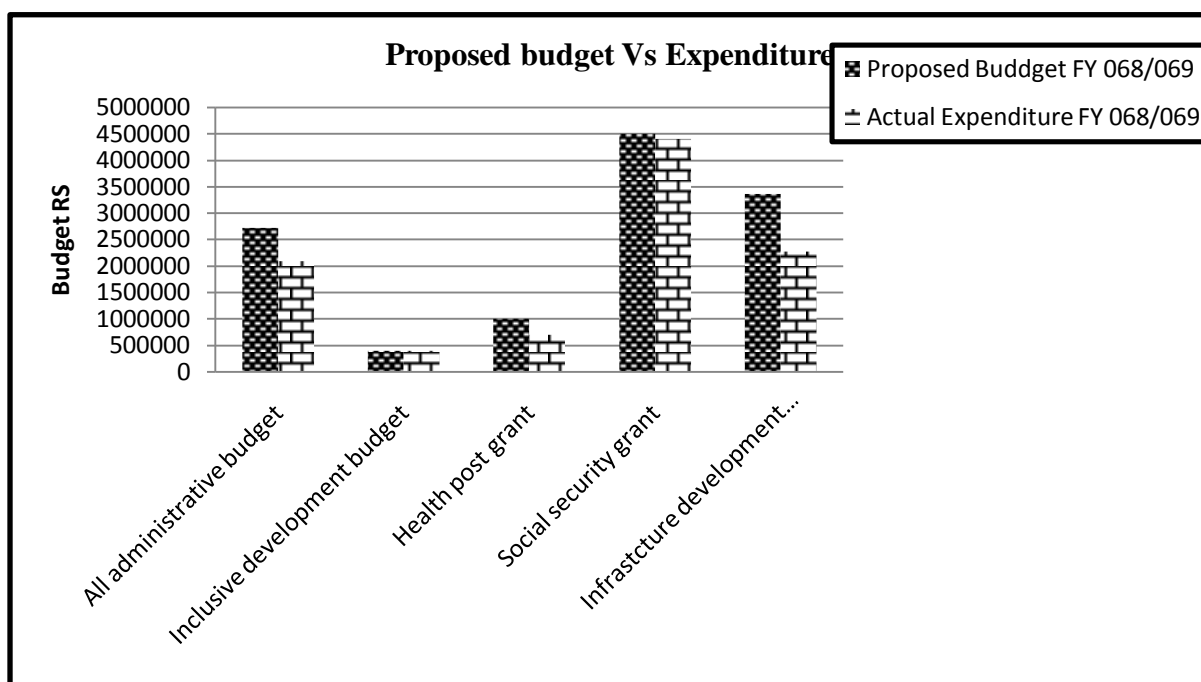
**Table No. 4.16 : Capital budget allocation FY 069/070**

<b>S.N</b>	<b>Allocation Head</b>	<b>Budget Rs.</b>	<b>Percent</b>
1	Road/Bridge/Culvert	10,00,000	62
2	Agriculture/Irrigation/river control	5,15,000	27
3	Tourism Development	1,50,000	11
	<b>Total</b>	<b>16,65,000</b>	<b>100</b>

According to above point out table No. 4.16, VDC council has allocation Rs. 16,65,000budget for infrastructure development from VDC grant. This is 62% of VDC grant. Amongst the total infrastructure development budget 62% budget allocation for Road/bridge/culvert, 27% for agriculture/Irrigation/River control and 11% for tourism development sectors.

This status of budget allocation does not prove the rational of development. Because, agriculture is the backbone of economy and most of the people are engaged in agricultural profession in Kabilas VDC. Despite the fact a very few budget has been allocated in agriculture sector. Though, this program/activity select through participatory planning process and demand of local people.

**Figure: 4.4: Proposed budget Vs expenditure, FY 069/070**



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

#### **4.3.10.2 Budget and program for FY 070/071**

According to the available record from Kabilas VDC, (VDC council meeting minute and record book) VDC council approved budget (allocation and expenditure) as following for FY. 2070/071.

**Table No. 4.17 : Proposed budget for FY 2070/071**

Budget head	Total budget	source	
		VDC grant	others
All administrative budget	9,53,600	4,20,000	5,53,600
Inclusive development budget	8,50,000	4,50,000	4,00,000
Social security grant	26,45,000	0	26,45,000
Capital budget	21,90,000	13,00,000	8,90,000

<b>Total</b>	<b>66,38,600</b>	<b>21,70,000</b>	<b>44,88,600</b>
--------------	------------------	------------------	------------------

Above table no.4.17 mentioned VDC Council has had approved total Rs.66,38,600 budget for FY 070/071. Among the total approved budget the portion of VDC grant is Rs.21,70,000 (33%). The allocation of VDC grant looks like reasonable. This year VDC council fully compliance the rule of local body resource mobilization and management operation guideline, 2069. Because, at least 35% budget should be allocated for targeted group i.e. children, women and indigenous group from VDC grant. But, this year VDC has allocated 36% budget for the targeted group from capital grant of VDC. The following table no. 4.18 makes clear how the VDC council allocation of VDC grant for different program.

**Table No. 4.18 : Allocation of VDC grant, FY 2070/071**

S.N	Allocation Head	Budget Rs	Percent
1	Capital (Infrastructure) development	6,00,000	44
2	Targeted program	7,53,489	56
3	Recurrent cost	4,20,000	
	<b>Total</b>	<b>17,73,489</b>	<b>100</b>

Among the total inclusive budget Rs.17,73,489.00 VDC council allocated different program and make plan activity accordingly. The above table No.4.18 and figure makes it clear about allocation in VDC grant in FY 2070/71 including capital and inclusive budget allocation .In the table no. 4.18, it shows clearly on allocation of VDC grant, 44% budget has been allocated to targeted program

The inclusive budget has been allocation as following table No. 4.19 from VDC grant.

**Table No. 4.19 : Inclusive budget allocation from VDC grant, FY 2070/071**

S.N	Allocation Head	Budget Rs.	% from VDC capital grant
1	Targeted group (Indigenous/ ethnic group, disable, dalit, backward community) development program	2,00,000	11
2	Children development Program	1,85,000	10

3	Women empowerment program	1,60,000	9
	<b>Total</b>	<b>5,45,000</b>	<b>30</b>

According to table No. 4.19, 11% budget allocation for Targeted group (Indigenous/ ethnic group, disable, dalit, backward community) development program, which is less than the guideline provision. However, the allocation of children program is equal and women are less than the guideline provision. Activity and program carried out are similar to previous year from the inclusive development budget. Major reason behind the less budget allocation to women and children development program is lack of knowledge, less priority to women and children program compare to physical infrastructure development program.

Among the total VDC grant Rs. 17,73,489, Rs.7,53,489 budget has allocated as a capital budget. Total capital budget alienated different nine major programs and make activity accordingly. The following table no. 4.20 and figure makes clear about the capital budget allocation.

**Table No. 4.20 : Capital budget allocation FY 2070/071**

SN	Allocation Head	Budget Rs	% from Capital grant
1	Road/Bridge/Culvert	7,00,000	32
2	Building	5,00,000	23
3	Agriculture/ Irrigation/river control	4,00,000	18
4	Water and Sanitation program	50,000	2
5	others	5,40,000	25
	<b>Total</b>	<b>21,90,000</b>	<b>100</b>

According to above point out table No. 4.20 and figure, VDC council has allocated RS. 21,90,000 budget for infrastructure development from VDC grant. This is the 64 percent of VDC grant. Amongst the total capital budget, 32% budget allocation for road/bridge/culvert, and followed by 23% for building, 18% for agriculture, irrigation/river control, 2% budget allocation for water and sanitation and 25% budget allocation for other sectors.

This status of budget allocation does not well-match the previous year budget. Owing to the reduction of VDC grant there has been inconsistency of budget allocation in following two fiscal years 2069/070 and 2070/071. Likewise, there is no development in specific criteria for allocation the budget. The allocation depend immediate demand of people, pressure of political party and pressure of different pressure group as well.

**Table No.4.21 : Proposed budget Vs expenditure of FY 2070/071**

SN	Expenditure Head	Proposed Budget	Actual Expenditure
1	All administrative budget	11,85,884	11,87,669
2	Inclusive development budget	4,80,000	4,92,775
3	Health post grant	0	0
4	Social security grant	26,45,000	25,78,800
5	Capital budget	24,44,900	22,95,763
	<b>Total</b>	<b>67,55,784</b>	<b>65,55,007</b>

The table No. 4.21 shows among the total proposed budget and expenditure made only 97% budget. Likewise, the inclusive budget expenditure is more than 100%, however the capital budget expenditure is 94% percent. Reason behind the less expenditure of capital budget is the delayed release of budget from DDC, delayed to contract agreement with users committee due to dispute of users committee formed. More or less the same situation has show again regarding the expenditure of capital budget.

#### **4.3.10.3 Budget and program for FY 071/072**

According to the available record from Kabilash VDC, VDC council approved budget (allocation and expenditure) as following for FY. 2070/071 shows table No. 4.22.

**Table No 4.22 : Proposed budget for FY 071/072**

S.N	Expenditure Head	Proposed Budget	Source	
			VDC Grant	Others
1	All administrative Budget	12,47,000	4,20,000	8,27,000
2	Inclusive development budget	5,15,000	4,76,000	39,000

3	Health post grant	0	0	0
4	Social security grant	29,22,400		29,22,400
5	Capital budget	16,22,200	8,84,000	7,38,200
	<b>Total</b>	<b>63,06,600</b>	<b>17,80,000</b>	<b>45,26,600</b>

VDC Council has had approved total Rs.63,06,600 budget for FY 2071/072. Among the total approved budget the portion of VDC grant is Rs.1780000 (28%). Among the total VDC grant VDC council approved Rs.16,22,200 as a capital budget. Among the total capital budget 29% budget allocation for inclusive development and 47% budget allocation for physical infrastructure development. The allocation of VDC grant looks reasonable. Although VDC council fully compliance the rule of local body resource mobilization and management operation guideline, 2069. Because, at least 35% budget should be allocate for targeted group i.e. children, women and indigenous group from the VDC grant. This year VDC council has allocated 36% budget for targeted group form VDC grant. The allocation of VDC grant as following table no. 4.23.

**Table No. 4.23 : Allocation of VDC grant, FY 2071/072**

S.N	Allocation Head	Budget Rs	% from capital budget
1	Capital budget (infrastructure Development budget)	12,34,000	58
2	Inclusive program	4,45,000	21
3	Recurrent cost	4,20,000	20
4	Contingency	27,200	1
	<b>Total</b>	<b>21,26,200</b>	<b>100</b>

Among the total inclusive budget Rs. 21,26,200 VDC council allocated different program and make plan/ activity accordingly.

The following table No. 4.24 and figure makes more clearly about inclusive budget allocation. The inclusive budget has been allocation as following from VDC grant.



**Table No. 4.24 : Inclusive budget allocation from VDC grant, FY 071/072**

S.N	Allocation Head	Budget Rs	% from inclusive budget	% from VDC capital grant
1	Targeted group (Indigenous/ ethnic group, disable, dalit, backward community) development program	2,00,000	39	9
2	children development Program	1,75,000	34	8
3	women empowerment program	1,40,000	27	6
	<b>Total</b>	<b>5,15,000</b>	<b>100</b>	<b>23</b>

Among the total VDC grant Rs. 5,15,000 budget has allocated as a capital budget. Total capital budget alienated different nine major programs and make activity accordingly.

The following table No. 4.25 and figure make clear about the capital budget allocation. This status of budget allocation spell out the same circumstance which was exist previous year budget. This year the VDC grant is increase than previous two years, although there is inconsistency of budget allocation in different sectors. The trend of budget allocation will not encourage the balanced development of VDC.

**Table No. 4.25 : Capital budget allocation FY 2071/072**

S.N	Allocation Head	Budget Rs	Percent
1	Road/Bridge/Culvert	9,00,000	53
2	Water and Sanitation program	3,70,000	22
3	Agriculture/Irrigation/river control	3,00,000	18
4	others	1,25,000	7
	<b>Total</b>	<b>16,95,000</b>	<b>100</b>

According to above point out table No. 4.25 and figure VDC council has allocation RS. 16,95,000 budget for infrastructure development from VDC grant. This is the 64 percent of VDC grant. Amongst the total capital budget, 53% budget allocation for road, bridge, culvert, followed by 22% for water and sanitation, 18% for agriculture irrigation/river control and 7% budget allocation for other sector.

**Table No. 4.26 : Total budget Vs Expenditure of FY 071/072**

S.N.	Expenditure Head	Proposed Budget	Actual Expenditure	Expenditure % against target
1	All administrative Budget	12,72,000	12,44,188	98
2	Inclusive development budget	5,15,000	5,28,788	102
3	Health post grant	0	0	0
4	Social security grant	29,22,400	30,00,000	102
5	capital budget	16,22,200	17,03,629	105
6	National literacy program	1,50,000	87,200	58
7	Constitution area development fund	0	0	
	<b>Total</b>	<b>64,81,600</b>	<b>65,63,805</b>	

*Source: VDC Council minute*

FY 2071/072, expenditure is high than the proposed budget, because the national literacy program and constitution area development budget acquire without proposed by council. So that Expenditure made 101%. Likewise, the inclusive budget expenditure is 102%, however the capital budget expenditure is 105%.

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

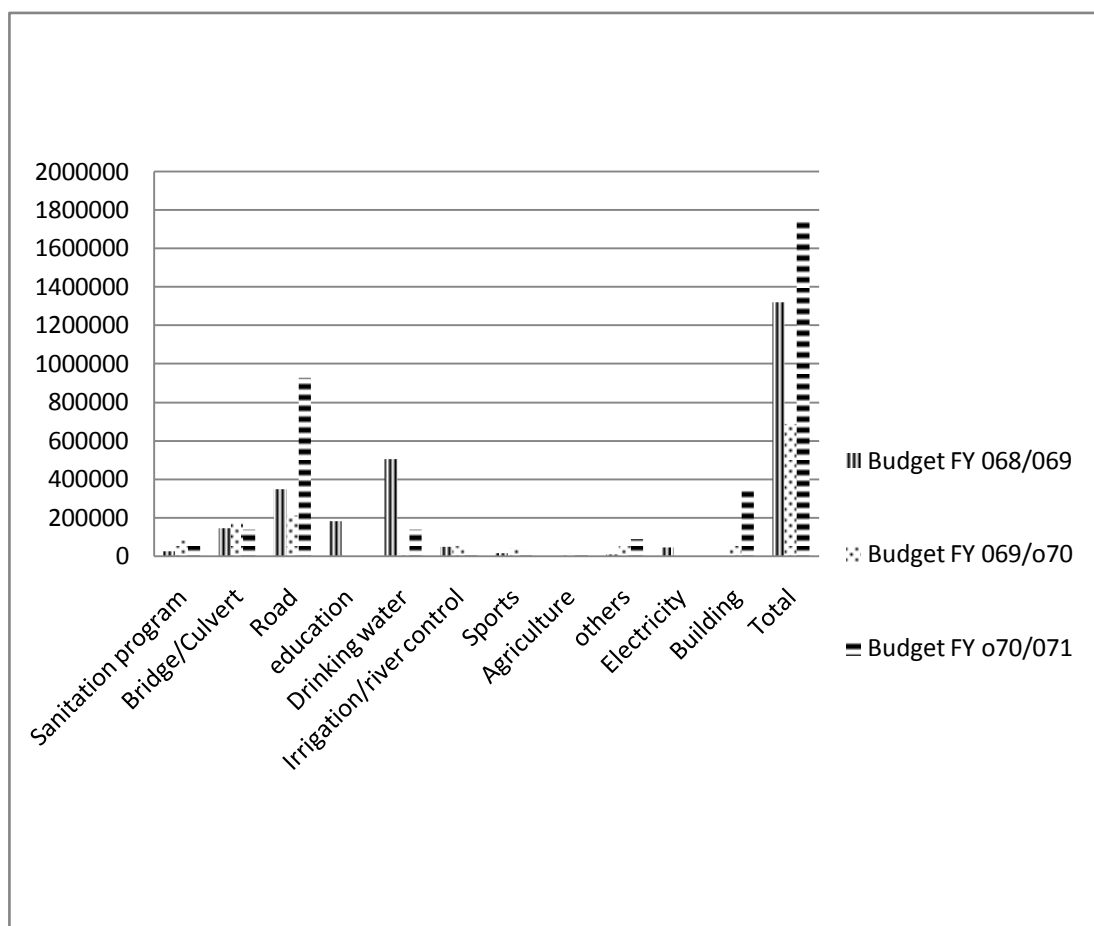
**Table No. 4.27 :Proposed Capital Budget Allocation Trend of FY. 2069/070, 070/071 & 071/072**

S.N	Allocation Head	Budget FY 2069/070	Budget FY 070/071	Budget FY 071/072
1	Sanitation program	10,00,00	75,200	0
2	Bridge/Culvert	0	0	0
3	Road	10,00,000	7,50,000	9,00,000
4	education	4,40,000	5,00,000	0
5	Drinking water	0	50,000	3,70,000
6	Irrigation/river control	4,50,000	4,00,000	3,00,000
7	Sports	0	0	0
8	Agriculture	0	0	0

9	others	1,50,000	1,50,000	25,000
10	Electricity	0	2,00,000	1,00,000
11	Building	50,000	0	0
	<b>Total</b>	<b>21,90,000</b>	<b>21,25,200</b>	<b>16,95,000</b>

Source: VDC Annual Plan Book,

**Figure: 4.5 Difference of capital budget allocation for FY. 2069/070, 070/071 & 071/072**



As per the above mention table no. 4.27, the VDC did not followed the policy of allocating the total fund as spelled out in the guideline which should have been 10% for both women, children and 15% for the disadvantage group. During the research, when VDC was asked about the discrepancies in the allocation of fund for the target group, they had a say that due to unclear policy and difficulty in identifying the focus activity/programme for the target group and due to unavailability of list of activities for the target groups, compelled to divert the fund for other general programme like, road, drinking water, bridge, general toilets which also directly and indirectly benefits the target groups as per their understanding. In the same context, question were also asked

with the target group and as per them most of them also agreed on the VDC plan activities and prioritize the fund to be spend on general plan which would benefit everyone in the community.

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

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

## **CHAPTER-V**

### **CONCLUSION AND RECOMMENDATION**

#### **5.1 Perception of target group**

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

- ✓ Target groups are involved in ward meeting for ward level planning process. VDC office invites them sometime formally or some time informal way. VDC people are very alert to make plan.
- ✓ Target groups are also active for cost sharing and participation in the construction of infrastructure for example women community building construction.
- ✓ There is limited budget for children, but women are reluctant to implement the women targeted budget. They ask for more budgets but when the VDC call for agreement with the women groups, they do not care for agreement to implement the project.
- ✓ The targeted budget is used for Income generation (goat) and for protection of tradition, musical instruments like Panchebaja.
- ✓ If any accidental incident happens to the deprived child, VDC supports to that child for their treatment.
- ✓ There is a provision of educational materials support to excellent students those who are economically weak.
- ✓ There are various good works for children but few young children create pressure at the VDC for money (donation or so called Chanda).

#### **5.2 Major problem of budget preparation and implementation**

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

- a) Devolution of such powers, responsibilities, and means and resources as are required to make the local bodies capable and efficient in local self-governance.
- b) Building and development of institutional mechanism and functional structure in local bodies capable of considering for local people and bearing responsibilities.
- c) Devolution of powers to collect and mobilize such means and resources as are required to discharge the functions, duties, responsibility and accountability conferred to the Local Bodies.
- d) Having the Local Bodies oriented towards establishing the civil society based on democratic process, transparent practice, public accountability, and people's participation, in carrying out the functions devolved on them.
- e) For the purpose of developing local leadership, arrangement of effective mechanism to make the local body accountable to the people in its own areas.
- f) Encouraging the private sector to participate in local self-governance in the task of providing basic services for sustainable development.

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

- a) Since long (BS 2054) local election could not take place in time. So that elected representative in local bodies is vacant. All duty and responsibility should carry out VDC secretary itself. Hence, there is problem to provide service timely.
- b) The size of work is very large compare to number of VDC staffs. In Centre there are 27 ministry, but VDC secretary alone must be perform all ministry related work. However, they are not properly aware these works.
- c) Owing to up to date knowledge and skill of VDC secretary as well as other staffs of VDC, there is problem to delivery effective service. So that they need to capacity development program, such as computer skill, financial management, record keeping, leadership, coordination skill etc.

- d) The number of program demand by ward level is very far above the ground and compare to available resource. So that it is very difficult to select and prioritize the program and budget.
- e) The budget is scattered small unit of project owing to unhealthy political competition. Thus, the real need and demand missing always.
- f) There is exist number of government agency, NGO and INGO and working in different field. Lack of inter-agency coordination, duplication in work.
- g) Almost users committee completes the specific task as contract document. Some of users committee are taking advance money but they do not work accordingly.
- h) Sometime delayed to program start due to unnecessary pressure and unreasonable competition within users of users committee formed.
- i) Quality of completion works has gradually diminished. There is unhealthy competition to select new project than focus to complete previous project.
- j) There is less priority to maintenance and management the complete Project.
- k) There is not properly pursuing the environmental aspect to select project and its implementation process.
- l) Increasing outstanding tax and other liabilities of VDCs.

### **5.3 Major findings**

The major findings of the study listed as follows.

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

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

Development activities are approved on the basis of community demand but the prioritization is made on the basis of the available fund and to some extent interest of



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

#### **5.4 Conclusion**

Local governance Act, 2055 (1999) has commence to make provisions conducive to the enjoyment of the fruits of democracy through the utmost participation of the sovereign people in the process of governance by way of decentralization, service devolve from center to local level, constitute local bodies for the development of the local self-governance system in a manner that they are able to make decisions on the matters affecting the day-to-date needs and lives of the people, by developing local leadership. It has provisioned two level of local governance unit called Districts and Village/Municipality (Village Development Committee/Municipality).

LSGA has described about the local governance policy and principle, structure of local bodies (DDC, VDC and Municipality), function, duty and power of ward committee, village development committee, village council, municipality board, municipality council, District Development committee and its council, function, duty and power of chairman, vice chairman, member of committee, periodic and annual planning process, collect internal resource and its optimum utilization, plan/project implementation process, coordination local level agencies, mobilization of users committee, monitoring and evaluation, audit, abide NPC and government policy etc.

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.

Development means bringing positive change in the life of every citizen of the country. Development is for the people, of the people and by the people. Therefore, without the

involvement of the people in any of the development activities, one will not achieve the required result. The participatory planning requires the broad participation of every development stakeholders. Bottom up planning can be created for the successful local development so that the beneficiaries can fully utilize the fruit of development. There should be close coordination among the stakeholders, line agencies, private sectors including civil societies and all of them should participate in common forum with common agenda so that development could be possible.

### **5.5 Recommendation**

The country with political stability over the period had faced difficult situation to ensure the effectiveness of service delivery to the common people but with the possibility of election held on 31 Baishakh 2074 (13 May 2017), new hope is raised for Nepal's new constitution which is create an environment for better development of the nation. Local development is the development of the nation. If local development programs are disturbed then it will disturb all the planning process of the nation, therefore, political stability is the first and foremost thing in the nation. Keeping in mind the realities and with the present scenario, below recommendation are made.

All stakeholders including the beneficiaries need to understand how the programme works and should feel the ownership. Local bodies should encourage active participation from communities especially the target groups. Budget allocated for the target group should be allocated for appropriate intervention and the target beneficiaries should participate in the project meetings. Local Bodies should approve programme on time. Budget allocated for the target group should be used for the said purpose and should not use for other activities for example fund allocated for children should not be used for teachers' salaries or other developmental activities. There should also be proper mechanism for the monitoring of the fund released for the target group

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

There must be very good coordination between the donor agencies, NGO, INGO and district line agencies for the effectiveness and to avoid any duplication of the program.

Reward and punishment provision should be applied in the local government to avoid corruption. The grants allocated by the government for the development of the local people as well as for the infrastructure as mentioned in the VDC guideline should be seriously follow and should transparently implement the entire program. Local Government should provide opportunity to the targeted groups for participating in plan formulation and implementation process. Moreover, awareness program must be provided for the meaningful participation.

## REFERENCES

- Acharya, B. (2008), *Research Methodology in Sociology/Anthropology* (in Nepali), Kathmandu: National Book Center.
- ADDCN (2013), *An Assessment Study of Local Bodies of Nepal*.
- ADDCN/ UNDP (2010), *an Assessment of the present status of service delivery in Five DDCs in Nepal, a report prepared for UNDP Nepal by ADDCN, Kathmandu Nepal*.
- Baskota, E.J. & Bradshaw, T. (2003), *Planning Local Economic Development: Theory and Practice*, New Delhi, Vistar Publications.
- Baskota, S. (2008), *Research Methodology*, Kathmandu: Quest Publication, Kirtipur.
- Dahal, D.R. (1996), *The Challenges of Good Governance: Decentralization and Development in Nepal*, Center for Governance and Development Studies Kathmandu.
- Expanded Block Grants (EBGs) in Nepal, (2008), *Technical Note on Input to the Strategy for Topping up of Capital Grants to Local Bodies*.
- Government of Nepal, (2008), *Local Governance and Community Development Programme (LGCDDP), Programme Document, Ministry of Local Development*
- Government of Nepal/ Ministry of Federal Affairs and Local Development, (2010), *Local Bodies Resource Mobilization and Management Operation Guideline*.
- His Majesty's Government (1999), "The Local Self Governance Act, 1999", His Majesty's Government/Ministry of Law and Justice Law Book Management Committee, Kathmandu, Nepal.
- Karki, J. (2007), *A Community Based Disaster Coping Strategy*, Nepalese Journal of Development and Rural Studies, Vol. 14, No. 1, Tribhuvan University Central Department of Rural Development.
- Local Governance Community Development Programme (2009), *A brief overview of Minimum Conditions & Performance Measures (MCPM) of Local Bodies of*

Nepal, KhimLalDevkota: Fiscal Decentralization & Public Finance Management Specialist, LGCDP.

National Planning Commission (1998), Yearly Review of Development Program, Kathmandu:

Policy Research and Development Nepal (PRAD Nepal) (2009), A Study on the Design of a formula based Grants System for VDCs and update Grant System DDCs in Nepal.

Shrestha, M. (2008), Community Development in Nepal: Nepalese Journal of Development and Rural Studies, Vol- No. 1, TribhuvanUniversity : Central Department of Rural Development.

UNDP (1998), Community-Based Bio-diversity Conservation, Kathmandu, United Nations Development Program.

UNDP (1998), Nepal Human Development Report, Kathmandu: United Nations Development Program.

World Vision Advocacy Forum (2012), Local Body Grants Expenditure Review and Community Engagement Survey in Five VDCs of Kathmandu District.

National Planning Commission (2014), Three Year Interim Plan, 2014-17.



A. Yes

B. No (if No give reason)

16. Has VDC formed following committee? Please marking which committee is formed in VDC.

a. planning committee

d. plan monitoring committee

b. women development committee

e. children development committee

c. indigenous people development committee

17. Does VDC prepare annual budget and plan with based on VDC profile?

A. Yes

B. No

(if No give reason)

## Annex 2

### Opinion survey question

1. Have you any information at what time VDC organize VDC council meeting?  
A. Yes                      B. No
2. If yes, have you ever participate VDC council meeting?  
A. Yes                      B. No
3. Have you ever participate VDC planning meeting?  
A. Yes                      B. No
4. If yes, have you place your opinion in this planning meeting?  
A. Yes                      B. No (if no give reason)
5. Have you working as any user's committee member?  
A. Yes                      B. No
6. If yes, what work will do this committee?
7. Do you know that VDC should allocates certain percent budget for Women, Children and Disadvantage groups?  
A. Yes                      B.No
8. If yes, how you known about this?
9. Do you know how the VDC expenditures are made?  
A. Yes                      B.No
10. Have you benefited from any program implemented by VDC grants?  
A. Yes                      B.No
11. If yes, let know name of some program?
12. Have you ever participate program monitoring?  
a. Yes                      b.No
13. Can you name any projects that was focused for children, women and disadvantage group?



### Annex 3

#### **Question for focus group discussion**

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

Among the total budget of VDC the portion of VDC grant is 21%, 16% and 24% respectively.