STRATEGIES FOR LOCAL LEVEL PLANNED DEVELOPMENT IN NEPAL: AN EVALUATION OF THE DECENTRALIZATION ACT 1982 FROM THE LOCAL PERSPECTIVE

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Stellingen

1. ‘Simple’ is the catchword for people centred development programmes. Participation of the beneficiaries is essential to define what ‘simple’ means to them.

2. In many cases the ‘development projects’ are used as political tools, therefore the make-ups of the ‘development-show’ are often complex. Because ‘simple’ can make the hidden objectives evident. This thesis.

3. International donors use aid money for political purposes like many receiving nations. What is interesting is that the politics of the former is seen as ‘humanitarian’ while the latter is seen as ‘power-politics’.

4. Development is not a one-man-show, it is a team work.

5. Government usually announces its development policy once it is agreed upon. But the government does not tell what development alternatives were considered, before the policy was decided. So the public cannot give feedback at the policy formulation stage, even if they wanted to.

6. Politics alone can do little for the welfare of everybody, because it is based on division. But ‘politics’ can be used as a scape-goat for everything: achievement/non-achievement, responsive/irresponsive or good intention/bad intention.

7. In the perception of the villagers ‘age’ carries knowledge (by experience) and wisdom. This perception contradicts with the presence of young development workers who wish to teach the village elders how to handle their things.

8. For the extension workers, development practitioners and researchers, rich men of villages are interesting persons who give food and shelter to them when they visit their villages. In their Rapid Rural Appraisal reports the rich men are mentioned as “the rural elites”, and will contain mostly their views on the village situation.

9. The technological advancement of the last few decades has been too fast for the traditional societies to cope with.

10. Nepal is a yam between two stones (King Prithvi Narayan Shah, founder of modern Nepal).

11. It looks as if knowledge also carries unhappiness. I have heard more complaints about the world in Holland than in a Nepali village.

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Glossary

**Acronyms**

ADB/N  | Agriculture Development Bank of Nepal  
APROSC  | Agriculture Project Services Centre  
CBS  | Central Bureau of Statistics  
CDO  | Chief District Officer  
CIRDAP  | Centre on Integrated Rural Development for Asia and the Pacific, Dhaka, Bangladesh  
DADO  | District Agriculture Development Officer  
DDC  | District Development Committee  
DDP  | District Development Plan  
DOI  | Department of Irrigation  
P  | District Panchayat  
PDS  | District Panchayat Secretariat  
DS  | Decentralization Scheme  
DT  | District Treasury  
HES  | Household Expenditure Survey  
HMG/N  | His Majesty's Government of Nepal  
ILO  | International Labour Office  
IRDP  | Integrated Rural Development Project  
LDO  | Local Development Officers  
MPLD  | Ministry of Panchayat and Local Development  
MVW  | Multi-purpose Village Worker (Village Secretary)  
M&E  | Monitoring and Evaluation  
NPC  | National Planning Commission  
PDLT  | Panchayat Development Land Tax  
PDO  | Panchayat Development Officer  
PFC  | Plan Formulation Committees  
PWO  | Public Works Office  
RP  | Rastrriya Panchayat, an unicameral legislative body of the Panchayat System  
SC  | Service Centre  
UNICEF  | United Nations Children's Fund  
VP  | Village Panchayat  
VDC  | Village Development Committee  
WAU  | Wageningen Agricultural University  
W/S  | Water Supply  
ZC  | Zonal Commissioner
Local Terms Used

Afno Manchhe  the concept of having personal connection and network
Badahakim District Chief Officer
Beruju Audit objections on expenditure
Bikash Karyakram development programme
chakari system of an informal mechanism to express loyalty to the seniors to get important positions
Dahattar Bahattar "flooding timber" - timber carried by floods
Janchbujh Kendra a research outfit of the Royal Palace Secretariat
Ilaka Nine political constituencies of DP Members in a district. It was also used for the coverage of Service Centres.
Khola River/streams
Kucho/Amliso Broom
Karya Sampadan Working Procedure
Niyamawali Panchayat worker/leader
Paripatra circular
Pradhan Pancha VP Chairman
Pahad the sub-tropical mid-hill region of Nepal
salami, najrana the system of collecting material tributes from the clients
darshan bhet
Sanu Manchhe or Pakhe Ignorant Man
tarai the low lying tropical plain along the southern part of Nepal
Thulo Manchhe Wise/influential man
Upa Pradhan Pancha VP Vice Chairman
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I remember the day when I received a telex message from Professor Dirk B.W.M. van Dusseldorp. The message said that on his way back home from Jakarta, he would like to stopover in Dhaka, to discuss with me about the research proposal, which I had sent earlier to the Department of Sociology of Rural Development, WAU. It was an exciting moment. A few days later he arrived in Dhaka. Prof. Dusseldorp had a long discussion with me and Dr. Salehuddin Ahmed, and finally he and Dr. Ahmed agreed to guide my research study as promoter and co-promoter respectively. I had thought that it would be difficult to work under two guides from two different continents. To my surprise, however, both of them had very much in common. Intellectually their vision on the local level planned development process was people centred, indigenous and simple in approach rather than a distantly prescribed, complex blue-print model. Both of them were informal, simple, and cheerful. Such a rare combination of both intellectual and personal qualities helped me immensely to maintain a consistent approach. I am very grateful to both of them.

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Durga Prasad Paudyal
Summary

The difficult mountain terrain combined with a poor communication network posed serious problems in planning and monitoring rural development activities when development programmes were started by the newly created and Kathmandu based Ministries and Departments, after the overthrow of the Rana Oligarchy in 1951. A number of efforts were made, particularly during the Panchayat period (1960-90), to develop a self-sustained local level planned development process by strengthening and integrating the local administration and local political organizations. The Decentralization Act 1982 and its By-Laws 1984 (together called the Decentralization Scheme) was one of such steps to decentralize power to the local organizations for the local level planned development (Chapter 1).

The Decentralization Scheme (DS) envisaged that all sectoral activities were initiated at the village level, with technical support from the Service Centres located at nine Ilakas (political constituencies) at the sub-district levels. Five different Plan Formulation Committees at the district level consisting of District Panchayat (DP) members and subject matter specialists of the line agencies examined the technical aspects of proposals and submitted them, first, before the District Panchayat, and then to the District Assembly for approval. They were then sent to the respective Ministries and the National Planning Commission (NPC) for inclusion in the programme and budget of the following year (Chapter 4).

In order to understand such a complex institutional interaction, the study adopted a case study approach in which 1 District Panchayat (DP), 3 Village Panchayats (VPs) and 2 projects were separately studied. But for the analysis the three level of case studies were embedded into the district level case study, as the main focal point. Moreover, for the analysis of the dynamics of the District Development Plan (DDP) formulation and implementation, some hypotheses and research questions were made in order
to test during the course of the study. At the macro level, an 'opinion survey' of the policy planners was conducted as a part of the macro level study, to understand their interpretation on the issues examined at the local level (Chapter 3).

The findings of the field study, presented in Chapter 5 and 6, were analyzed in Chapter 7. The analysis was based on the conceptual framework of stages of planned development (elaborated in Chapter 2, in which also concepts on decentralization, coordination, participation and struggle of scarce resources were discussed) and on the basis of hypotheses and research questions. It was found that there was neither an appropriate mixture of devolution of decision making power to the local level political bodies and deconcentration of administrative authorities to the district level public offices nor was there the partnership between local and national level actors to encourage local initiatives, as envisaged by the DS.

In the local level political organizations, local elites were mainly elected under the administrative protection and financial support of the national government as the so called "government candidate". Usually, they expressed their economic and political interest through "development projects". The projects were collected from the Ward Committees in the form of 'shopping list' and included in the Village Development Plan by the Village Assembly and finally, aggregated in the District Development Plan (DDP) by the District Assembly with the condition "to be implemented on the basis of technical feasibility and resource availability". Short listing of projects for feasibility studies was made mainly by the District Panchayat Chairman, in which political consideration played an important role. The short listed projects were often designed by the DP employed sub-overseers, in stead of the Public Works Office which was a 'section' of the Local Development Officer (LDO). In many cases the feasibility studies were only made in order to follow the administrative and financial procedures of projects. The project designs and their appraisal were seldom made on the basis of reliable data and thorough fieldwork.

There were three stages of approval: first, to include all projects in the DDP in order to obtain fund for carrying out feasibility studies, second, to include the "feasible" projects in the DDP (and send the DDP to the ministries for inclusion in the national plan and budget), and third, to include the approved projects in the current year's programme for budget release.
Consequently, annual plans' required nearly three years to reach the implementation stage. Moreover, the concept of aggregating district plans into the national plan and budget was used for "approval" of district plans by the national level authorities.

Local development projects were supposed to be implemented through the Users Committee. Provision was made that the Users Committee would be elected by the project beneficiaries. But it was amended when the national level leaders apprehended that anti-Panchayat members could be elected in the Users Committee. In the changed version the local political leaders (ward and Village Panchayat chairman) were the ex-officio chairman of the Users Committee.

The DS had envisaged an integrated local administration under the coordination of the Local Development Officer (LDO). But due to lack of deconcentration of authorities at the local level the sectoral offices were depending on their head offices for the final administrative decisions. The ministries and their local offices did not trust the LDO as their administrative link with the local level. Moreover, the conceptual ambiguity of the matrix of the sectoral offices with vertical accountability at one hand and horizontal coordination at the other led to serious problems of coordination at the local level in all stages of planned development.

Poorly constructed projects and even incomplete projects were certified and handed over to the Users Committee for maintenance and operation. But due to extensive institutional arrangements of the DS the village tradition of mutual help was diminished, and as the institutions created for project maintenance by the DS were not working, the aftermath of projects was often chaos.

The existing arrangements of monitoring and evaluation were very weak and gave little idea on what was happening at the project level. Due to the lack of evaluation of projects or programmes, there was no way to learn from the past experiences.

The above analysis shows that the achievement of the DS was far short of expectation. It was found that although a number of methods and approaches was unrealistic and inapplicable at the local situation, they were maintained, at least in the files, as prescribed in the DS procedure. It indicates
that extensive institutional arrangements and procedural formalities were no more than a "window dressing" for the international community and aid donors for obtaining their continuous support.

At the national level maintenance of the status quo was the real objective of the national government. Therefore wider changes in the existing power structure were not permitted. Moreover, the formal structure and procedures under the constitution had marginally effected the actual conduct, which was informally centralized in the Royal Palace. The national level bureaucracy, which had been developed under a century old feudal tradition, was unable to internalize the implications of the principles of the decentralization as a way of life.

The study concludes that changes and innovations within the Panchayat System were only allowed to the extent that it did not alter the existing power structure. But such changes were needed in the DS which envisaged a wide range of restructuring in the existing power structure. Moreover, the concept of area specific development contradicted with the centrally prescribed extensive institutional and procedural arrangements. The bureaucracy was used for the political purposes which led to corruption within the bureaucracy and made the existing quality control mechanism of development affairs ineffective. Consequently there was very little insight on what was happening in the development process and no learning took place of the past experience. The study suggests that learning from the past experience should be an important element of future local level planned development in Nepal.
Samenvatting

Het moeilijk begaanbare berglandschap in combinatie met een slecht communicatienetwerk vormt een ernstig probleem bij de planning en de monitoring van rurale ontwikkelingsactiviteiten vanaf het moment dat ontwikkelingsprogramma's werden gestart door de nieuw gecreëerde en in Kathmandu gestationeerde ministeries en departementen na de omverwerping van de Rana-Oligarchy in 1951. Vele inspanningen, in het bijzonder tijdens de Panchayat periode (1960-1990) kwamen tot stand door een zichzelf ondersteunend, lokaal gepland ontwikkelingsproces waarbij de lokale overheden en politieke organisaties geïntegreerd en versterkt werden. Het Decentralization Scheme, dat bestaat uit de Decentralization Act van 1982 en aanvullende wetten van 1984, was een van de stappen om bevoegdheden te decentraliseren naar lokale organisaties, ten gunste van geplande ontwikkelingen op het lokale niveau (Hoofdstuk 1).

Het Decentralization Scheme (DS) voorziet dat alle sectorale activiteiten die op dorps-niveau worden geïnitieerd, door technische assistentie van service centra, die gevestigd zijn bij negen Ilakas (politieke staatsinstellingen) op het sub-districts niveau, worden ondersteund. Vijf verschillende Plan Formulation Commitees op districts-niveau, die opgebouwd zijn uit District Panchayat (DP) leden en vakspecialisten van lijnorganisaties, onderzoeken de technische aspecten van voorstellen. Deze voorstellen worden eerst aan de District Panchayat en vervolgens aan de District Assembly voorgelegd voor goedkeuring. Daarna worden de voorstellen toegezonden aan de betreffende ministeries en de Nationale Planning Commission (NPC), zodat deze opgenomen kunnen worden in het programma en budget van het komende jaar (Hoofdstuk 4).

Om de complexe institutionele interactie te begrijpen, is in dit onderzoek een case-studie opgenomen waarin een District Panchayat (DP), drie Village Panchayats (VPs) en twee projecten gescheiden van elkaar zijn onderzocht. De analyse van de drie onderzochte niveau's is ingebed in een gevalsstudie van het Districts-niveau. Deze gevalsstudie is het middelpunt van dit onderzoek. Bovendien zijn voor de analyse van de dynamiek bij formulering en implementatie van het District Ontwikkelings Plan (DDP) een
aantal hypotheses en onderzoeksvragen opgesteld die tijdens het verloop van de studie werden onderzocht. Als onderdeel van de studie op macro-niveau werd een opiniepeiling uitgevoerd onder beleidsplanners, om zo inzicht te krijgen in hun interpretatie van het ontwikkelingsproces op lokaal niveau (Hoofdstuk 3).

De resultaten van de veldstudie worden gepresenteerd in hoofdstuk 5 en 6 en geanalyseerd in hoofdstuk 7. De analyse is gebaseerd op zowel een conceptueel raamwerk van stadia van geplande ontwikkeling als op de hypotheses en onderzoeksvragen. In hoofdstuk 2 wordt het conceptuele raamwerk voor geplande ontwikkeling, naast concepten als decentralisatie, coördinatie, participatie en strijd om de schaarse middelen, verder uitgewerkt. Er werd geen geschikte mix van decentralisatie van beslissingsbevoegdheden ten gunste van zowel politieke organisaties op lokale niveau als deconcentratie van administrerende autoriteiten ten gunste van openbare kantoren op districts-niveau aangetroffen. Tevens ontbrak het aan samenwerking tussen actoren op lokaal en op nationaal niveau om lokale initiatieven te stimuleren. Deze waren wel voorzien door de DS.

Bij politieke organisaties op lokaal niveau, werden de lokale elites hoofdzakelijk gekozen met behulp van de administratieve bescherming en de financiële ondersteuning van de nationale overheid, de zogenaamde "government candidate". Gewoonlijk drukten zij hun politieke en economische belangen uit door middel van Ontwikkelingsprojecten. De projecten werden verzameld door de Ward Committees in de vorm van boodschappen lijsten en in het Village Development Plan, doord de Village Assembly opgenomen en uiteindelijk verenigd in het Districts Development Plan (DDP) door de Districts Assembly op voorwaarde dat implementatie zou plaatsvinden op basis van technische haalbaarheid en de beschikbaarheid van hulpbronnen. Een korte inventarisatie van projecten ten behoeve van haalbaarheidsstudies werden hoofdzakelijk gemaakt door de voorzitter van de District Panchayat, waarbij politieke afwegingen een grote rol speelden. De kort geïnventariseerde projecten waren vaak ontworpen door de door DP aangestelde onderopzichters in plaats van door het bureau publieke werken, dat een onderdeel vormt van de Local Development Officer (LDO). In veel gevallen werden de haalbaarheidsstudies alleen gemaakt om de financiële en administratieve procedures van een project te volgen. De projectontwerpen en evaluaties werden zelden gemaakt op basis van betrouwbare data en grondig veldonderzoek.
Er zijn drie stadia waarop toestemming voor voortzetting van het project verkregen moest worden: als eerste de opname van het project in het DDP. Hierdoor konden vanuit het DDP fondsen beschikbaar gesteld worden voor haalbaarheidsstudies. Het tweede stadium was de opname van de haalbare projecten in het DDP, waarna het DDP naar de ministeries werd gestuurd om opgenomen te worden in het nationale plan en de jaarlijkse begroting. In het derde stadium werden de goedkeurde projecten in het programma van het komende jaar budgettair vrijgegeven.

Consequentie van deze handelswijze is dat jaar plannen bijna drie jaar nodig hadden om de implementatie fase te bereiken. Bovendien werd het concept van aggregatie van districtsplannen tot een nationaal- en budgetplan gebruikt voor het verkrijgen van toestemming van nationale autoriteiten voor districtsplannen. Er werd verondersteld dat lokale ontwikkelingsprojecten geëxploiteerd zouden worden door het gebruikerscomité.

Er was bepaald dat het gebruikerscomité gekozen zou worden door degene die door het project begunstigd zouden worden. Maar dit werd geamendeerd toen leiders op nationaal niveau begrepen dat anti-Panchayat leden zouden kunnen worden gekozen in het gebruikerscomité. In de gewijzigde versie werden de lokale politieke leiders (afdelings- en dorpsraad voorzitter) de ex-officio voorzitters van het gebruikerscomité.

De DS had voorzien in een geïntegreerde lokale administratie onder het coördinerende gezag van de Lokale Development Officer (LDO). Maar door een gebrek aan deconcentratie van autoriteiten op het lokale niveau, werden de sectorkantoren afhankelijk van hun hoofdkantoren ten aanzien van administratieve eindbeslissingen. De ministeries en hun lokale kantoren vertrouwden de LDO niet als hun administratieve verbinding met het lokale niveau. Bovendien gaf de conceptuele matrix met sectorkantoren met verticale verantwoordelijkheden aan de ene kant en horizontale coördinatie (van die sectorkantoren) aan de andere kant een dubbelzinnigheid die aanleiding gaven tot serieuze coördinatieproblemen op het lokale niveau in alle stadia van de geplande ontwikkeling.

Slecht geconstrueerde projecten en zelfs incomplete projecten werden schriftelijk goedgekeurd en overgegeven aan het gebruikerscomité voor gebruik en beheer. Maar ten gevolge van uitgebreide institutionele regelingen vastgelegd in het DS werden dorpstradities van wederzijdse hulp
verzwakt. De instituties die door de DS gecreëerd werden voor project beheer functioneerden niet. De nasleep van de projecten werd vaak een chaos.

De bestaande maatregelen voor monitoring en evaluatie waren erg zwak, zij gaven weinig aanleiding tot een goed inzicht in de stand van zaken op het project. Ten gevolge van het gebrek aan evaluatie van projecten en programma's was er geen mogelijkheid te leren van de opgedane ervaringen.

De bovenstaande analyse laat zien dat de resultaten van de DS ver achterbleven bij de verwachtingen. Tevens waren een aantal methoden en benaderingen onrealistisch en niet toepasbaar op de lokale situatie. Deze methoden en benaderingen werden in de dossiers op papier nagevolgd zoals dat voorgeschreven werd in de DS procedure. Dit maakt duidelijk dat extensieve institutionele regelingen en procedurele formaliteiten niet meer dan 'window dressing' was om een continue ondersteuning van de internationale gemeenschap van en donors te garanderen.

Op nationaal niveau was handhaving van de status quo het werkelijke doel van de overheid. Om die reden werden grotere wijzigingen in de bestaande machtsstructuur niet toegestaan. Bovendien hadden de formele structuur en procedures marginale effecten op de actuele leiding, die informeel was gecentraliseerd in het koninklijk paleis. De bureaucratie op nationaal niveau, die zijn ontstaansgeschiedenis had in een eeuwen oude feodale traditie, was niet instaat om de principes en de implicaties van decentralisatie als een manier van handelen te verinnerijken.

Uit het onderzoek kan de conclusie getrokken worden dat veranderingen en innovaties in het Panchayat systeem werden toegestaan op voorwaarde dat de bestaande machtsrelaties gehandhaafd bleven. Maar zulke veranderingen waren nodig in de DS, omdat het voorzag in een ruime herstructurering van de bestaande machtsstructuur. Bovendien was het concept van gebieds-pecifieke ontwikkeling in tegenspraak met de centraal voorgeschreven extensieve institutionele en procedurele regelingen. De bureaucratie werd gebruikt voor politieke doeleinden dit resulteerde in corruptie binnen de bureaucratie. Tevens bleken de bestaande kwalitatieve controle-mechanismen van ontwikkelingszaken niet effectief te werken. Consequentie hiervan is dat enerzijds weinig duidelijkheid bestond over de situatie in het ontwikkelingsproces en dat anderzijds weinig lering werd getrokken uit het verleden. Het onderzoek stelt vast dat het leren van ervaringen een belangrijk element moet zijn voor de toekomstige geplande ontwikkelingen op lokaal niveau in Nepal.
CHAPTER 1

BACKGROUND

1.1 Introduction

It is more and more accepted that for a significant and sustainable rural development, the people, who are expected to be beneficiaries of rural development programmes, have to be included in the planned development process. The programmes will then be more relevant to local conditions and needs. People would also be more deeply committed to projects, they are involved in the planned development process and contribute their labour willingly to sustain them. Local level planned development is regarded as a tool for facilitating popular participation in the development process through local level organizations.

These views are especially relevant in the Nepalese context where the difficult mountainous terrain with a poor communication network and a great variety of agro-eco-socio and cultural differentiations posed a serious problem in planning and monitoring of rural development activities by the central level authorities in Kathmandu. A number of efforts was made throughout the Panchayat period (1960-90) to overcome these constraints by evolving an integrated District Development Plan (DDP), with the active involvement of the government bureaucracy and the local political organizations. This study has tried to address how one such effort namely the Decentralization Act 1982, functioned at the local level (referring to district, sub-district and village level).

1.1.1 Geographical, economic and historical context

Nepal is a land-locked country situated between India and the Tibetan Plateau of China. The country consists of a land area of about 147,181 sq. km., of which the cultivated land accounts for 22 percent, forest area for 29 percent, barren land for 18 percent, land under perpetual snow for 15 percent, pasture for 13 percent and water bodies for 3 percent (Paudyal SR
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1988). The physical setting of Nepal encompassing the plain or *tarai* in the south, hills in the middle and mountains in the north, yield three broad geographical regions, each with its own distinctive environment. The *tarai* region, including the inner *tarai*, is the low lying tropical plain along the southern part of the country, which has great economic importance because of its rich forest and agricultural resources. Its comparative advantage in transportation and consequent industrialization has further enhanced the region's growth potential. The hill or *Pahad* region, traversing the subtropical belt, has been the traditional population zone of the country. Subsistence agriculture is the basis of the hill economy with considerable pressure of population on land resources. The Himalayan or the mountain region, including the temperate highlands and trans-Himalayan mountain Bhotia valleys, has been a marginal area for human occupation due to harsh environmental conditions. Population is sparse and the main economic activities are barter trade and pastoralism with some agriculture (Gurung 1984: 15).

Economically, Nepal ranks among the poorest countries in the world, with a per capita GDP of US$180 per annum in 1991 (World Bank 1993). The National Planning Commission (NPC) estimated that 42.5 percent of its 17.5 million population are below the poverty line as defined by NPC. Between 1975/76 and 1985/86, food grain production increased by only 1.5 percent per year, while population was growing at the rate of 2.5 percent per year. Consequently, per capita food availability fell from 92 percent of total requirement in 1976 to between 80-85 percent in 1989 (World Bank 1989: ix).

Historically, Nepal had been divided into numerous small principalities, which were unified into modern Nepal by the late King Prithvi Narayan Saha in 1769 A.D. In the successive territorial expansion drives, Nepal suffered a severe defeat from British India. The treaty of Sugauli, contracted in 1816 after the war with British India, obliged Nepal to relinquish all her acquisitions west of the Mahakali river and east of the Mechi river and Nepal was forbidden to have direct communications with any western power except Great Britain (Blaikie et al. 1980: 31).

In 1846, Jang Bahadur Rana seized power from the monarchy, and institutionalized the most senior civil and military positions, including the office of the Prime Minister, as hereditary posts, determined by the "rule of succession". The position of the king was "...reduced not only to a figure head, whose writ did not run beyond the palace compound, but also an honourable and highly esteemed prisoner in his own palace at the command
of his own Maharajah Prime Minister" (Shrestha 1989: 226). With full support from British India, the Rana Oligarchy kept the country virtually in isolation from the rest of the world for over a century.

In 1951 when the popular revolt overthrew the Rana Oligarchy, there was virtually no sign of development by any standard be it infrastructural, social or economic. In the whole of Nepal in 1951, there were about 300 graduates from the university, about 300 students enrolled at college level and about 1215 students at high school level (Stiller and Yadav 1979: 24-25). Panday comments, "The desired departure from the Rana era of isolation and stagnation required the support of a public administration system that did not exist in the country beyond the essentials of the law and order maintenance function. This was in contrast to the institutional infrastructure inherited by Nepal's neighbours in the region from British rule at about the same time" (Panday 1989: 315).

From 1951 - 58, the country was governed by an Interim Constitution. During this period greater attention was given to the introduction of a democratic constitution. In 1958, a constitution was introduced which followed the British Parliament model, while maintaining a power balance between the King and the Parliament. Based on the new constitution a general election was held in 1959, in which the Nepali Congress won the majority of the seats in the parliament and formed the government. However, eighteen months later, in 1960, the late King Mahendra dissolved Parliament and suspended the constitution, with the argument that the democratically elected government misused power and resources, posed a threat to national unity, and above all had attempted economic programmes without scientifically examining their viability (Sharma 1993: 21).

After dismantling the parliamentary structure King Mahendra introduced the Panchayat System which, he argued, was the suitable alternative model for Nepal because of its traditional roots in the society. The Panchayat System evolved from the grass roots level and was supposed to be capable of creating a 'democratic, just and exploitation free' society.

Under the Panchayat System, the country was reorganized into five development regions, fourteen zones and seventy five districts (Map 1).

Since decentralization was one of the guiding principles of the Panchayat System, several Acts such as the Local Administration Act 1965, the Local Administration Act 1971, the District Administration Plan 1974, the Integrated Panchayat Development Design 1978, and the Decentralization Act 1982, were taken in order to devolve power to the
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district level and to undertake local level development activities under the coordination of the District Panchayat.

During the Panchayat period (1960-1990) the integrated district development planning approach gradually evolved and was legislated by the Decentralization Act 1982. The Act stipulated that all sectoral activities were to be initiated at the village level, with technical support from Service Centres located at sub-district level. Five different Plan Formulation Committees (PFC) at district level consisting of District Panchayat members and subject matter specialists of the line agencies, examined the technical aspects of the proposals and placed them, first before the District Panchayat and then before the District Assembly for approval. Subsequently, they were sent to the respective Ministries and the National Planning Commission (NPC) for inclusion in the following year's programme and budget.

In spite of the measures mentioned above, the implementation of those development plans during the Panchayat period remained poor. Three interrelated problems seem to have attributed to unsatisfactory plan implementation. First, the political problem, which originated from the partyless character of the Panchayat System itself. The Panchayat System did not allow any political party to represent different class interests. Second, to implement the proposed plans a responsive and innovative administrative machinery was needed which was lacking in the contemporary public administration. Third, programmatic inconsistencies, which originated from the lack of proper inter-connections between policies and programmes of various implementing agencies, resulted in serious communication gaps during implementation.

In 1990, the Panchayat System was overthrown by a popular uprising with the allegation that the System benefitted only a certain group of people. Apart from the Panchayat System, the public administration of Nepal, with its bottlenecks and constraints, was also responsible for the country's weak development performance. The subsequent government, formed by the elected political parties in 1991, who held the majority of seats in the parliament, designed new development strategies both at macro and at micro level. However, in identifying new development strategies it would have been necessary to recognize the shortcomings of the administrative system which has a leading role in plan implementation. The local level institutions, particularly at the district level, had to be strengthened in order to make them competent enough to assume the delegated authority and generate self sustained development. However, it appears that no clear thought had been given as to how this was to be achieved, taking into account the failures of
past local level planned development strategies to realize the desired goals. One of the reasons may be the lack of information available to planners due to the paucity of studies investigating the reasons for such failures. The present study attempts to fill this gap. It is hoped that the findings of this study will help planners to pinpoint the weakness of the past system, and offer guidelines to correct them in future.

1.2 Objectives of the Study

The general objective of this study is to evaluate the local level planned development process of Nepal under the Decentralization Act 1982. In order to achieve this general objective, the study has the following specific objectives.

i) To examine the policy and institutional arrangements of local level planned development.

ii) To examine the procedures involved in designing the District Development Plan (DDP).

iii) To analyze the capacity of the local level development mechanism to achieve broader goals such as participatory and sustainable development at the local level.

1.3 Scope of the Study

i) The study has focused on the Decentralization Act 1982 and its By-Laws of 1984 (which together is referred as the Decentralization Scheme). This study has covered a period of five years (1986-90), in which the Decentralization Scheme was implemented.

ii) In this study the district was seen as the main convergent point of top-down and bottom-up ideas at the local level in Nepal. Therefore, the district level planned development process in which different sectors were combined into an integrated planning document, called the District Development Plan (DDP) is examined.

iii) In order to make the analysis more specific the study has focused on projects under local development sector which were normally
undertaken by the District Panchayat Secretariat such as village drinking water supply, small scale irrigation, minor roads/trails repairs etc.

iv) Below the district level there were two types of institutions namely Village Panchayats in rural areas and Town Panchayats in urban areas. This study has focused only on rural areas.

1.4 Structure of the Book

This book is divided into eight Chapters. Chapter 1 begins with a brief introduction of the country, identifies the context of the problem, and sets out the objectives and scope of this study.

In Chapter 2 the literature on planned development is reviewed and a conceptual framework for local level planned development is established. In Chapter 3 the research approach and methodology applied for this study are described. In Chapter 4 an outline is given of the institutional framework and planned development procedures laid down in the Decentralization Act 1982 and its By-laws 1984. In Chapter 5 the meso, micro, and project level findings are presented. Two project level case studies e.g. an irrigation project and a drinking water supply project, are also presented in this Chapter. The findings of the opinion survey of the policy planners are presented in Chapter 6. This is followed in Chapter 7 by an assessment of the strategies of local level planned development of Nepal. Finally the future prospects are presented in Chapter 8.
CHAPTER 2

THEORETICAL AND CONCEPTUAL FRAMEWORK OF LOCAL LEVEL PLANNED DEVELOPMENT

2.1 Introduction

In Nepal, the tradition of planning and management of development programmes through the Ministries and Departments was started only after 1951. There was no system of budgeting until then. To run the country was a family affair. There were some development activities in the pre-1951 period, but they were purely on the personal initiatives of individual Rana Prime Ministers.

After 1951, a number of attempts was made for planned development, starting from a specific programme such as the Trivuban Village Development Programme in 1952, to the larger national level medium term plans (covering a period of 3 to 5 years) from 1956 onwards. Since Nepal did not have the experience and expertise in planning and management of economic plans and policies the outside experts played an important role. Consequently, the priorities of the medium term plans were "...dictated by the prevailing trend rather than the country's need" (Gurung 1984: 292). In order to understand the theoretical background of the concepts and development models applied in Nepal, one has to look into the theoretical discourse of the prevailing literature. Bearing this point in mind, this Chapter has attempted to review the contemporary literature on the concepts of planned development.

It should be noted here that the term 'economic planning' has been used in this Chapter in its widely accepted meaning of macro level economic policies, while 'planned development' has been used in the sense of planning of development as a process. The literature review has been selective, keeping in view its relevance for the issues to be examined in this study. The experience of Nepal is referred to only in relevant places. A detail analytical discussion on the Nepalese case will be presented in Chapter 7.
2.2 Historical Perspective of Economic Planning

Classical economists assumed that with certain minimal functions of the government such as maintenance of law and order, a freely operating market system would achieve social well-being through the individual pursuit of self-interest. Modern welfare economists also emphasized a perfectly competitive market mechanism for efficient distribution of scarce resources. It was only in the Soviet Union that central economic planning was used since 1930 as the main tool for the allocation of scarce resources. After World War II, even those countries that did not follow the Soviet model of a centrally planned economy, introduced economic planning for allocation of resources, as a pragmatic response to the immediate post war situation, when the task of reconstruction required considerable government intervention.

The literature on the problems of economic backwardness during the pre World War II period, written mostly by social anthropologists, colonial administrators and philosophers, was extensive. Ranade, a renowned national thinker of India, argued for state intervention and the need for "protection from foreign competition" to foster industrialization. Ranade believed that development was a matter of pursuing appropriate state policies which an administrator could not discharge (Chakravarty 1990: 2-3). However, economic planning as a distinct sub-discipline of development economics, emerged after World War II.

Economic planning could be broadly classified into two categories, namely indicative planning and imperative planning. Indicative planning was mostly used in the market economies to complement the market uncertainties in order to achieve faster and more stable economic growth. It contained a targeted rate of growth for the economy as a whole, for a specified future time period and a consistent set of macro economic forecasts and targets. Imperative planning on the other hand, was a fully state administered and centrally directed socialist type of planning, which was to function within the hierarchial framework of state apparatus (Turner and Collis 1977).

Most writers on development planning such as Arthur Lewis, Jan Tinbergen and others suggested that planning should start with a perspective plan, which embodies an assessment of the country's long term development outlook; a medium term plan, which was more detailed than the perspective plan; and the annual plan, the character and the direction of which was determined by the medium term plan. However, a greater part of the literature on development planning techniques as well as most of the planners' time and interest was concerned with medium term plans (Waterston 1972: 84).
Usually, the medium term plans were developed using an economic model, in which a series of estimates on the effects of growth of various factors of production was tested to determine their compatibility to the overall targets, their consistency with each other and their availability within the available resources. When the aggregate model had been prepared and agreed upon by the relevant authorities, the overall targets were "disaggregated" into interrelated sectoral and regional plans, with a consistent set of growth, investment, input and output targets.

2.2.1 Planned development in the socialist countries

In Eastern Europe and the Soviet Union where the Marxist-Leninist System prevailed, the Communist Party had established complete control over economic policies, gradually turning the system into a totalitarian one. The system had two common features: first, the strengthening of vertical organizational structures and communication links, and second, the destruction of all horizontal structures and links that could not be subjected to control by the vertical elements. Lower level institutions became merely the smaller replicas of central institutions. Communication moved mainly from the bureaucratic top down channels. Private and voluntary entities, being independent of (and hence potentially subversive to) this structure, were abolished, as were independent organizations that might have mediated between the party, state and individual citizens (Starr 1991: 66).

The total activities of the government were reflected in the planning document, which was prepared centrally and disaggregated down the line, for implementation. The starting point of the planning exercise was to set up the gross output targets for the officially defined "priority" goods (Turner and Collis 1977: 27). The planning exercise was also combined with the time horizons, such as 15-20 years perspective or long term planning, which was primarily concerned with long term problems of macro level structural change; 3-5 years medium term planning, basically concerned with investment decisions; and yearly short term operational planning, outlining the detailed planning of production targets and allocation of resources (UNITAR 1980).

However, the recent developments in the socialist countries of the Eastern Europe including the Soviet Union, do underline the limits of highly detailed central planning and control in a rapidly changing environment. There was a massive retreat throughout the socialist world from the near complete state ownership of the means of production and the system of planning in which details of investment, production, pricing and distribution decisions of individual enterprises were to be determined by the central
authority. Even though the socialist countries succeeded in eliminating abject poverty at a reasonably rapid rate, they were unable to sustain high overall growth, ensure efficiency, and adapt to changing technology and market conditions. This led almost all the socialist countries to experiment with various ways of loosening the centralized bureaucratic control and move to more decentralized forms of decision making in economic matters, mediated through market as an institutional device, and evolving a system of incentives to encourage more efficient utilization of resources (Vaidyanathan 1990).

2.2.2 Planned development in the developing countries

With the success of the liberation movements of many developing countries, economic development was given top priority for state action. After centuries of exploitation, the majority of the population was trapped in the "vicious cycle of poverty" which required specific, powerful and coordinated efforts to break the cycle.

The economic development models of the early 50s were based on the Lewisian model of industrialization-led-growth. Massive public investments in infrastructure and basic industries were considered necessary to facilitate the growth of the private sector and set the country on the road of rapid development. The model assumed that the surplus generated by the industrial sector, would trickle down to the rural areas, and reduce the backlog of rural surplus labour in the industrial sector through the stimulus of a marginally higher wage rate (Saith 1990: 201). It was also believed that the linkage effect of the industries would encourage the growth of other service industries, which would further increase employment opportunities and income. Agricultural sector would benefit as a result of the growing demand for food by the industrial labour (Yogo 1985: 2).

In Nepal, medium term economic plans were prepared from mid-50s in which various policies were adopted to create the required economic climate for industrialization. Such policies included the expansion of transport and power facilities, the establishment of Nepal Industrial Development Corporation (1959) to provide financial assistance to the public initiatives for the establishment of large scale industries e.g. sugar, cigarettes, leather processing etc.. Another policy adopted to encourage the establishment of medium and small scale industries in a specific location was the concept of "industrial estates", in which infrastructure facilities necessary for small and medium scale industries were provided by the public sector. This policy was to counter the concentration of large scale industries in cities (e.g. Kathmandu, Biratnagar, Birganj etc.) or areas (e.g. Tarai, and
Local Level Planned Development

Kathmandu valley). It was also assumed that in the early stage of industrialization, the initial establishment of major industries by the public sector in certain areas would lead to the convergence of industries and other economic activities at these nucleus centres (Gurung 1984: 12).

2.3 Failure of Development Models

2.3.1 Institutional malfunctioning

Questions were raised however, on both the assumptions and on the effect of the Lewisian growth model. It was pointed out that the model had failed, even when the pace of industrialization had been rapid, to absorb the rural labour at a rate high enough to move the economy rapidly towards the notional "turning point" where the "trickle down" begins (Saith 1990: 201). It was also felt that the differences of protection between industry and agriculture reflected the judgement that the agricultural sector had to be sacrificed to raise funds for the development of industry. This impeded the functioning of the market mechanism, as there was slow internal growth of demand while industries were externally non-competitive. Consequently there was a considerable increase in unemployment and income disparities (Yogo 1985: 3). Moreover, the requirement of massive amount of capital was largely obtained by external aid, as domestic savings, which had to come mainly from the rural areas, were greatly diminished. However, external aid, both in terms of resources and transfer of technology, failed to bridge the foreign exchange gap, leading to further dependence on foreign resources (Haque et al. 1977: 11).

Many of the critiques of the development models of the 50s had a notion of market failure as the pervasive feature in the so called backward economies, whereas those with a Marxist orientation stressed more on the institutional malfunctioning of backward countries and the way they affected the generation and distribution of economic surplus (Chakravarty 1990: 27).

Myrdal concluded that in the South Asian countries, the prevailing attitudes and patterns of individual performance in life and at work such as:
- low level of work discipline;
- superstitious beliefs and irrational outlook;
- practice of manual work;
- submissiveness to authority and exploitation;
- low aptitude for cooperation;
- low standards of personal hygiene etc.
were the bottlenecks of development. He also pointed out a number of unfavourable institutional conditions for economic development viz.:
- land tenure system impeding to agricultural growth;
- undeveloped institutions for enterprise, employment, trade and credit;
- imperfections in the authority of government agencies;
- instability and low effectiveness in national politics;
- low standards of efficiency and integrity in public administration;
- ineffective organs for provincial and local self government, and
- a weak infrastructure of voluntary organizations.

All these attitudinal and institutional debilities together constituted those national communities as "soft states", referring to a low degree of social discipline and integrity of purpose (Myrdal 1968: 1862-63).

Others felt that the failure of the development strategies, particularly in the South Asian sub-continent was due to the inefficient response of the huge centralized bureaucracy which was created to manage the increasing role of the state in the developmental field and which over time became rigid, costly and insufficiently responsive to its social responsibilities. The consequences of widespread corruption, both administrative and political, generated by the vast discretionary powers vested in the state functionaries over the access to and the use of facilities and resources in the system were also a cause for serious concern (Vaidyanathan 1990: 1389).

In Nepal, the most important bottlenecks of development were low level of literacy, a poor communication network and a centuries old bureaucracy lacking experience and expertise in development work. Moreover, due to the lack of knowledge of the socio-economic situation at both macro and micro level, the urban based officials were unfamiliar with the realities of their own country. Consequently, early attempts at development were of more 'foreign consultant guided' (Stiller and Yadav 1979: 41-46).

Myrdal's suggestion to make a drastic change in attitudes and institutions was therefore valid if those barriers to development had to be broken down. He said:

The government had to be determined to change the prevailing attitudes and institutions and had to have the courage to take the necessary steps and accept their consequences. Those would include the effective abolition of caste, prescribed by the constitution, and measures, accepted in principle, that would increase mobility and equality, such as effective land reform and tenancy legislation; a rational policy for animal husbandry,
even if it required the killing of many half-starved cows; eradication of corruption at all levels; enforcement of tax laws; effective taxation on income from land; a forceful attack on the problem of the "educated unemployment" and their refusal to do manual work; enactment and enforcement, not only of fiscal, but also of all other obligations on people that are required for development (Myrdal 1968: 1910).

Myrdal felt that the contemporary underdeveloped countries could not rely on a gradualist approach, if the plans were to be effective. He argued that in many aspects a large and rapid change of attitudes and institutions were not more difficult than a series of small and gradual changes - just as a plunge into cold water is less painful than slow submersion. However, the government has to have the courage to implement the reforms, with full political support, once the decision was taken with careful consideration. If on the other hand, changes were attempted half-heartedly and reliance was placed either on the indirect effects of induced economic changes or on exhortations and empty threats, the forces of resistance might be encouraged. Worse still was the practice, common in contemporary South Asia, of pronouncing or even legislating large scale reforms and not implementing them. Such behaviour breeds cynicism and contempt, and might make subsequent reforms more difficult (Ibid: 1910).

2.3.2 Regional disparity/inequality

Another important aspect which had not been adequately treated in the earlier economic planning was the regional differences in natural and climatic conditions which determined the territorial division of labour and the structure of the reproduction process. A full understanding of the distinctive characteristics of each type of geographic area was felt necessary to define regions for planning purposes. An example of the regional differentiation in Nepal is Tarai, hills and mountains, which have distinctive environment, resources, and economy (Gurung 1984: 30). These conditions have influenced, to a substantial extent, the territorial location of productive activities, since the projects were located in the relatively prosperous areas to achieve higher growth rates. As a result, there was a wide difference in the level of economic development of different regions, which resulted in uneven distribution of employment opportunities and hence, the standard of living.

Gurung further argued that the conventional development scheduling by which "richer" areas were given investment priority so that the economic gains generated there may be transferred later to other areas, underestimated
The absorptive (rather consumptive) capacity of the developed areas, which tended to increase with further investment. The possibility of capital transfer from developed areas to depressed areas was marginal. The fundamental question was whether the so called "poor" areas were really poor in resources or that this only reflected the poverty of regional investment. If planned development should be directed towards minimizing regional differences, it seemed possible that a careful manipulation of resources, both domestic and foreign, could mitigate some of the glaring imbalances in the development pattern (Ibid: 29).

It was also argued, that rising regional income disparities and increasing dualism were typical of early development stages, whereas regional convergence and a disappearance of severe dualism were typical of the more mature stages of national growth and development (Hansel 1981: 24). The regional disparities, however, were not self-equilibrating, because the loss of earnings and output by a less favoured region would fall into a cycle of decline from which it would be impossible to raise unaided. Like a nation it would not be able to adjust its 'exchange rate' with other regions to make its goods more competitive. Thus intervention would be needed to break the cycle of what Myrdal termed "cumulative causation" (Morison 1987: 27).

In order to reduce such uneven development, many developing countries gave high priority to the development of backward regions. A number of development approaches such as growth centre approach and receiving mechanism approach were experimented in order to remove the backwardness.

The "growth centre' approach aimed at diffusion of development impulses at regional level by improving the delivery mechanism. It believed that 'core regions' were the major centres of innovative change, while all other territories consisted of 'peripheral regions', which were dependent on the core regions and whose development was largely determined by institutions of the core regions. Therefore, "impulses of economic change" were transmitted from core to the peripheral regions in a hierarchial manner (Hansel 1981: 20-21).

The strategy maintained that with limited resources it would be inefficient and ineffective to attempt to sprinkle development investment thinly over most of the national territory. Rather, key urban centres should be selected as the 'growth centre' for concentrated investment programmes, that would benefit from economies of scale. The economic benefits generated by induced growth centres might spread over the growth lagging hinterlands.
In Nepal, in order to tie-in the food surplus in *Tarai* with the food deficit hills and mountains, a regional development planning strategy was adopted from Fourth Five Year Plan (1975-80). The country was divided, for the planning purpose, into four (later five) development regions and growth axes in the regions were envisaged as linking corridors between the growth centres of the southern *Tarai* region with the growth centres of the northern hills and mountain (Map 2). It was assumed that the comprehensive development of selected growth centres would act as demonstration areas for formulating development methods best suited to other areas displaying similar conditions. Thus the polarized development would spread growth to the surrounding areas through the process of multiplier effects (Gurung 1984: 19-20).

However, reviews of some of the experiments of growth centre strategy suggested that the `spread effects' were smaller than expected. Rather, there had been a tendency of divergence of core and the periphery, at least in the short term (Hansel op. cit. 32-35).

The receiving mechanism approach, on the other hand, was used in improving the receiving mechanism at community level. It regarded the community as the centre of self-sustaining development. Various case studies revealed that it was frequently at hamlet level where members of the rural community were best able to sit together for mutual consultations in search of solutions to the problems which they jointly confront (Uphoff 1985). The community organizations had an inherent institutional aspect internal to the community organization itself. This institutional aspect was reflected in the peculiarities of the village community such as patron-client and kinship relations, and norms, values and intrinsic qualities of the people. Looking only at the linkage between the receiving and delivery institutions, without taking into consideration the internal dynamics of the community itself, would not give a realistic and useful picture, nor would it in itself ensure people's participation (Ahmed 1985: 138).

The receiving mechanism approach had two assumptions. First, the communities which had some established pattern of communication, economic exchange and social cooperation, might have the potential for collective action and carry out some of the responsibilities and burdens, otherwise handled by the national government (Uphoff 1985: xi). Secondly, such community level institutions might have the capacity to use local resources more effectively for coping with market forces. Therefore local level endogenous development enhanced the community's capability to internalize those price relations of the market mechanism through the human `self-help' relations peculiar to a community. The process always
accompanied collective activities of the receiving institutions which were understood as expressions of the local community (O'uchi and Yogo 1985: 173-178).

Among the two approaches mentioned above, the growth centre approach was essentially the top-down development paradigm, which assumed that the induced development in a relatively few dynamic sectors and geographic clusters would spread over time to the rest of the spatial system. The receiving mechanism approach on the other hand, was the bottom-up approach which took community level as the development unit. However, the broader terms like 'region' or 'community' concealed more of the unevenness within the region or the community level and its implications, unless the micro structures of the agrarian class configurations were analyzed. For example, Subbarao sketched the evolution of agrarian classes in the eastern part of India, which was the result of the policy of the colonial government, with respect to land settlement and commercial penetration into the agrarian economy. There had been a broad polarization of classes into rent seeking landlords, often combined with money lending classes on the one hand and a vast mass of landless and small and marginal farmers on the other. Therefore, the incentive policies of the government for regional equity such as price support, inputs subsidy and subsidized institutional credit, largely benefited the larger farmers (Subbarao 1985).

Lipton's theory of urban bias threw light on the interaction of dominant urban elite class, having the capacity to organize, centralize and control the state's economic resources and the rural poor class, being dispersed, poor; inarticulate and unorganized. The rural rich, who were instrumental in satisfying urban interests by providing a surplus of human capital, surplus of food, surplus of saving, surplus of exportable items were also included in his 'urban elite' class. He argued that almost all the development programmes were geared to meet the urban need. He suggested that from the equity and efficiency point of view, the resources of the poorer countries do much more to help poor people, if shifted from city to village. However, the urban elites, despite all the well meaning talk of rural development, were in practice concentrating on actions serving the urban needs (Lipton 1982: 67).

2.3.3 Search for an alternative approach

From the early 70s, although economic planning gained virtually worldwide acceptance, questions were raised about its usefulness, because, despite the increasing reliance on planning, the growth of GDP of less developed countries and their share in the world income from 1950s had either
stagnated or declined (Waterston 1972: 82). Moreover, some of the Asian countries like India and Pakistan, which had taken economic planning seriously, did not record good progress as compared to other countries such as Taiwan, South Korea, Thailand, which achieved considerable success in modern industrial development and rapid economic growth, without much serious effort at macro economic planning by the state (Prasad 1972: 80).

Such disappointing results generated the most crucial and recurring debates in the developing world about the degree of control that the central government can/should have over planning and administration of the development. The debate created considerable interest among the development thinkers because in many countries the national plans seemed more to satisfy the requirements of international donors than to support national development. The planning documents were often useless in guiding national decisions, because their goals were vague and not translated into programmes and projects that could easily be understood and carried out (Rondinelli and Cheema 1983: 12).

Some felt that the poor result originated from the fact that the main actors of planning viz. politicians, planners and administrators were acting mainly to achieve their own objectives (Seers 1972: 17-34). Others felt that there was a contradiction between the concept of planning - the assumption that the behaviour of the nation would follow planned lines, and the concept of politics - competing groups who resolve their conflicts within a set of bargains and compromises (Leys 1972: 56-76). Sagasti argued that the main reason of the failure of the development planning was not because the concepts were wrong but because the conventional approach to planning assumed the existence of political stability, economic certainties, political will and administrative capabilities to carry out the plans. Needless to say, those prerequisites were seldom fulfilled in most developing countries (Sagasti 1988: 433).

In fact, as Sobhan argue, in Bangladesh the planning agency within the government had very little to do beyond preparing the annual development programme, and doing some amount of project appraisal. There was no agency in the government which was responsible for macro economic management. There was no agency which could even coordinate the economic decision making process or could really address the problems as they emerged and identify solutions to them. Consequently, there had been a general loss of faith in the planning process (Sobhan 1991).

There was also a growing scepticism, especially among the donors, that the public delivery system was unable to reach the rural poor. Consequently there was a general drift towards reliance on NGOs as an alternative delivery mechanism. However, such schemes and interventions, even collectively,
constituted a very minor change. There were also grave dangers in viewing tiny individual interventions of those kinds as providing a replicable prototype which could solve the macro level problems (Saith 1990: 235).

What was needed was to introduce a degree of objectivity and transparency into the decision making process which could demonstrate that the decisions were derived from the assessment of problems at all levels, rather than as a part of someone's private agenda (Sobhan 1991). It was very important to ensure that the programme beneficiaries were aware of the purpose of the programme, resource availability and the process involved in utilizing the available resources in the best possible way. The beneficiaries were also required to have sufficient organizational capacity and the will to stand up to the more individualistic pressures on resource distribution and utilization.

In this very context local level planned development at district and sub-district level could be justified as an important step to build a broad and solid social support to transcend the mostly centralized and technocratic character of the conventional planned development approach. Because it is essential to disperse and disseminate planned development capabilities at district and sub-district level, providing access to information, methodology and training and making the beneficiaries interested in exploring alternative ways of development according to their own problems and potentialities. As Myrdal puts it "the process of planning can be regarded as a "learning process" in which intuition is transformed into hunches and hunches into knowledge" (Myrdal 1968: 1896). Local level planned development would thus become the basis of the whole cooperative learning process in which the beneficiaries also have a role in the process of knowledge building and development.

2.4 Conceptual Framework of Local Level Planned Development
2.4.1 Introduction

Planning for development is a process of making decisions about alternative ways of using available resources with the aim of achieving particular goals at some time in the future. In the planned development process several stages can be distinguished (Section 2.4.2) which are interrelated, overlapping and interactive. Two approaches of planned development, commonly known as top down approach and bottom up approach, affect the outcome, particularly in people oriented rural development projects. It was noted in the earlier sections that the impact of top down approach had been far from successful
during the last few decades. Some experiments on the bottom up approach at the very bottom level also depended on the values and norms of the community itself. Therefore a proper mix of both approaches is required. In this context, the planned development process at the district level, which can serve as a convergent point of top down guidelines and bottom up ideas, can be a useful point for resource mobilization and allocation.

Local level planned development however, is not a separate concept of development: the essential steps involved in a development process can well be, and usually are, conceived within the domain of conventional national planned development framework. The distinctive feature of local level planned development is the level at which planning is carried out and the corresponding institutional and administrative support necessary for implementing those plans while ensuring people's participation in the process. Local level planned development must be an integral part and a vital component of national level planned development, but cannot be a substitute for it. The most important economic decisions which will determine the overall dynamics of the system and define the environment within which local level development can operate, will have to be taken at the national level (Rahman 1984: 1).

Here local level planned development is conceptualized as a "process" of development "from below", which considers development to be based primarily on maximum mobilization of each area's natural, human, and institutional resources with the primary objective being the satisfaction of the basic needs of the inhabitants of that area. Such strategies are basic needs oriented, labour intensive, small scale, often rural centred and use "appropriate" rather than "highest" technology (Stohr and Taylor 1981: 10). Such development activities are considered to be an integral process of widening opportunities for individuals, social groups, and territorially organized communities at the small and intermediate scale, and mobilizing the full range of their capabilities and resources for the common benefit in social, economic and political terms (Stohr 1981: 40).

2.4.2 Stages of the planned development process

A planned development process describes the various activities that take place during the preparation and implementation of development activities. The stages of planned development process do not progress in a linear fashion from one stages to the other but overlap each other because they are parts of the interrelated and interactive process. A number of writers on
planned development such as Rondinelli 1977; Gittinger 1982; van Dusseldorp 1993 etc. elaborated the stages of planned development as the project cycle.

Some writers have also argued that the orthodox model of planned development distinguishes 'project-life' in terms of a logically ordered sequence of activities, called 'project cycle', which is designed to achieve known objectives. It is assumed that the activities, as indicated in the plan, are inter-linked, and can be carried out progressively. However, from the early 1980s various writers (such as Grindle 1980; Grehan and Von Oppen 1988; Long and van der Ploeg 1989) argued that this separation of 'policy', 'implementation' and 'outcomes' is gross over-simplification of a much more complicated set of processes of policy formulation and implementation. A project is never realized as a linear process, proceeding in an orderly fashion from "correct" initial analysis through "correct" decisions towards "good" goals. It is often a messy business of decisions that are taken in different circumstances on the basis of inadequate knowledge, reactions, counter-reactions and compromises, and it always constitutes a learning process for all involved (Grehan and Von Oppen 1988: 114).

Therefore, projects should be seen not only as an administrative device for development, which can be understood from its goals and their achievements or non-achievements, but also as arenas of struggle between different groups with different interests. Frequently the interests of the individuals or groups involved are in direct conflict with each other and the outcome of this conflict, and consequently who gets what, will be determined by the strategies, resources, and power positions of each of the individuals or groups involved. What is implemented may thus be the result of a 'multiple reality' of differing interests of individuals or groups, and constituted by the ongoing social and political struggles that take place within the given institutional context (Grindle 1980: 12; Long and Ploeg 1989: 226).

The debate on the concept of project, however, has not produced any effective alternative techniques for the management of development activities (van Dusseldorp 1993). Therefore, this study has used the planned development process as elaborated by van Dusseldorp 1993 (Chart 2.1), while addressing some of the sociological issues embedded in various stages.
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Chart 2.1: Stages of the Planned Development Process

Formulation of objectives

Project identification

Research & inventory

Designing of plan

Acceptance of plan

Implementation

Handover, operation & Maintenance

Evaluation

Source: Adapted from Dusseldorp 1993: 5-7

A brief discussion of each stage is given hereafter.

**Formulation of objectives:** Plans of public agencies have to cater to the needs and demands of a large group of individuals, who often have conflicting objectives. Two simultaneously executed procedures are commonly used in setting the objectives. One of those moves from general to the particular, commonly known as "top down approach" while the other moves from particular to the general, commonly known as "bottom up approach". The top down process of planning starts with the setting of development objectives or goals at the macro level by the political authorities and the formulation of an overall or aggregate plan in conformity with those objectives by a central planning agency. Those general objectives have to be disaggregated into more specific objectives. The bottom up process of planning is carried out simultaneously by each sectoral ministry by
collecting projects it expects to carry out at the micro level. Those specific project objectives have to be reconciled with the overall objectives or goals and the available resources.

**Project identification:** Projects are identified as viable alternative solutions for specific problems. In the identification stage the first battle takes place between various actors and interest groups such as politicians, government officials, donor agencies or the target groups, for different purposes. Because the type of solutions (the identified project) that is chosen means allocation of scarce resources go to the agency that will prepare and implement the project or determine its location and to an area in which the target groups are living.

**Research and inventory:** For planned development it is necessary to make an dynamic analysis that indicates:

i) which processes have created the present situation;
ii) how these processes can be influenced in such a way that a new situation will emerge that is conform with the objectives.

In order to understand the processes data and information have to be collected and transformed into knowledge. Rural problems are usually caused by many inter-linked processes. Therefore a careful selection of the most important process has to be made, because in most cases there is neither the time nor the resources to study all processes. While gathering and processing data and information into knowledge, the researchers and the planners should be aware of the potential biases such as urban bias, disciplinary bias, ideological bias, cultural bias etc. which they may have suffered from their own background.

Moreover, there is a vast communication gap between the national capital and the rural villages. The national leadership of many developing countries does not, and perhaps cannot from its vantage point, understand the rural problem (Bryant and White 1982: 161). Unlike the developed world where the media play a central role in "public debate" which in turn forms a process of social negotiation and esteem attribution, such a "public debate" does not exist in these countries. There is also an insufficient shared information about conflicting interests and strategies. The "development world" in illiterate countries is as a rule, confined to the administrative communication systems with their highly screened and 'finely combed' information. Since in such a situation, the "common interest rhetoric" can successfully mask the real processes, many development projects have failed to take into account the real constraints and channels as defined by peasant
groups themselves (Elwert and Bierschenk 1988: 103). The dynamic analysis, therefore, becomes very important in these countries.

**Designing of plans:** At this stage on the basis of knowledge generated in the earlier stage, a set of activities are indicated which may influence the relevant processes in order to realize the objectives. The planning style of projects depends on the type of the project. In (large scale) hardware projects, the planning style will be technocratic, top-down and the project document is characterised by its blue print nature. In people oriented small projects, in which the people are supposed to be involved in all stages, the style will be bottom-up, participatory and programmatic. When the plans are prepared for regions or districts then the plan consists of a number of projects. Ideally these projects/plans should be interrelated in district plan document and it should be indicated how the projects, to be implemented by different agencies, should be coordinated.

**Approval of a plan:** The nature of the approval process usually depends upon the size of a project. Large projects are appraised, and may be re-appraised for a second opinion, before they are finally approved by the financing authorities. Smaller projects may not go through that level of scrutiny. But when there is no deconcentration to government authorities at lower levels, the smaller projects may also travel through several stages of appraisal, even up to the national level, before they are finally approved.

Approval of projects means that the funds needed for their implementation are included in the annual budget of the implementing agency. The activation of plan/project implementation such as informing the implementing agency, authorizing for budget release etc. will be done after the approval.

**Implementation:** Implementation plays a crucial role in the project cycle. This is the stage when the plan on paper has to be translated into real action. It is also an important stage in which the struggle for the scarce resources takes places in various forms such as bribes in material purchase or manipulation in project alignment.

Moreover, in the Third World countries, because of the general lack of education and experience of the public to articulate the implications of the policies in their real life, and the lack of effective public pressure groups for presenting collective demands to the political leadership at the formulation stage, a considerable amount of conflict arises at the time of policy implementation (Grindle 1980: 16). In the case of decentralized planning,
the senior bureaucrats at the central level may also feel reluctant to relinquish
power or authority to the local level, when they become fully aware of all the
implications during the implementation stage (Conyers 1990: 31). This
means that the implementation process may be the major arena in which
individuals and groups are able to pursue conflicting interests and compete
for access to scarce resources. The outcome of this competition and
interaction can determine both the content and the impact of programmes
and projects.

Furthermore, there is always a social interface when there is interaction
between actors belonging to different social order. In the implementation of
projects at the local level the interface between the delivery and the receiving
point becomes very important to understand. Long argues that to adjust the
policy content to the local situation, the front line implementors need
considerable discretion in the interpretation and performance of their tasks.
This allows room for manoeuvre of the resources or the policy contents by
the implementors and their clients (Long 1988: 127).

There are several other management aspects which play important roles
in plan/project implementation process. First, personal management which
covers placement and other working conditions of the individual staff, the
familiarity with the assigned tasks and good coordination and cooperation
among the implementing staffs. In the case of district plans occasional
management meetings, with all the agencies involved would be most useful,
where the progress of the work can be reported, the problems encountered
can be discussed, and possible solution can be identified.

Financial management is another important aspect in project
implementation. The accounts have to be kept in accordance with the
financial rules, which are subjected to internal and external audit. While
talking of the financial management, the well known phenomenon of
corruption, bribery and other forms of misuse of development resources
should be taken note of. Trivedi (1988: 1391) has explained monetized
corruption in the developing countries as the difference in the perception of
the government services as the "public goods" and in reality having "private
goods" characteristics. Therefore those who hold position seek rent for their
services. Several implications of corruption such as erosion of popular
confidence in public institution, erosion of moral of public servants, favour
only to those with economic power etc. can be identified.

Finally, there is the leadership function that plays a very important role
in coordination, mobilization of the people, in settling disputes, and above all
in supervising the various types of management activities.
Handover and maintenance: This stage has to be prepared carefully in order to avoid the danger that other than the intended beneficiaries may ‘capture’ the benefits of the project. However, before handing over the project it should be ensured that the target group, to which the project results are to be handed over has been properly organised. The managerial capability of the target group to maintain the project and the financial carrying capacity of the beneficiaries to shoulder the responsibilities are among the important issues. For a smooth handover it is important that the target groups are involved in the earlier stages of planned development process.

The so called ‘target group’, that is normally regarded merely as the beneficiaries of a project, are in fact, self-motivating actors capable of exerting their own influence (Grehan and Von Oppen 1988: 114). The divers ways in which individuals and their households organize themselves individually and collectively in the face of interventions planned by government or other bodies, and the types of interaction that evolve between them and the intervening parties shape the nature and outcomes of such interventions (Long and van der Ploeg 1989: 228). Staudt argues that without a proper understanding of the target groups and their cultural setting, dramatic developmental failures have occurred such as the non-use of services by the people, lost opportunities and/or development efforts focused on the wrong groups (Staudt 1991: 24-44).

Monitoring and evaluation: Monitoring and evaluation are activities that should take place in all stages of the project cycle. The important function of monitoring is to keep an eye on the activities of a project and provide information to the management for necessary decision making. Evaluation can have several often conflicting functions such as a learning function, a management function, a control and feedback function to the donors, an accountancy function and an advocacy function. Several evaluation methods are available, which has to be selected according to the information needed and resources available.

2.4.3 Institutional setting

Often designing and implementing rural development plans, have been carried out at the national level. The three strategies adopted for planned development are, first, the line agencies themselves are involved, second, creating semi-autonomous institutions or special project management units, controlled by the national level or donors for specific projects and third,
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integrating the highly fragmented and specialized line departments' functions into integrated rural development projects (Bryant and White 1982: 158-159). Such programmes/projects are usually derived from the national level economic planning, prepared by the central level planning bodies on the basis of the country's objectives, priorities and the available resources.

However, there has been increasing dissatisfaction with exclusive reliance on centralized planning for rural development, on three grounds viz. efficiency, equity and participation. On efficiency grounds, all local resources can not be identified and mobilized by a central bureaucracy, that would, because they are planning for a large and remote abstraction like "the nation", lack the necessary motivation and information. Moreover, taking innumerable decisions regarding all aspects of plan formulation and plan implementation, would place an unbearable burden on the central administration even if it is efficient and committed. Furthermore, if all directions and all budgetary allocations must come from the centre, this will cause expensive delays in implementation. On equity aspects, the decision makers at the centre are more likely to represent the interest of the (primarily urban) dominant elite classes and their international allies, rather than those of the rural people. And on the participation issue, the identification and mobilization of all available resources and their deployment in accordance with popular needs, require direct participation. However, at the national level, "people's participation" can only be indirect, which means that if the people do not like the decisions taken by their representatives (e.g. members of parliament), they can vote against the incumbent regime (Abdullah 1985: 10).

Rondinelli and Cheema argued that the increasing interest in decentralizing authority for planning and administration from national to regional, district and local agencies arose from three converging forces. First, the disillusionment with the results of central planning and control of development activities during the fifties and sixties. Second, the implicit requirements for new ways of managing development programmes and projects that were embodied in growth with equity strategies which emerged during the seventies. Third, the growing realization that as societies become more complex and government activities begin to expand, it becomes increasingly difficult to plan and administer all development activities effectively and efficiently from the centre (Rondinelli and Cheema 1983: 10).

While discussing the decentralization of authority at the local level, distinction must be made between devolution and déconcentration. 'Local governments' which consists of elected representatives within a specified
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Territorial unit at the local level are different from the field administration which consists of officials appointed by the centre but posted to the 'field' to act as the central government's representative (Smith 1985). Mere strengthening of field offices may contribute to a tightening of central control in areas where political dissidents are strong but to call that decentralization is surely a misuse of language (Wallis 1989: 140). In the case of local level planned development the term 'decentralization' should have the combination of devolution of decision making power to lower level political bodies and deconcentration of administrative authority to the field level administrative entities.

Devolution

Historically speaking, the shift of political leadership from colonial power to the newly independent countries was widely believed to be a necessary condition to guide the country's development by local political leaders. However, contrary to the desired 'political commitment', the development experience of many post-independent countries demonstrated that the top politicians and civil servants in command of the state apparatus tended to further their own causes by "petty politicking" capturing development resources (Valk 1990: 4).

Moreover, the failure of national economic planning as the sole tool for development was because it was too centralized, top down and bureaucratic, and had inadequate or little concern for the area specific problems and potentialities at the local level. Recent development literature has emphasized that in order to generate new visions and options for the future, the national and local levels should have a shared perception on objectives and goals. It has been pointed out that it is important that the programme beneficiaries should be aware of the purpose of the programme, resource availability and the process involved in utilizing the available resources in the best possible way.

Therefore, there has been a growing demand for devolution of development related decision-making power to the lower level political bodies to bring about a less wasteful and socially more responsive development process. It is suggested that people themselves should be involved in determining their priorities to allocate their resources. The national plan should then follow from aggregating the area specific needs as reflected directly by the people at the lower level. This will ensure the interest and preference of the people, especially the poor masses (Ghai et. al. 1977).

It is argued that the representatives at the lower level institutions may ensure better participation of people in decision making on three grounds: first, the local representatives are likely to come from the local population,
known to everybody, who cannot therefore hoodwink the voters; second, the elected representatives will be functioning not in the remote capital city but right in front of the eyes of their electorate and hence will be unable to get away with betraying them; and third, the issues on which the local bodies will take decisions will be those relating to the day to day problems affecting the lives of the voters, and will be simple enough for them to really participate in the decision making (Abdullah 1985: 47). If the decision making process is transparent enough, allowing the beneficiaries to participate in the process, the general concern of local elites taking the larger share could also be minimized.

Appropriate territorial size for the devolution of power at the local level has been a subject of debate in many countries. In Bangladesh, Upazilla (sub-district) level seems to have been accepted by the government and over the past few years Upazilla level has been made the focal point for the decentralized development programme. In India, the Mehta Committee in 1977 recommended the establishment of a strong Panchayati tier at the district level, which was to play the central role in the local level planning. However, the Dantawala Committee (1977) recognized the block level as the viable planning unit for India (Rahman 1984: 6) In Nepal, the district level has been developed as the focal point for local level planned development after the introduction of Panchayat System in 1960.

The main consideration in determining the area unit is that it should allow a reasonable scale of development plans and programmes to be undertaken. As Sundaram comments "...to locate the minimum needs at appropriate points, locational aspects and spatial planning become important. In such spatial planning, the population to be served, and the distance at which service should be provided become crucial issues in decision making. The block level planning of India, that has been advocated at the local level is expected to take care of the locational aspects and to introduce some flexibility in the operational design and implementation of the programme" (Sundaram 1981: 251).

There seems to be a general agreement that an area unit for local level planned development should cover about 100 to 200 thousand people. In Bangladesh, the average population of an Upazilla is about 200 thousand. In India, a community development block consists of about 140 thousand people (Rahman 1984: 39). In Nepal also, a district consists of about the same population size as mentioned above.

In this context this study has attempted to evaluate a policy reform of Nepal, namely the Decentralization Act 1982 and its By-laws 1984 (which
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The broader aims of the Decentralization Scheme (DS) were to devolve development authority to the district and village level political bodies in order to:

- initiate/generate self-sustaining rural development process;
- generate/mobilize local resources;
- make development effort more meaningful and effective by coordinating various activities at the grass roots level;
- involve beneficiaries in the development process.

The details of the institutional setting under the Decentralization Scheme (DS) will be discussed in Chapter 4. This process, what Smith has termed as 'democratic decentralization' (Smith 1985: 185) is a measure towards more political autonomy to the local institutions for making decisions relevant to local needs and conditions by having them taken at the local level.

Deconcentration

Cheema and Rondinelli (1983: 19) explain several forms of deconcentration applied in many developing countries. It may involve merely the shifting of workload from a central government ministry to its own field office located outside the capital, without also transferring to them the authority to make decisions or to exercise discretion in carrying them out. A greater degree of deconcentration can be achieved through field administration which implies the transfer of some decision-making discretion to field staff, allowing them some latitude to plan, make routine decisions, and adjust the implementation of central directives to local conditions, within the guidelines set by the central ministry. Local administration is another form of deconcentration, in which all subordinate levels of offices are executive branches of the central ministries. Local functions are performed under the technical supervision and control of central ministries. Two types of local administration are generally found: Integrated local administration, in which field staff of central ministries work within a local jurisdiction under the supervision or direction of a chief executive of that jurisdiction, who is appointed by and responsible to the central government, and unintegrated local administration in which field staff of the central ministries operate independently.

The role of the bureaucracy is very important in the developing countries. Because of the low level of expertise and experience in 'development management' of most of the political leaders in these countries, the senior administrators have great influence on the policy formulation
process. This is even more so because politicians come and go but bureaucrats remain, and therefore possess the detailed knowledge needed to make policy decisions. However, the bureaucracy has its own 'internal politics'. In many countries, the civil servants represent a diverse range of ethnic, social, and political factions or groups of the country. These elements reflect important causes of conflict/alliance within ministries or departments. Thus, transfers, promotions and other forms of personal rewards or changes, may take place as an outcome of such internal political processes (Wallis 1989: 22).

Moreover, there is another important function of the bureaucracy i.e. to maintain 'law and order' of the state, which means in administrative terms, the avoidance of conflict. The national bureaucratic chiefs expect their agents in the field, usually mid-level technicians or administrators, to resolve conflicts that arise at the sub-national level. As a consequence, that those political leaders and the local elites, who are the greatest potentials for creating disturbances will have the greatest success in eliciting a positive response from bureaucrats who make allocation decisions. It is frequently the case that maintaining political peace (the avoidance of conflict) has a higher priority than achieving developmental advances (Grindle 1980: 188). Sant and Crawford argue that giving more political consideration in project implementation has two implications: the first is the failure to anticipate, by giving less time and effort to understand and analyze the problems, and the second is the failure to act, by leaving the problems unsolved for political reasons (Sant and Crawford 1985: 14-16).

Some others argued that the central government is often reluctant to relinquish its power, which is often based on the assumption that the periphery's gain will be the centre's loss. Therefore some studies have suggested "controlled decentralization", characterized by strong linkages and a negotiated sharing of responsibilities between the centre and the periphery (Gow and Sant 1985: 120). An empirical case study of Rajasthan, India, found that controlled decentralization has reduced the effects of three probable causes of poor implementation: high cost of information, isolation of decision making, and goal conflicts (Hadden 1980: 186).

2.4.4 Elements of local level planned development

Coordination
The need for coordination among organizations and agencies in the public sector is based on the assumption that concerted decision making and cooperative programme implementation will lead to a more successful
outcome than the independent actions of the same agencies. The need for coordination is greater in a comprehensive rural development programme, where several different specialized agencies are involved in the development process which are usually designed to tackle "multi-faceted" rural problems. The essential elements are segmented and assigned to different agencies and implemented through a coordinated effort. Coordination is, therefore, defined here as the process whereby two or more organizations use existing decision rules and/or create new ones to deal collectively with their shared task environment (Mulford and Rogers 1982: 12).

In many of the developing countries, small inter-related and inter-dependent projects have tended to get incorporated into various departmental activities. The lack of coordination between related agencies have greatly reduced the effectiveness of the large and growing amount of resources directed to such activities. The coordination among different agencies has envisaged the pooling of resources that are currently being spent by different agencies in an isolated manner on various departmental schemes at the local level. The assumption made here is that by reducing fragmentation and duplication of programmes and facilitating a better fit between the scale and content of the programmes on the one hand and the local needs and possibilities on the other, the effectiveness of public spending on these activities can be increased substantially (Vaidyanathan 1990: 1390).

Coordination is not synonymous with cooperation or resource exchange. Coordination usually implies a formal arrangement where there is agreement on a set of allocative criteria with respect to the resources controlled by each organization. Decisions are jointly made with regard to their shared task environment and the attainment of collective goals. Therefore, the essence of coordination is joint decision making and joint actions in terms of shared task environments and the collective focus on an unit as the frame of reference. Cooperation or resource exchange, on the other hand, is more likely to be characterized by informal relations between otherwise autonomous organizations in order to accomplish their respective individual goals. Linkages among organizations that result from cooperation or resource exchange are temporary and not formalized and therefore, less likely to alter relationships between organizations at the local level (Mulford and Rogers op. ct. 14).

Coordination involves a loss of organizational autonomy. Therefore willingness to coordinate evolves either from the quest for survival due to the prevailing market or environmental conditions, or from the mandatory provision or command from a powerful organization to coordinate the programme activities. Helpert (1982: 54-72) categorizes two distinct types of
variables that affect the decision to coordinate and the coordinated activity itself. One type, interpretive in nature, involves the attitude, values and perceptions of agency personnel. The other is purely contextual and involves such internal structural phenomena as size, technology, complexity and such environmental factors as the economy, demographic patterns and resources.

Interpretive explanation contends that common professional ethics and ideological consensus are crucial in facilitating the coordination of activities. This would facilitate the creation of a common ground for discussion and person-to-person interaction. The contextual condition, on the other hand, maintains that when the political economy generates environmental uncertainty and turbulence for public agencies, making them aware of their tenuous existence, survival through coordination becomes desirable.

Helpert points out certain conditions that may inhibit coordination among organizations. As organizations interact over a period of time, specific images of each other take shape and are institutionalized. If, in the course of image formation, one organization interprets the other as a threat, whether it be founded or not, future attempts at coordination will generally fail. Among the specialized and professional organizations on different subject areas, coordination problems may arise due to the lack of a common language and outlook on priority setting and tasks accomplishment (Helpert 1982: 62-68).

In a mandated situation, there is ambiguity on autonomy and authority and are thus confronted with inadequate information and a lack of clear programme legitimacy. In many situations the problem of coordination is seen as the conflict between the vertical loyalty of governmental officials and the local development needs. Representatives of a ministry at the local level are more inclined to be loyal to the policies formulated by their superiors who determine their career. Consequently, it is difficult for the local level officials to adjust their policies to the local context, even when they themselves are convinced that this could improve the overall performance of the local development efforts (van Dusseldorp 1993: 16).

Local resource mobilization
In many of the developing countries, development expenditure of local level are financed entirely by the centre. Local bodies are evolved more to function as a recipient than as generators and mobilizors of local resources. The top-down orientation of development policies created by the centralized administrative structure undermines the ability of the administrators at the district and village level to participate in the development process. This creates the tendency among the local level officials to become passive
Theoretical and conceptual framework

recipients, waiting for instructions and orders from higher officials, rather than being innovative, flexible and making a decision responsive to the needs of the people. The top down orientation could also have negative effects on local initiatives, indigenous knowledge and skill (Rahman 1990: 107). The people see the government as the main agency for everything. It undermines the existing self-help culture of the rural life.

Moreover, given the financial and manpower resources of local government bodies, larger development activities are possible only through increasing dependence on national government for these resources and skilled manpower. Therefore the overwhelming financial dependence of the local bodies on the national government has often made them the power base of the national government. The national government often uses the local bodies in legitimising the political decisions (Siddique 1984: 227-234). However, others have argued that it cannot be assumed a priori that greater financial dependency means a loss of local independence of action. Criteria for grant allocation and disbursements may be more important than the size of grant. For example, the grants may have a 'matching' requirement attached to it whereby local governments are required to match all or some portion of the grants allocated by the centre, the aim of which may be to induce a degree of local involvement, commitment, accountability and responsibility. On the other hand, the grant may also undermine local autonomy if it 'buys' the centre the 'right' to set a ceiling on total expenditure or establish local priorities (Smith 1985: 88-105). There are examples that effective local government bodies can generate substantial revenues at the local level. This can be seen in the case of Egypt and Yemen both of which rely heavily on the Zakat, a religious tax to finance local development activities. In Egypt, where local government is weak, collection is poor and 90% of local government revenues have to come from the central government, whereas in Yemen, where local governments are strong 80% of their revenues are locally raised (Cochrane 1983: 4).

However, the taxable items at the local level are generally limited. It is politically difficult to raise taxes to a level that can overcome the revenue gap between fast rising expenditure and slowly rising income (Smith 1985: 112). The quantum of financial resources that can be raised locally, also depends on a variety of factors such as (a) the dispersion and scale of economic activity (b) administrative convenience (c) the willingness of the centre to vest the local units with substantial fiscal powers, and (d) the ability of the local government to withstand local pressure for collecting tax revenues (Abdullah 1985: 16). Local elites, represented in the local political bodies or
that have influence in the local affairs, may oppose to increase the tax revenues because of their own interest.

Doubts have also been raised that the local level agencies may end up merely by making claims for more resources from the centre, without any concern for husbanding the resources available to them to the local community efficiently and consistently with the overall social concern. The growing concern is due to the weak financial health of local government and decreasing public confidence in its developmental value which is said to be the result of financial mismanagement and growing corruption (Wallis 1989: 130). Equal doubt can be raised, especially in a partyless political system where the election is contested individually, the central level leaders, who control the resources, may use the local level agencies/leaders as their brokers or clients through the development resources. There can be patron/client or broker relationship even at the local level: between district and village level leaders. In such situations proper husbanding of the resources may get the second priority.

It has been suggested that a generalized criterion needs to be evolved for allocation of resources from the centre and the resources to be mobilized by the local agencies on their own. Whether or not there should be additional conditions to make sure that the local bodies spend their money on activities of high social priority is more debatable. There is persuasive logic in the position that the elected local bodies should be given the freedom to determine priorities. If this process results in a serious neglect of elementary education, public health and other social amenities, or of the welfare of vulnerable segments of society, then the necessary corrections have to be sought through the electoral process (Vaidyanathan 1990: 1391).

People’s participation
Participation of the targeted people in decision making about matters that deeply affect their lives is felt to be something desirable for its own sake, for its intrinsic democratic appeal, and for which one may even be willing to sacrifice some efficiency and equity (Abdullah 1985: 10). For rural development programmes, people’s participation is even more important because the community has not only to contribute whenever possible some of its scarce resources but it has nearly always to assume responsibility to maintain and sustain the projects after completion (Ghai et al. 1977: 68). There is also a growing awareness that projects like water and sanitation systems do not automatically improve health conditions of the communities in which they are installed when only the technical aspects are taken into account. For sustained health benefits of those technical inputs, social and
behavioral factors of the beneficiaries need to be considered. Community participation plays an important role for the behavioral changes in terms of household water use and sanitation practices (Aubel et al. 1991: 35).

An empirical study in Nepal shows that the motives of participation can also vary considerably, depending on the types of project and the economic base of the participant. The study examined a conceptual model comprising three distinct but interrelated components of people's participation namely "needs and benefit" "scope" and "capacity" in order to identify the determinants of people's participation in the decentralized planning process of Nepal. The study showed that the motives of participation vary depending on the kinds of costs and benefits that have to be shared. Competition existed in those activities which provided direct benefits at the individual household levels. In the case of communal benefit oriented activities, people tended to shift participation burdens to others. Moreover, "capacity" varied according to the economic conditions of the people. The high income people participated less but the incidence of their participation was more complete and took place in decision making, implementation, benefit sharing and evaluation stages of planned development. In the case of the low and medium income group, people's participation was lopsided being confined to the implementation stage and played little role in other stages. The low income people, despite time pressure for earning their livelihood, were coerced to contribute free labour, whereas, the high income people escaped from it due to their patron-client relationships (Paudyal LP 1990).

However, unless there is a clear idea of the types of participation that are propagated and the costs and benefits of the various categories of participants involved in the process, the introduction of participation can have serious dysfunctional effects especially for the weaker groups in the society. Van Dusseldorp (1981: 28) suggests that the following pre-requisites must be fulfilled before people's participation will function.

- **people must be aware** that the present situation is not in concurrence with their objectives, that it is possible to change the present situation, and that they can and should contribute towards changing this situation.

- **people must be convinced** that benefits related to the planned development process and their participation are greater than the cost.

- **people must be given a chance** to get involved in the several stages of the planned development process. In other words, the social and political context must make it possible for the people to participate.

Van Dusseldorp (1981: 36-55) classified participation in nine different groups using various criteria such as the degree of voluntariness, way of
involvement, intensity, range of activities, degree of effectiveness, style of participation etc. Hereafter only four forms of participation have been selected for a brief discussion.

i) **Spontaneous, induced and forced participation:** Induced participation takes place when a person participates after he/she has been convinced by others to participate voluntarily in a certain group of activities. Such a conviction can occur due to an extension programme of the government or NGOs or some other groups like political parties, religious organization etc. Forced participation, on the other hand, takes place when a person is forced via law to participate in certain activities against his/her own conviction and without his/her consent such as the activities in prison or army life. There are also situations, however, where individuals are not compelled by law to participate, but in reality, most of them, such as small farmers, tenants, and landless labourers, who enter into the patron-client relationship, are forced to participate in certain community activities because of the social and economic factors.

ii) **Direct/indirect participation:** Direct participation takes place when persons perform a certain activity in a participatory process, such as taking part in meetings, joining a discussion, being a member of a group, contributing voluntary labour during implementation or operating a project etc. Indirect participation, on the other hand, takes place when a person delegate their participatory rights to another person so that the latter can represent them in participatory activities at a higher level. For example, people elect political leaders so that the leaders can take part on their behalf, in the decision making process at various levels of organizations, be they village councils, district councils or national assemblies.

iii) **Complete/partial participation:** When a person is involved, directly or indirectly, in all stages of planned development (Section 2.4.2) it is called complete participation. But when a person is involved only in some stages it is called partial participation.

iv) **Participation on the basis of those who involved:** Various types of people such as local community members, government personnel, political leaders etc. participate in the development process. They can be categorized on the basis of two principles viz. territorial basis and target group basis. In most of the developing countries widely used organizations are based on the territorial principles such as village councils, district councils etc. Even
though it is a simple way for wider application, these forms of organizations are usually ineffective to decrease inequality among the target groups within the territory. For example, local elites, who nearly always have a vested interest in agrarian societies, are most likely to become leaders of such organizations. Evidently, they will try to protect their present power base which could lead to the stabilization of the present inequality pattern or even lead to greater inequality.

Local capacity/capability
In most of the developing countries there has been a tendency to give inadequate attention to implementation aspects while designing the policies and programmes. This neglect is partly due to the naive assumption that once policies and programmes have been formulated they will be automatically implemented by the bureaucracy and the results will be those as expected by the policy makers. Implementation is thus perceived to be a simple and routine administrative and technical process (Cheema and Rondinelli 1983: 17). Moreover, the need for some sort of action plan specifying the responsibility of various implementing agencies and a public relation exercise to ensure understanding of, and support for the policy or programme, is not fully recognized until the problems begin to arise in the form of confusion, opposition to the programme, and a general lack of progress in the implementation (Conyers 1990: 30). Consequently, a considerable gap tends to exist between the initially formulated objectives and the actual achievements. Moreover lack of administrative capacity/capability, especially at the local level, is also one of the important reasons, why development in many developing countries lags behind expectations. The following are some of the gaps which undermine the local administrative capacity/capability in the management of local level planned development.

Authority gap: The decentralized authority determines the extent to which the local level can effectively plan and implement it's own development activities. In many cases the lower levels are given the authority to 'plan' i.e. to propose what they would like to do, but the important aspects of the development process such as the power to make decisions and allocate the resources needed to implement those decisions continue to be determined by the central level. Moreover, there is no guarantee that the central government will take any notice at all of the projects proposed by the local organizations and therefore, there is a very real risk that such planning may be no more than a waste of time and effort and may, in fact, lead to disillusionment rather than commitment at local level (Conyers 1990: 21).
**Manpower gap:** Rural development tends to require specialized people such as foresters, veterinary surgeons, water supply technicians, irrigation engineers etc., who are relatively scarce in many developing countries. Such people are not attracted to rural development programmes especially when their residence in a remote area is required. In fact, trained, experienced and motivated personnel have often been the problem of both the central and local level administration. However, at the central level the problem is often quality rather than quantity, but at the local level, it is both quality and quantity (Gow and Sant 1985: 111).

Moreover, staff posted to the rural areas is often described as being poorly motivated. The reasons often cited are, poor selection of personnel; unsympathetic attitudes by top management towards the conditions under which field officers work; weak communication channels between headquarters and the field; conflicting directives; over-frequent transfers; and poor conditions of service, which have adversely affected the initiative and responsibility of field workers at their work and duties (Wallis 1989: 80).

Furthermore, in many countries it is a custom of the public administration to regularly transfer their personnel to different locations. The main reason is that there is the fear that when a person stays too long in one position, he either gets less alert or he becomes too familiar with his surroundings, notably the local elites, and can not act objectively. A considerable disadvantage of such personnel management is that government servants have little time to become familiar with the environment in which they have to work. This makes it difficult for them to adjust programmes and projects to the actual situation and the needs of the target groups (van Dusseldorp 1993: 69).

**Management capacity:** Generally, the development planners justify projects by their economic rate of return while treating management capacity as a condition outside the variables of primary concern. However, without proper sequencing and interconnecting all the components of the implementation process big problems such as delays in the release of fund, upon which most other activities depend, to small administrative problems such as requisitioning supplies, equipment servicing, communication gaps in routine matters within the office etc. may create frustrating difficulties in project management.

Moris argues that the lack of guidelines in project management has originated from the dysfunctional separation of "planners" and "implementors", which makes it difficult to take stock from cross sectional studies and experience to identify typical implementation problems. Consequently, it may be even possible that successive projects fail for the
same reasons as in previous ones under the same Ministry! (Moris 1981: 25). Another important point Moris mentions is the timing of events, which, according to the western management concept, involves budgeting and requires estimates of the duration for all inter-connected activities. In rural development administration of the developing countries however, common causes like continuous interruptions of supporting services, natural disaster, pre-emptive scheduling by higher officials, unanticipated visits etc. make the time schedules of lower staff totally unpredictable (Ibid: 116).

Organizational performance also depends on the degree of specificity of objectives, methods for achieving them, and the ways of controlling achievements. Israel argues that in an organization high/low level of specificity can occur when there is complete agreement/disagreement on objectives (goals) and methods (means). For example, there can be high specificity in a modern high technological industry, in which the methods are universal and the effects of performance are intense, identifiable and focussed. Conversely, low specificity can occur in a situation, such as in agriculture or rural development, in which the methods are area and situation specific and the effects are weak, less identifiable and diffused. The agreement/disagreement on goals and means can also result in commitment/lack of commitment. Typically, the main agencies involved in a programme may declare their commitment, but significant numbers of individuals remain informally uncommitted because of their 'disagreement about methods', referring to their uncertainty about the methods used. (Israel 1987: 47-73).

2.5 Political Limitations of Local Level Planned Development

It should be kept in mind that there are certain factors that set the limit, at least in the immediate context of many developing countries, for a truly participatory and democratic development process at the local level. Such contextual factors need to be understood while analyzing the dynamics of the development process at the local level.

The pre-conditions of planned development even at national level such as a consistent, realistic and durable set of objectives; availability of knowledge and expertise at all levels; availability of adequate resources to influence the planned development process; and political will to use the available resources and power, are seldom fulfilled (van Dusseldorp 1990). The local level planning bodies cannot be isolated from the macro level socio-economic and political environment.
Moreover, it cannot be taken for granted that even if sufficient resources are available at the local level, the development will be more truly democratic and participatory. Increased control over resources at the local level may simply serve as a mechanism for cementing an alliance between local and national power elites, which could have profoundly anti-people implications (Abdullah 1985: 12). For example, the Upazilla level planned development of Bangladesh, has already come under criticism, regarding the extent of abuses of power by the Upazilla Administration and the almost complete absence of any mechanism for controlling the alleged corruption and misuse of funds by the local leaders and the bureaucracy (Rahman 1984: 37).

In societies where the traditional caste system prevails, social mobility in the political realm may be limited to the dominant castes, while undermining the outstanding leadership talents in the lower castes (Uphoff 1985: xvii). Smith illustrates the example of India that the distribution of power in Panchayati Raj institutions at the local level reflects the distribution of wealth within the society. Patron-client relationships undermine the freedom of the lower classes to vote against their landlords. Thus devolution to representative and majoritarian rural institutions has simply strengthened the position of wealthy farmers vis-a-vis landlords and money-lenders (Smith 1985: 193). Such economic and social domination of rural elites limits the voice and therefore, the effective participation of the poor farmers and landless labourers, in local level development activities.

Some are therefore convinced that a thorough economic and social reform is the pre-requisite for local level planned development. As Abdullah argues, "One way, and this is perhaps the only really effective way, would be to eliminate the rural (now increasingly semi-urban) elite, through a drastic land reform, and a subsequent creation of organs of local self-government, which can then, and only then, be - of the people by the people and for the people" (Abdullah 1985: 49). Some others even proposed, in as early as the sixties, that a full scale revolution may be necessary before initiating the democratic planning at the local level. Myrdal quotes Narayan as saying "You take the village as it is and you give it the right of electing the Panchayat and carrying on certain functions and duties. What will happen in such a village? ...the dominant castes or a few leading families or the bullies will capture the Panchayats, and run them for their own use. Therefore there is a need for a revolution before the foundational units of democracy could be created" (Myrdal 1968: 884).

Even if both recommendations, mentioned above, are valid in the contemporary agrarian society of South Asian countries, whether such
reforms of the agrarian structure are politically feasible remains to be answered. What is required in the developing countries are, as the World Bank President, Barber B. Conable puts it "...accountability, transparency, adhering to the rule of law, and predictability, which directly affect development. These reforms should be irreversible and not dependent on the wishes of one person." (Conable 1991).
CHAPTER 3

RESEARCH METHODOLOGY OF THE STUDY

3.1 The Overall Research Approach

In the local level planned development process in Nepal, a number of institutions was involved from ward level to national level. The outcome of the development was the result of a complex interaction of those institutions involved in various stages of development process. For example, projects were identified at ward level and were incorporated in a Village Development Plan at Village Panchayat/Assembly level. Based on the Village Development Plan, a multi sectoral District Development Plan (DDP) was formulated by the district level sectoral agencies and the District Panchayat/Assembly at district level. The DDP was segmented into different sectoral components and sent to the respective departments/ministries at central level for incorporation in the annual plan and budget of the next year. Once they were incorporated and approved by the Rastriya Panchayat, the sectoral ministries/departments sent the approved list of projects along with the authority letter for budget release to their respective district level offices to implement the projects. Therefore, in order to appreciate the problem at local level, one has to look into policy linkages with the central level institutions.

To understand such a complex institutional interaction in the study, a case study method was adopted (Section 3.3.2) in which various research techniques were combined for information collection and interpretation. While keeping in view the limited time and resources, the main focus of this study was placed on the local level, referring only for the policy issues to the national level. Similarly, at the local level also, the main unit of analysis was made at the district level, which played the central role in DDP formulation and implementation under the Decentralization Act 1982, while looking at the participation of sub-district, village and ward levels in the planned
Research methodology of the study

Chart 3.1: Research Approach of the Study

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>INSTITUTION</th>
<th>RESEARCH METHODS</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Level</td>
<td>Ministries/National Planning Commission (NPC)</td>
<td>- documentary research</td>
</tr>
<tr>
<td>Local Level</td>
<td>District Panchayat</td>
<td>- opinion survey</td>
</tr>
<tr>
<td></td>
<td>Service Centre 1</td>
<td>- secondary data</td>
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<tr>
<td></td>
<td>Service Centre 2</td>
<td>- focussed interview</td>
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<tr>
<td></td>
<td>Village Panchayat 1</td>
<td>- secondary data</td>
</tr>
<tr>
<td></td>
<td>Village Panchayat 2</td>
<td>- focussed interview</td>
</tr>
<tr>
<td></td>
<td>Village Panchayat 3</td>
<td>- secondary data</td>
</tr>
<tr>
<td></td>
<td>Project 1</td>
<td>- focussed interview</td>
</tr>
<tr>
<td></td>
<td>Project 2</td>
<td>- participant observation</td>
</tr>
</tbody>
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Note: District/Village Assembly included at respective levels

development process. Two project level case studies were conducted to supplement information on the application of the institutional and procedural arrangements of local level planned development.

Chart 3.1 shows the overall research approach adopted for the study which shows that the information was collected from national level to the project level. It should be noted here that the project level was not necessarily the lowest level of the administrative hierarchy. It depended on the size of the project. Larger projects, called the district level projects, were implemented by the District Panchayat through the Village Panchayat or Panchayats depending on the coverage of a project (such as the Case Study I of Chapter
5), whereas smaller projects, called village level projects, were implemented by the Village Panchayats through the Ward Committee or Committees (such as Case Study II of Chapter 5).

3.2 Hypotheses and Research Questions

Though the local level planned development approach was justified from its theoretical standpoint, as mentioned in the previous chapter, the past experience of Nepal was not very impressive. The government seemed not equipped or prepared to implement the centrally designed planned development strategy at the local level. Serious conflicts were experienced between the officials trying to adhere to the rules and regulations of the system and the local representatives who were keen to assert their dominance in the planning process and also achieve their own interest. However, the interest of the rural poor seemed to have played only a limited role in the whole process. In this context, to analyze the local level planned development process during 1986 - 90 period, the following hypotheses and the research questions were formulated to examine during the course of the study.

3.2.1 Hypotheses

The following hypotheses formulated:

* Since the contemporary political and administrative set-up was not well equipped for the implementation of DDP, the actual outcome fell far short of the expectations.
* The institutional incapacity to implement a multi-sectoral programme such as DDP can not be solved merely by centrally guided administrative solutions, but also requires understanding of the area specific contextual reality of rural Nepal.
* It is probable that the concept 'decentralization' was used by the contemporary regime as a 'window dressing', because it wanted to maintain the status quo. Therefore implementation of the reform was not given high priority.
3.2.2 Research questions

In order to prove/disprove the above hypotheses, the following research questions were formulated.

* What were the achievements of the Decentralization Act 1982 and the Decentralization By-laws 1984 in building up the institutional capacity at local level for effectively taking part in local level planned development process?
* Why could the contemporary government not fully implement the Decentralization Act 1982, in spite of its legislation by the Rastriya Panchayat?
* Why did the contemporary government believe that the local political and administrative bodies were capable to shoulder the responsibilities of a local level planned development process, whereas similar earlier measures were unable to achieve similar goals?

3.3 Methods used for Data Collection

Before the field data collection at various levels in Nepal, a considerable time period was given the literature review in CIRDAP and WAU libraries, for building up the theoretical background of the study. The literature review also helped, as Cooper mentioned "to identify the position of other scholars in the field" (Cooper 1984: 29). Besides, the review of the past research efforts on the subject provided a basis for problem formulation of the study and for analysis and interpretation of the findings. As Stewart rightly put it "Secondary research helps to define the agenda for subsequent primary research by suggesting which questions require answers that have not been obtained in previous research. Secondary data may also identify the means by which the primary research should be carried out" (Stewart 1984: 13). In Chapter 2 information from several different sources was combined to build the theoretical and conceptual framework of local level planned development.

3.3.1 Macro level study

The macro level study was done through reviewing the contemporary policy setting of local level planned development of Nepal, using policy papers, Acts, laws and by-laws, periodic plans, research reports and other published secondary materials. The objective of the macro level study was to
understand the policy and the institutional setting envisaged by the Decentralization Act 1982 and the Decentralization By-Laws 1984 (both of which together is referred to as the Decentralization Scheme (DS) throughout the study). The information of macro level study is presented in Chapter 4.

An opinion survey (Campbell 1982: 57-80) of the policy planners was carried out at the national level, to understand the interpretations of policy makers of the contemporary political set up, on various issues of the DS. A structured questionnaire, using all open ended questions, was distributed to a sample of about 20 persons, consisting of national level planners, academicians, researchers, administrators and few ex-Local Development Officers (LDOs), who had experience and knowledge of the implementation of the DS. The questionnaire was also mailed to some of the expatriate experts who worked in various capacities in rural development programmes of Nepal, during the study period. At the beginning of the questionnaire a short background was given in order to make the respondent aware of the purpose of the study. Out of the 20 samples 12 persons responded. The findings of the opinion survey are presented in Chapter 6.

3.3.2 Case studies

As noted in Section 3.1 in order to understand complex institutional interaction the study adopted a case study method for data collection and interpretation. The case study's unique strength was, as Yin pointed out "...its ability to deal with full variety of evidences, documents, interviews, and observations. In case studies various strategies are not mutually exclusive - a survey can be done within a case study or a case study within a survey" (Yin 1984: 20). In this study the unit of analysis was the meso (district) level while the information was collected from the macro level on policy setting and from the micro level on participation of sub-district and village level institutions on DDP formulation and implementation process. Therefore, for this study the, "embedded single case study" (Yin 1984: 41) method was selected in which multiple units of data collection were embedded into a case at the district level. Chart 3.1 shows the research methods employed for this study.

Moreover a study, which intended to capture the development "process" could not have been understood only by the conventional method of evaluation i.e. measuring numerical results against its original objectives. As Oakley argued "We can not expect that all the effects of rural development projects will be able to be given a numerical value; indeed one could argue that the quantification of such effects is merely the tip of the iceberg, which
hides a whole range of unforeseen and non material consequences of rural development projects" (Oakley 1988: 5). To understand such complex process or phenomenon which occurred over time, the participatory research method was used to collect qualitative data in which those involved in the development process played a role of narrator, describing the process in which they were associated, and making their judgement upon the outcome of the activities.

The meso, micro and project level case studies were carried out during October 1992 to March 1993 in a hill district of Eastern Development Region of Nepal. The District Panchayat (DP) was selected for a meso level case study whereas three Village Panchayats (VPs) were selected for micro level case studies. Two projects viz. one irrigation project and one drinking water supply project were selected for project level case studies. In order to protect the identity of the informants, the real name of all the places were changed while presenting the findings. The district is named as `Ivang' and the three VPs as `Majuwa', `Naudanda', and `Pyauli' VPs. The irrigation project is named as the `Ghumaune Irrigation Project' and the drinking water supply project as the `Barbote Water Supply Project'.

3.3.2.1 Meso level case study

As mentioned in Section 3.3.2 the main unit of analysis of this study was the meso (district) level. Therefore, more attention was given to collect and interpret data at the meso level. It should be noted, however, that since District Development Plan (DDP) was a multi-dimensional and multi-institutional activity, involving multitude of actors at various levels, it was a gigantic task to understand how it was functioning in its entirety. At the same time the DDP was a `whole' process which was larger than and different from its individual parts. As Patton argued that the performance of a system was not the sum of the independent effects of its parts, but it was the product of their interaction. In other words:

A system can not validly be divided into independent parts as discrete entities of inquiry because the effects of the behaviour of the parts on the whole depend on what is happening to the other parts. The parts are so interconnected and interdependent that any simple cause effect analysis distorts more than that it illuminates. (Patton 1990: 79).
In this study there were three limitations to give sufficient treatment to all sectoral activities of the DDP. First, there was a time and resource limitation for the study. The whole field work had to be done by one principal researcher in a period of nine months. Second, and more fundamentally, the field study in 1992 had to capture the events of 1985-90 period, which were, in a sense, discarded when the prevailing Panchayat political system was overthrown by a popular revolt in 1990. Therefore, not many respondents were willing to recall the events of the Panchayat period. Moreover many of the political workers of the Panchayat period were hiding during the field study period, which limited the extent of information generation through focused interview. Finally, secondary data could have been generated by digging the project files of the study period. However, given the filing system of Nepal it was difficult to find the information required for the study in the given time period. Moreover, the information found in the files also did not make much sense on the actual nature of the events. Chaturvedi reports similar kinds of problems in his study of district administration in India. He comments:

Government reports and other documents, given the particular style in which they are written, neither reflect the process nor capture the essence of the dynamics of interactions between organizations. For example, the minutes of a meeting might be tersely worded, indicating only the agenda, the date and time of meeting, the persons present by their designations, and the decisions taken against the agenda item. What really transpired during the course of the meeting, what conflicts were registered, what differences of opinions surfaced, was extremely difficult to conjecture (Chaturvedi 1988: 21).

To compromise the necessity and the limitations, as indicated above, the study tried to capture some of the fundamental events of the DDP as a whole such as institutional arrangements, sequencing of planning, meetings of the Plan Formulation Committees etc., while examining the process of planned development in a greater detail only in the local development sector.

A similar study on people's participation in local development activities in Nepal employed an extensive household survey (Paudyal L.P. 1990: 60), whereas in another study in Sri Lanka the idea of holding a survey was dropped altogether, because it was felt, as Frerks put it:
... survey could hardly yield interesting results compared with the insights to be drawn from case studies. The case studies could lead to a better understanding of relevant process in connection with popular participation, while survey in contrast, only could yield some rather superficial generalization (Frerks 1991: 64).

In this study also a limited "functionaries survey" (Khan 1989: 24) was originally designed for the district level line functionaries to obtain information on their perception of or/and involvement in local level planned development process. However, while conducting the survey it was found that they would not give their critical views in writing on policies and the procedures adopted by the government. However, they were rather happy in discussing those matters informally. Therefore, the idea of the functionary survey was totally abandoned and the information was gathered through informal discussions with the functionaries. Other qualitative method of data collection as defined by Patton (1990 op.ct.: 10) such as special focused open ended interviews for 'how' and 'why' questions, direct observation and written documents, were also used. The information of a meso level case study is presented in Chapter 5.

3.3.2.2 Micro level case studies

The objective of the micro level case studies was to supplement the meso level case study, which was the unit of analysis of this study, with evidence how far the micro level institutions were participating in planned development process, as expected by the DS. The following three levels were examined in the micro level study.

a) Service Centre level: According to the Act, each of the nine Ilakas was supposed to have one Service Centre, to provide the technical support to the Village Panchayats in planned development process. Provision was also made for phase wise establishment of the Service Centres keeping in view the capacity and resource available. Two Service Centres, namely Majuwa and Pyauli, were selected to examine their role in village level planned development.

b) Village Panchayat (VP) level: The central issue at the VP level was to understand how the Village Development Plan was prepared and implemented. The Act and By-laws had stipulated a close linkage between
the VP, the Service Centre and the DP levels. How far such linkages were established during planning, implementation and maintenance of projects?

In order to examine these issues 3 VPs namely Majuwa, Naudanda and Pyauli, were selected on the basis of 'good', 'moderate' and 'bad' performance in planned development, as defined by the Ivang DP Secretariat. In order to maintain the 'chain of evidence' (Yin 1984: 79) the VPs were selected from the area covered by the two sampled Service Centres.

Data on socio-economic status of village level political leaders, number of meetings of VPs and village Assemblies held, type of projects in village plan etc. were collected from the files. To supplement the findings, informal discussions were held with the political leaders who held positions during the Panchayat period. The discussions centred on the procedures adopted in selecting development activities while preparing the Village Development Plan. It was also discussed how the Village Panchayats were guided in preparing the Village Development Plan, by the Service Centre and the district level agencies. Leaders of various political parties were included in the discussion to note their critical comments on the Panchayat System.

c) Project level: In order to obtain information on the application of the development process of the DS such as participation of people at various stages, resource mobilization, process of implementation and maintenance of a project etc., two projects namely the Barbote Drinking Water Supply (W/S) Project of Naudanda VP and the Ghumaune Irrigation Project of Majuwa and Dhuni VPs were selected for case studies.

Among the two projects, the Barbote W/S Project was planned and implemented under DDP during the study period but the Ghumaune Irrigation Project was planned and partly implemented before the study period. However, the follow-up project was planned and implemented during the study period. The Project also illuminates the spill-over effects spread over the study period when the earlier project failed. "Key informants" (Yin 1984: 83) such as local level political leaders, school teachers, religious and social workers were used to obtain information on project. Moreover, to generate qualitative data on issues like participation, local disputes, and confidence building at the project level 'participant observation' method was used, which allowed respondents to express, in their own terms, what they had expected and what was actually achieved. In this method, the emphasis was given on creating a relationship of trust between the researcher and the beneficiaries (Salmen 1987: 6). The researcher tried to introduce himself to
the community as a part of their society by, among others, helping them, for example, to find a way out to solve the 'loan-trap' problem in the Ghumaune Irrigation Project.

3.4 Selection of Case Study Area

Ivang District of Eastern Nepal was selected for case study based on the following criteria:

i) This district lies in the mid-hills, which is neither very remote nor developed. Therefore, it could generate a balanced picture of local capacity to handle local level development activities.

ii) An intensive rural development programme was also in operation to strengthen, among others, the DS.

iii) A number of research studies on rural communities had been done in the Ivang district, which could be used as a source of secondary level information for cross checking the findings.

3.5 Method of Data Analysis and Presentation

The central theme of the analysis was to evaluate the planned development process at the local level from its contents and context. The analysis focused on the causal relationship of local level organizations on planned development process which is termed as 'planning of planning'. The findings were presented in a narrative form, because the qualitative data on the process of interaction were either collected through informal discussion or by structured subjective questions, therefore the responses were digested and put in a sequential manner. In some cases, the respondents were also quoted as an evidence. In order to substantiate the arguments, charts, simple frequency tables, diagrams and maps were used in the text.
CHAPTER 4

INSTITUTIONAL ARRANGEMENTS OF LOCAL LEVEL PLANNED DEVELOPMENT UNDER THE DECENTRALIZATION SCHEME (DS)

4.1 Introduction

As stated in Chapter 1, the Panchayat System was introduced by King Mahendra in 1960 as the main political system of the country. It was a partyless political system having three tiers, at village/town level, district level and national level. It was said that the partyless character of the Panchayat System could unite all political workers under a single political ideology and could create a democratic, dynamic and non-exploiting society. There was the famous political slogan "All Panchas (Panchayat workers/leaders) are Nepali and all Nepali are Panchas".

Decentralization was one of the basic guiding principles of the Panchayat System. The Preamble of the 1961 Constitution stated:

... the partyless, democratic Panchayat System rooted in the life of the people in general, and keeping with the national genius and traditions and as originating from the very base with the active cooperation of the whole people, and embodying the principles of decentralization.

During the Panchayat period (1960-90) a large number of political and administrative institutions was created at various levels. One of the basic ideas was to involve people through these institutions in the planned development process. From the beginning of the Panchayat System the district level was made the focal point of development, at which level all the government offices were opened. Various efforts (Table 4.1) were made to decentralize power to the district level political and administrative bodies in order to involve them in the local level planned development process. The Decentralization Scheme (DS) was one of such efforts.
In this Chapter, an attempt will be made to illustrate the institutional arrangements and procedures developed under the DS to decentralize powers and functions to the local level political and administrative bodies. But first, the political and the administrative institutional arrangements of the Panchayat System, under which the DS was supposed to function, will be discussed. A brief review of the rural development efforts prior to the DS will also be made.

4.2 Political Setting

Politically the country was divided into 75 districts, 29 town Panchayats (municipalities) and 4023 Village Panchayats. The Village and Town Panchayats were at the bottom of the System, which were constituted with a minimum population of 3000 and 10,000 respectively. Each Village Panchayat was further divided into nine wards, which had a ward level committee. The Town Panchayat had a different procedure, depending upon the size of the town, which is not discussed hereafter.

There were six Class Organizations representing women, youth, peasant, labour, adult, and ex-army men at village, district and national levels. Due to the limitations of their own source of fund and the political freedom to pursue class specific interest, that prevailed under the Panchayat System, the overall role of the Class Organizations was marginal. It was, however, mandatory for a candidate of Rastriya Panchayat to be a member of a Class Organization. Moreover, the officials of the Class Organizations were the members of Village/District Assemblies at respective levels and the Chairmen of district level Class Organizations were the members of the Plan Formulation Committees at the district level. Therefore, they had some role in the local level planned development process.

The village and district level political bodies had two components for two different functional roles: Village/District Assemblies as legislative bodies and Village/District Panchayats as executive bodies. A large number of representatives met twice a year in the Village/District Assembly to consider plan of work and budget (legislative function), which was implemented by Village/District Panchayats (executive function).

Chart 4.1 shows that the lowest political tier of the System was the Ward Committee, in which the eligible voters, based on the principle of adult franchise, elected 1 Ward Chairman and 4 members for the Ward Committee. The Ward Committees of nine wards (1 Chairman and 4 members of a Ward Committee x 9 wards of a VP = 45 altogether) formed
Chart 4.1: Political Setting Under Panchayat System

King

Active leader of the Panchayat System

Rastriya Panchayat (RP)
114 elected Members from 75 districts and 28 nominated by the King = 142 Members

According to size of population 1 or 2 members elected from each district by adult votes. Prime Minister elected by 60% votes of RP Members. If required majority not achieved, King nominated the candidate, who formed cabinet.

District level

District Panchayat (DP)
Chairman, Vice-Chairman and nine Members

Election: Nine members elected by electoral college of each of nine Ilaka (47 VP electoral college x number of VPs of an Ilaka). Chairman & Vice Chairman elected by VP electoral college of entire district.

District Assembly: DP Officials, Pradhan & Upa Pradhan Panchas, RP Members, one third members of Town Panchayat, Chairmen of 6 Class Organizations formed District Assembly.

Local level

Village Panchayat (VP)
Pradhan Pancha & Upa Pradhan Pancha and nine Members

Election: Pradhan Pancha & Upa Pradhan Pancha were elected by VP electoral college (Ward Committee x 9 wards). Ward Committee Chairmen were members of VP.

Village Assembly: VP Officials, Ward Committee Members, village units of class organizations formed Village Assembly.

Ward level

Ward Committee
Chairman 1
Members 4

Elected by ward level adult voters.
Institutional arrangements of local level

an electoral college, which elected the Pradhan Pancha (VP Chairman) and the Upa Pradhan Pancha (VP Vice Chairman) of the Village Panchayat (VP). The Chairmen of 9 Ward Committees were the members of the VP. The Pradhan Pancha, the Upa Pradhan Pancha, 9 Ward Committees and village committees of Class Organizations constituted the Village Assembly. The Village Assembly was required to meet twice a year.

District Panchayat (DP) was at the middle of the Panchayat political framework. The officials of the District Panchayat were elected by the indirect voting system, through the electoral college of Village Panchayats. A district was divided into nine political constituencies, called Ilaka (which was also used for the Service Centre), and one member from each Ilaka was elected by the electoral college of an Ilaka (47 VP members x number of VPs of an Ilaka). The District Chairman and Vice Chairman were elected by the electoral college of the entire district. The members of the electoral college could become a candidate for the post.

The District Panchayat (DP) officials (Chairman, Vice Chairman and nine Members of DP), Pradhan Pancha and Upa Pradhan Pancha of the entire district, Chairmen of Class Organizations, and the Rastriya Panchayat (RP) Members of that district (both elected and nominated) and one third of the members of the Town Panchayat constituted the District Assembly. The District Assembly was supposed to meet twice a year.

The Rastriya Panchayat (RP), which was an unicameral legislative body, was the apex tier of the Panchayat System. Out of 140 members of RP, 112 were elected from 75 districts and 28 were nominated by the King. The 75 districts were divided into two groups. Those having a population of over 150,000 elected two members and those having less, elected one member by all eligible voters of a district based on the principle of adult franchise.

The Prime Minister was elected from RP, with 60% of majority votes. If, however, the candidate was unable to secure the required majority the King nominated after informal consultations with the RP. The King also appointed the members of the cabinet, on the suggestion of the incumbent Prime Minister. The cabinet was individually and collectively responsible to the RP as well as to the King.

Generally, RP sessions were held twice a year: in summer and in winter. The summer session was the most important for planned development purposes, because it approved the annual plan and the budget bill. The annual plan and budget bill was prepared by the Ministry of Finance and submitted to the RP by the Finance Minister with prior approval of the King.
4.3 Administrative Setting

There were three administrative layers: (i) central administration in Kathmandu, (ii) regional administration in five development regions and 14 zones, and (iii) district administration in 75 districts (Chart 4.2). The central administration consisted of the Royal Palace Secretariat, constitutional bodies, the Supreme Court, RP Secretariat, ministries and their departments and the central offices of the public corporations. The number of departments varied, depending on the nature of the ministry's work. Some ministries delegated certain works to public corporations such as the Agriculture Development Bank of Nepal (ADB/N) and Inputs Corporation under the Ministry of Agriculture. Such corporations had their own administrative network at regional, district and sub-district levels, depending on the nature of their work.

The regional administration consisted of the Regional Directorate of various departments, the Regional Court and regional offices of some public corporations. The regional strategy was conceived for better integration of regional economies within the national sphere and was implemented during the Fourth Five Year Plan Period (1970-75). Though, regional directorates were opened in all regional headquarters, they had no clear responsibilities or well defined job descriptions. Almost all the decisions were taken by the departments, and their implementation was carried out by their offices at the district level, with only a copy, and sometimes not even that, to the regional directorates.

At the zonal level there were mainly the Zonal Commissioner, Zonal Court and some zonal level offices. The Zonal Commissioner (ZC) was appointed by the King but was functionally attached to the Ministry of Home Affairs. The main responsibilities of the ZC were, among others, to ensure inter-district coordination in development matters and maintain law and order within the zone. He had a direct access to the Royal Palace, therefore he was more powerful than even the regional directors. For example, it was a constitutional position, therefore the post of ZC was a special class (equivalent to the secretary of a ministry). He was also privileged to have a flagged car, with an armed guard, which, in the centre, only the ministers' level could enjoy.

Historically, the district administration had been playing quite an important role in Nepal. Even during the highly centralized and autocratic Rana regime, the district administration had an important function of revenue collection and law and order maintenance. During the Rana period there were only 32 administrative districts, which were governed by an adminis-
Chart 4.2: Administrative Set-up of Nepal during 1985-90 period

Institutional arrangements of local level

KING

ROYAL PALACE SECRETARIAT

NATIONAL LEVEL

Rastriya Panchayat Secretariat

Council of Ministers

Supreme Court

Constitutional Bodies

National Planning Commission

Ministry of Home Affairs

Sectoral Ministries

Ministry of Panchayat and Local Development

REGIONAL LEVEL

Regional Office

Zonal Commissioner

Chief District Officer (CDO)

Regional Office

Regional Office

Local Development Officer (LDO)

Development Related Sectoral Offices

Other Sectoral Offices

Sub District Office

Service Centres

Village Secretary

LOCAL LEVEL
trator called Badahakim, appointed by the Rana administration in Kathmandu. After the introduction of the Panchayat System, the country was divided into 75 districts and in each district a Chief District Officer (CDO) was deployed by the centre with the main responsibilities of maintaining law and order and act as the chief representative of the national government at the district level.

At the district level the office of the District Panchayat Secretariat, headed by a Local Development Officer (LDO), played the most important role. All the development related sectoral offices of the government such as education, health and population, agriculture, irrigation, transport and communication, drinking water supply, forest and erosion control, cottage industry, tourism, fuel supply, local development, social welfare and cooperatives were designated as the sections of the District Panchayat Secretariat. The LDO was to coordinate their development activities at the district level. The job description of LDO will be discussed in Section 4.9.

Other offices of the district level were the district court, police, revenue offices, Agriculture Development Bank of Nepal (ADB/N), commercial banks, district level postal and communication offices, and district level offices of the public corporations such as Inputs Corporation, Food Corporation, Janakpur Cigarette Factory etc.

Below the district level, which was also included within the district administration, there were three types of offices: (i) programme specific offices such as postal network, health posts etc., (ii) units of different line agencies grouped together in order to provide coordinated technical services in the Service Centre, and (iii) an administrative staff of Village Panchayat called Multi-purpose Village Worker (MVW) or Village Secretary.

4.4 Local Development Efforts Prior to the Decentralization Scheme (1951-1982 period)

When Nepal initiated development activities on a national scale after the overthrow of the Rana Oligarchy in 1951, the first obvious concern was whether the centre, with its limited manpower, could control and sustain the increasing volume of development activities. This concern was very relevant in the Nepalese context, because, the difficult mountainous terrain posed serious problems for easy communications between the centre and various parts of the country. A number of efforts was therefore made to devolve authority to the local level pertaining to development activities.
The first attempt of local development was made in 1952 with the inception of the Tribhuvan Village Development Programme, with Indian and American support. It was a multi-faceted programme embracing almost every aspect of the village community’s needs. The implementation strategy of this Programme was based on a three stages village development approach. The first stage was to identify the remote villages where the infrastructural facilities were to be provided. Those were called Nucleus Development Areas. The second stage was to provide improved seeds, fertilizer, livestock development, school, drinking water etc. in the identified areas. The third stage, called the intensive stage, was to provide scientific farming assistance, extension of health services, cottage industries, cooperatives etc. At the district level there was a District Development Board, constituting representatives from the local people, related line agencies and relevant specialists. The Badahakim (Chief District Officer) was ex-officio Chairman of the Board and a District Development Officer was posted from the centre as the chief executive to carry out development works (Baral and Koirala 1989: 64-65).

After the initiation of the Panchayat System in 1960, the Tribhuvan Village Development Programme was terminated. Subsequently, as shown in Table 4.1, the Local Administration Act 1965 reorganized the country into fourteen zones and seventy-five districts. The Act replaced the Badahakim by the Chief District Officer (CDO) who was given the authority to maintain law and order and to coordinate the implementation of development projects at the district level. To him was also entrusted the responsibility of the secretary of the District Panchayat. At the zonal level, which was constituted by joining several districts, a Zonal Commissioner was appointed by the King with powers primarily relating to law and order over the whole zone and also relating to development issues such as inter-district coordination, and punishment for corruption and ‘negligence’ in implementation of development activities. The Local Administration Act 1971, created a new post under CDO called Panchayat Development Officer (PDO), who, as the secretary to the District Panchayat, was seen as the link between the District Panchayat and the government.

In 1974 the District Administrative Plan was introduced which emphasized the creation of an integrated and multi-sectoral district development and the creation of an unified system of district administration with the CDO as the coordinator. Another initiative, the Integrated Panchayat Development Design (1978), also emphasized inter-sectoral coordination at the district level. The Design also recommended to establish a coordination mechanism at the national level as well as a multi-disciplinary Service Centre.
### Table 4.1: Summary of the measures taken to develop integrated planned development at the district level

<table>
<thead>
<tr>
<th><strong>Main objectives</strong></th>
<th><strong>LOCAL ADMINISTRATION ACT, 1965</strong></th>
<th><strong>LOCAL ADMINISTRATION ACT, 1971</strong></th>
<th><strong>DISTRICT ADMINISTRATION PLAN, 1974</strong></th>
<th><strong>INTEGRATED PANCHAYAT DEVELOPMENT DESIGN, 1978</strong></th>
<th><strong>DECENTRALIZATION ACT 1982</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop decentralized administration at district level</td>
<td>Integrate all laws and by-laws pertaining to local administration to make one legal document</td>
<td>Create a unified local administrative system &amp; expand DP's role in planning process</td>
<td>Enhance the capacity of local level organization for local level planned development</td>
<td>- Empower local panchayats to formulate, implement &amp; operate local level projects</td>
<td>- Develop development authorities to local Panchayats</td>
</tr>
</tbody>
</table>
| **Major targets** | **a)** Create 75 administrative districts and deploy CDO in each district to replace Bishnuphans.  
**b)** Designate CDO as Secretary to DP.  
**c)** Devolve greater power to DP & VP.  
**d)** Delegate law and order authority to ZC  
**e)** Arrange training for CDO | **a)** Entrust both law & order and development authority to CDO.  
**b)** CDO as the coordinator of district development.  
**c)** PDO deployed as full-time Secretary to DP.  
**d)** Expand power to DP. | **a)** DAP implementation committee at central level.  
**b)** Creation of DO, combining all sectoral units as sections of DO and designate CDO as coordinator.  
**c)** Clarify steps of local development process.  
**d)** Training to VP & DP officials.  
**e)** Creation of MVWs at VP. | - Introduce concept of SC.  
- Few high level posts created for its implementation. | - Legal framework designed & legislated in Decentralization Act 1982 & By-laws, 1984 |
| **Net achievements** | - Legal arrangements made for a, b and d above.  
- Training arranged for CDO. | - Further minimized role of DP.  
- No devolution of power to local bodies | - Inadequate technical support from central level to district level to develop district plan  
- No devolution of authority to local bodies | - Not fully implemented due to lack of political support | - Not fully implemented due to overthrow of panchayat system by popular revolt in 1990 |
| **Problems identified** | - CDO more powerful, so capacity of local institutions undermined.  
- Devolution of authority to DP failed | - Lack of coordination  
- Programmatic loopholes  
- Inadequate logistic support at local level | - Not enough political back-up  
- Lack of coordination both at central and local level  
- Programmatic loopholes  
- Inadequate logistic support at local level | - Time was too short to show its result  
- The political system itself was defective, in which the political leaders were not accountable to people | - Time was too short to show its result  
- The political system itself was defective, in which the political leaders were not accountable to people |
| **Stated reasons of problems** | - Lack of confidence on local bodies  
- Programmatic loopholes  
- Inadequate logistic support at local level | - Lack of coordination both at central and local level  
- Programmatic loopholes  
- Inadequate logistic support at local level | - Time was too short to show its result  
- The political system itself was defective, in which the political leaders were not accountable to people | - Time was too short to show its result  
- The political system itself was defective, in which the political leaders were not accountable to people | - Time was too short to show its result  
- The political system itself was defective, in which the political leaders were not accountable to people |
| **How plan/reform phased out?** | Substantial amendment made in its content and replaced it by Local Administration Act 1971 | Not officially withdrawn but practically became ineffective when it was superseded by Integrated Panchayat Development Plan, 1974 superseded | Not officially withdrawn but practically became ineffective when it was succeeded by Integrated Panchayat Development Design, 1978 | - After political change, a new legal framework designed, in which some changes have been made while keeping the major contents more or less the same. | - After political change, a new legal framework designed, in which some changes have been made while keeping the major contents more or less the same. |

**Legend:**  
- **CDO** = Chief District Office  
- **DP** = District Panchayat  
- **MVWs** = Multi-purpose Village Workers  
- **VP** = Village Panchayat  
- **LDO** = Local Development Officer  
- **ZC** = Zonal Commissioner  
- **DO** = District Office  
- **IRD** = Integrated Rural Development  
- **IRD** = Integrated Rural Development  
- **PDP** = Panchayat Development Officer  
- **SC** = Service Center  

In each of the nine Ilakas (political constituency of DP members) of a district, to provide technical support to the village level planned development.

Since 1975, His Majesty's Government of Nepal (HMG/N) had also launched several multi-sectoral integrated rural development projects (IRDPs) for area-specific development, with financial assistance from various international donors. Though the IRDPs were mostly designed by the expatriate consultants and consulting firms, they made an effort to adjust within the district development planning concept of HMG/N. Some of them even tried to incorporate several institutional development, spelt out by the plans. For example, one can find the Service Centre mostly in the IRDP covered areas.

4.5 Inception of the Decentralization Scheme (1982-84)

After the mass protest against the Panchayat System in 1979 a national referendum was held in 1980 to chose between the improved version of the Panchayat System or the re-introduction of the multi-party system. About 55 percent voted in favour of the improved version of the Panchayat System. As a part of the improvement, a new Panchayat and Local Development Ministry was created (combining the Local Development Department and the Panchayat Division of the Ministry of Home Affairs) to give a new impetus to the local development programme. In the meantime, the King stated on 16th December, 1981 on the occasion of the constitution day:

To make the Nepalese society forward, I think, we shall be able to translate into reality the process of decentralization giving the decision making roles to the lowest units of the social structure, which is the vision contained in our polity. It is essential therefore, that we devolve obligations, responsibilities and rights from the centre to the regions, the zones, the districts, the villages and town Panchayats including all the ways down to the wards to make democracy a fact of our daily life (Quoted by Shrestha 1990: 9).

In keeping with the spirit of the royal expression a Decentralization Commission was constituted in 1981, by the Panchayat Policy and Evaluation Committee. Based on its report, the Decentralization Act 1882 was framed and legislated. However, following the enactment of the Act, the high level policy makers became apprehensive of the implication of the Act (which will be discussed in Chapter 6 and 7). Therefore it was amended in 1983, before
its implementation. Accordingly, By-Laws were framed in 1984 and the Act and its By-Laws (together called the Decentralization Scheme) was formally enacted in December, 1984.

In a recent study on the Decentralization Scheme T.N. Shrestha (1990: 9-19) illustrates a number of important decisions that were taken by His Majesty's Government of Nepal (HMG/N) in 1984, for the implementation of the DS. Those included the following:

- to convert the development related district level sectoral offices into the sections of District Panchayat Secretariat (DPS);
- to make it mandatory for all ministries/departments and regional offices to inform the DPS about instructions regarding specific activities they have sent to their respective district offices;
- to create units in every ministry which looks after the implementation of the DS;
- to divide the 75 districts into two groups (i) where the DS was to be implemented intensively (popularly called intensive districts), and (ii) where the DS was to be implemented in non-intensive/normal manner (popularly called non-intensive districts).

HMG/N selected altogether 14 districts, one district from each of the 14 zones, serving as either zonal or regional administrative headquarters, for the intensive implementation of the DS. The major objectives of such intensive implementation were:

- to use "intensive" districts as laboratories for the implementation of the DS;
- to use such districts as areas for training and gaining experiences for their replication in other 'non-intensive' districts;
- to use such districts as the areas for demonstration.

The intensive districts were to be given priority in the establishment and strengthening of service centres (SC), organizing training programmes, supplying needed manpower, strengthening the local level planning and implementation process, including follow-up, monitoring and evaluation. Apart from that HMG/N also took a number of steps for institutional rearrangements for the implementation of DS, which included:

- creation of a separate division in the Ministry of Panchayat and Local Development (MPLD) as well as National Planning Commission (NPC) with a mandate to support the implementation of the DS;
- creation of a high level Task Force affiliated initially to the MPLD, and later on to the Prime Minister's Office, to support the implementation of DS through consistent and continuous monitoring, evaluation and providing suggestions to HMG/N;
Institutional arrangements of local level

- dispatching survey teams to different districts for determining the locations to establish service centres (SC);
- creation of planning units in the District Panchayat Secretariats (DPS), and deploying a Planning Officer under the Local Development Officer (LDO) in each DP.

4.6 Goals and Objectives of the Decentralization Schemes (DS)

The preamble of the Decentralization Act 1982 set the following major goals and objectives:
- Wider mobilization of people in resource allocation and distribution of the fruits of development in order to achieve the broader goal of the Panchayat System such as creating exploitationless welfare society.
- Formulation and implementation of medium term and annual plans at the local level, which may be suitable to the local talents, potentialities, and needs.
- Development of lower level Panchayat institutions in order to make them capable in:
  * exercising democratic practices in identifying and determining the felt needs of the local people;
  * managing planned development at the lower level;
  * involving people themselves in taking decisions on matters relating to their daily needs.

4.7 The Procedure of Formulation of the District Development Plan (DDP)

The Decentralization Scheme stipulated that the national government would take up only national and regional level projects. Such projects would be separately planned and implemented by the relevant national level agencies. All other district and village level projects, either to be implemented through the district level sectoral agencies or through the district and village level political bodies, would be included in the District Development Plan (DDP). The district level projects were defined as those projects whose areas of operation and beneficiaries were limited within a district, but more than one Village Panchayat (VP), and were within the technical competence of the district level. The Village Level projects were the smaller projects in size and scale covering only one VP.
Local Level Planned Development

The DS also made it mandatory that the District Panchayat would prepare a medium term plan, for a five year period, in order to give a broader direction to the annual programme. Based on the medium term plan, the annual programmes were prepared, based on the following resource projections:

- DP's own human, physical and financial resources
- grants to be received by DP from HMG/N or other agencies
- HMG's allocation for sectoral agencies.

A schematic diagram of the planning process, as stipulated in the DS is presented in Chart 4.3. The stages of DDP formulation, as specified by the Decentralization Act and By-laws (compiled in the format by Nepal KR: 1987), is shown in Table 4.2. It shows that the planning process started when the ministries and the National Planning Commission (NPC) sent a resource forecast for the next year along with the necessary guidelines to the District Panchayat Secretariat by mid-October. When the budget ceiling and guidelines were received, LDO called a meeting of all the concerned line agencies in order to allocate resources needed for various sectoral activities for the next year. Based on their recommendations, DP would decide the budget ceiling for the Village Panchayat (VP) which would be sent, along with the necessary guidelines, to VPs by mid-November. The guidelines would include:

- sectoral policies of the DDP;
- guidelines to select projects covering more than one VP;
- sectoral investments under various Service Centres;
- resources to be available from the DP to the VP.

The VP would then ask Ward Committees to identify projects, keeping in mind the resources that would be made available from DP, VP's own source and the contributions of the beneficiaries themselves. The projects should be based on the felt needs of the ward level people.

Once the list of project had been received from nine Ward Committees, the VP reviewed the individual project ideas keeping in view the total resources available in the VP. The revised Village Development Plan would finally be presented for the approval of the Village Assembly. In the village level planning process, the Service Centre would provide the required technical support, especially in identifying and prioritizing the projects. The Village Development Plan should have the following three parts:

a) summary of the projects
b) details of projects including

projects to be implemented by its own resources and/or with the financial contribution of DP
Chart 4.3: Institutional Setting for Annual Planning Under the Decentralization Scheme (DS)
Table 4.2: Stages of formulation of District Development Plan (DDP)

<table>
<thead>
<tr>
<th>ACTIVITIES (RESPONSIBLE AGENCIES)</th>
<th>CURRENT FINANCIAL YEAR</th>
<th>NEXT YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Resource forecast &amp; issuing of guidelines &amp; policy (NPC + HMG Ministries)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Total resource forecast (DP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Sectoral resource allocation (LDO + Line Agencies)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Estimate approval (DP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Distribution of sectoral plan policy, budget &amp; guidelines to village panchayats (LDO)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Village panchayat plan formulation (VP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. District sectoral plan formulation committee (member secretary of the committee)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. District Development Plan draft (Planning cell of DP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Joint meeting of five committees (LDO)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Revision of draft plan (DP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. District Development Plan approval (District Assembly)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Forward DDP to MPLD &amp; NPC (LDO)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Forward sectoral plan to concerned ministry via district line agencies (LDO)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Programme discussion (NPC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Budget discussion (Ministry of Finance)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Budget approval (Rastriya Panchayat)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Responsible agency is shown within parenthesis

Legend:
- NPC = National Planning Commission
- LDO = Local Development Officer
- VP = Village Panchayat
- HMG/N = His Majesty's Government of Nepal
- MPLD = Ministry of Panchayat and Local Development
- DP = District Panchayat
Institutional arrangements of local level

- sectoral projects to be implemented by district level sectoral agencies

c) projects which cover more than one VP.

By mid-December the Village Development Plan (all three parts) would be sent to the District Panchayat Secretariat (LDO Office), while part 'b' and 'c' would be sent to the sectoral offices, with copies to the Member Secretary of the respective Committees for incorporation in the DDP. After receiving the Village Development Plan, the Office concerned would compile all the village projects and forward them to the respective Plan Formulation Committees (PFC) for their technical scrutiny. The respective PFCs would appraise the projects, based on the technical and economic merits, and send the finalized sectoral programme to the LDO Office by the end of December.

The Planning Division of the LDO Office would draft the DDP, incorporating all the sectoral programme, which would be placed before the Joint Committee (i.e. members of all Plan Formulation Committees) meeting, coordinated by the LDO, for final checking and inter-sectoral integration. At this stage, the duplication and overlapping of projects under different sectoral programmes, would also be discussed.

Then the consolidated DDP document was put forward to DP for further deliberation and finally, submitted to the District Assembly by the middle of March for approval. After the approval of the DDP at the district level, the LDO forwarded the projects under different line agencies to their parent Ministries by the end of March for incorporation in next year's programme and budget. The Departments/ Ministries would aggregate the sectoral programme for discussion with the National Planning Commission (NPC) and the Ministry of Finance by the end of May, and finally be presented to the Rastriya Panchayat (RP) for approval by mid-June.

After the approval of the annual budget and programme of work by the RP, the respective ministries and their departments would send the approved list of projects, with a stamp of NPC and budget authority letter to their district offices for implementation, with a copy to the Local Development Officer (LDO) and District Treasury (DT) (Chart 4.4). The district offices would then go to the DT, along with the recommendation letter of LDO, list of approved projects and the budget authority letter, for budget release.

The By-laws also specified the responsibilities of the various levels of government agencies such as NPC, ministries, departments, regional directorate, Zonal Commissioner, CDO and chiefs of the sectoral offices, in the DDP formulation and implementation. Among the important responsibilities, the NPC and the ministries were supposed to develop planning and management capabilities at the local level development
agencies, whereas the Zonal Commissioner and the CDO were supposed to help to enforce the rule of law. As an organic component of the DDP, the sectoral agencies at the district level were supposed to participate in the planned development process under the leadership of the LDO. All the DDP related district level sectoral offices were designated as the 'sections' of the District Panchayat Secretariat, though they could maintain their administrative linkages with their parent office in Kathmandu. The responsibilities of various agencies are summarized in Annex 1 (a).

4.8 Power and Responsibilities of Local Political Bodies

The Decentralization Scheme (DS) specified the power and responsibilities of different levels of local Panchayats. The Village Assembly and Village Panchayat were replicas of the District Assembly and District Panchayat, having more or less the same types of responsibilities. The Village/District Assemblies were the legislative bodies which, among others, approved annual plans and budgets at each level while the Village/District Panchayats were the executive bodies which implemented them.

The areas of responsibilities of VP and DP is given in 10 different sectors such as education and culture, health and population, agriculture and irrigation, physical construction and communication, drinking water and hydro electricity, forest and environmental control, industry and tourism, women development, panchayat development and administration. At the district level the sectoral responsibilities of the DP were discharged by the district level sectoral agencies, which were the different sections of the District Panchayat Secretariat. The sectoral programme was a part of the DDP. At the VP level, however, that was not the case. There was no manpower at VP level for sectoral programme formulation and implementation. It was assumed that the Service Centre would provide the required technical support for VPs for planning the sectoral activities. The responsibilities of district and village level political institutions is summarized in Annex 1 (b).

4.9 Job Description of Various Committees and Officials

The Decentralization Scheme (DS) had constituted various committees consisting of political and administrative officials involved in local level planned development. The basic idea was to integrate sectoral agencies themselves as well as the sectoral agencies and the political bodies in the development process. The job descriptions of those committees may be categorised in the following groups:
Plan Formulation Committees. In order to achieve sectoral coordination and integration in planning, five Plan Formulation Committees (PFC) were formed at the district level. They were: Agriculture and Irrigation Committee, Physical Construction and Maintenance Committee, Industry, Forest and Erosion Control Committee, Health and Population Committee and Education Committee. The office chiefs of the related sectoral agencies and the district branches of the public corporations were the members of the PFCs. In each PFC, one of the agency was designated as the Member Secretary, who acted as the coordinator of the PFC. In each PFC, two DP Members were designated by the DP, and one of them chaired by rotation. District Chairmen of the Class Organization, relevant to the area of interest of a PFC, were also members. The DP Chairman, DP Vice-Chairman, Chief District Officer (CDO) and Local Development Officer (LDO) were ex-officio members of all the PFCs. The composition and job description of the Plan Formulation Committees (PFCs) is presented in Annex 1(c).

The PFCs were supposed to scrutinise the project ideas of the Village Development Plan, in their areas of interest, based on the technical feasibility of a project and resource availability. Apart from these pre-conditions, the DS had laid down the following general criteria to consider in prioritizing projects:
- directly beneficial to poorer groups
- basic needs oriented
- may help to increase agriculture production
- can be managed & operated by local resources & skills
- may help to increase productivity & employment
- falls under national priority areas
- may help to protect environment.

There was also a provision of a Joint Committee, consisting of all PFC Members, for inter-sectoral integration of projects, after they were considered by individual PFCs. The meeting of the Joint Committee was called by LDO, chaired by the DP Chairman.

Other Committees: The DS had formulated some other committees, which were very important in plan implementation, handover and operation stages. The composition and job description of other committees is presented in Annex 1(d). First, there was a Supervision Committee consisting of the Rastriya Panchayat (RP) Members from that district, DP Chairman, DP Vice Chairman, CDO, LDO and District Engineer. The RP Member chaired (by rotation if more than one RP Members) the Committee. The main job of the Committee was to supervise the implementation of projects under the District Development Plan (DDP). It was given power to recommend necessary action
if it found projects lagging behind due to negligence or misconduct by the project management officials. The LDO was the Member Secretary of the Committee, who was supposed to call the meeting at least 4 times a year.

Second, there was a Completion Certifying Committee, which consisted of one DP Member and a technician nominated by the DP and one official nominated by the LDO. The Committee examined a project within 15 days after its completion. If a project had not been constructed according to its project design, the Committee could report it to the DP. In that case, the DP would take the final decision, if it was a village level project, and in the case of a district level project, the Supervision Committee would take the final decision.

Finally, there was the Users Committee at the project level, consisting of 7 to 11 members from the beneficiaries, selected by the VP or DP depending on the size of the project. The Committee was chaired by the Ward Chairman or Pradhan/Upa-Pradhan Pancha, (VP chairman/vice chairman) as nominated by VP or DP. The Villager Secretary would generally be the member secretary of the Users Committee. The DS had made it mandatory that all local level projects should be implemented through a Users Committee. The VP formed the Users Committee in the case of a village level project whereas the DP formed the Users Committee in the district level projects. The budget of the project was jointly controlled by the Chairman and the Secretary of the Users Committee. All projects were handed over to the Users Committee after completion.

Political Officials: The DS had outlined the job of elected political officials of the DP and the VP. The main job of the District Panchayat Chairman was to call, chair and conduct the DP and the District Assembly meetings and implement the decisions taken by them. It included the District Development Plan (DDP). As the member of various committees, he was involved in all other stages of DDP formulation and implementation. He was also given certain financial and administrative authorities as chief executive of the DP. The Vice-Chairman of DP was to act as chairman in his absence. He was supposed to collect data for the medium term and the annual plan. Another job of the Vice Chairman was to evaluate the physical facilities of administrative staffs and report to the DP. The nine Members of the DP represented nine Ilakas of a district. Therefore they were supposed to provide support to the VPs while preparing Village Development Plans and monitor their performance during implementation, in their respective Ilakas. At the VP level, the main job of the Pradhan Pancha was to chair and conduct VP and Village Assembly meetings. He was supposed to arrange and supervise the drafting of the Village Development Plan, get approval through
the VP and Village Assembly and forward it to the district level for approval. As the chief executive of the VP he was supposed to supervise the administrative staffs at VP level and implement all the decisions of VP and the Village Assembly. The Upa-Pradhan Pancha was supposed to act as Pradhan Pancha during his absence. His other job was to evaluate the physical facilities of the administrative staff and report to the VP.

The VP Members, who were also the Chairmen of nine Ward Committees, were supposed to call, chair and conduct the Ward Committee meeting, implement the decisions and send project ideas and other information as requested by the VP. The job descriptions of all the political officials are summarized in Annex 1(e).

**Important Administrative Officials:** Among the various administrative staffs involved in the local level planned development, the job descriptions of the Local Development Officer, the Service Centre and the Multi-purpose Village Worker or the Village Secretary were mentioned in the DS. The Local Development Officer (LDO), was given a wide range of power and responsibilities which were grouped into three areas. First, the development area in which he was the coordinator of the local level planned development. Therefore, he had to ensure that all the stages were properly carried out. Moreover, as the chief executive officer of the District Panchayat Secretariat (DPS), he had the responsibility to implement local development sectoral projects such as small water supply and irrigation projects, school buildings, road/trail repair etc., which were normally carried out through the local Panchayats. Second, he had to ensure proper functioning of all the DDP related sectoral offices in the district, especially in relation to the local level planned development process. Finally, he had the financial responsibilities (Section 4.10), in which he had to ensure the proper expenditure of development budget of the DPS. Moreover, as the Coordinator, he had to recommend the disbursement of budget of the sectoral offices to the District Treasury.

The Service Centres were located in nine Ilakas of a district. All the DDP related sectoral offices had to open their section in the Service Centre, and the senior most officer would be designated by the DP as the Coordinator. The main responsibilities of the Service Centre were to provide necessary technical support to the VPs in all stages of planned development process, help the Users Committee to organize and function, organize periodic review meetings in village level development activities to exchange ideas among VPs, and help the VPs to communicate their ideas to the higher level authorities.
The Multi-purpose Village Worker or the Village Secretary was under the direct administrative control of the LDO. As the only administrative staff in the VP, he had to perform all the development, administrative, and financial functions at VP level. Moreover, he was generally designated as secretary to the Users Committee. Therefore, he had to maintain progress report, expenditure record, and also inform the LDO or the CDO if there were any financial mismanagement.

The job description of the above officials is summarised in Annex 1(f).

4.10 Financial Responsibilities

The annual plan and budget approval procedures are summarised in Chart 4.4. It shows that the district plans and budgets were aggregated in the annual plan and budget of the ministry concerned, and were then submitted to the Rastriya Panchayat via the National Planning Commission (NPC) and the Ministry of Finance for approval. Once it had been approved, the disaggregation of the district level programme and budget was carried out simultaneously by the Ministry of Finance and the sectoral ministry concerned. The Ministry of Finance, through its Accountant General's Office, disaggregated sector-wise and district-wise budget in, popularly called, the 'red book'. The total budget of a district in the 'red book' was disbursed to the District Treasury Office. The Sectoral Ministries on the other hand, sent the approved list of projects, with the seal of the NPC, along with the budget authority letter to their respective district level offices.

At the district level, apart from the approved list of projects and budget authority letter, the sectoral offices required a recommendation letter from the LDO to disburse the first, second and last quarters of the annual budget from the District Treasury. In the case of the DP, the development budget was given in the form of block grant called 'grant-in-aid' and 'administrative grant', which was disbursed by the District Treasury on the basis of a approved annual programme and budget by the District Assembly.

All the unspent balance of the sectoral offices was 'frozen' at the end of the financial year, which was to be included and disbursed (called defreezing) along with the budget of the next financial year. The District Panchayat, being an autonomous body, was exempted in this freezing and defreezing process.

The Decentralization Scheme (DS) laid down certain rules and procedures in financial management and gave the responsibility to the LDO to supervise and coordinate the local Panchayats and district level offices, to ensure that financial procedures were followed in incurring expenditure. Some of the major financial procedures are summarised below:
Chart 4.4: Programme & budget approval and release procedure

1. Finance Minister Presents Programme & Budget to RP for approval
2. Ministry's plan & budget sent for inclusion in annual plan & budget
3. SM approved programme & budget sent for plan activation
4. Disaggregated programme & budget by Dept wise or programme wise
5. Dept's aggregated programme & budget sent to Ministry for inclusion in annual plan & budget
6. Sectoral programme of DDP sent to Dept for inclusion in annual plan & budget
7. Approved programme & budget sent to MOF
8. Approved programme & budget sent to MOF
9. Approved programme & budget sent to MOF
10. Sector wise & District wise budget disaggregated
11. Accountant General
12. District budget disbursed to District Treasury
13. Budget released on the basis of authority letter, approved programme & LDO's recommendation letter
14. LDO
15. SO

Legend:

DDP = District Development Plan
DEPT = Departments
DT = District Treasury
LDO = Local Development Officer
MOF = Ministry of Finance
NPC = National Planning Commission
RP = Rastriya Pan
SM = Sectoral Ministry
SO = Sectoral offices at district level (including LDO's Office)

--- = upward flow for programme & budget approval

--- = downward flow of approved programme & budget release
All construction projects were supposed to be designed and cost estimated by technician. If the total cost of a project was above Rs. 25,000, a tender should take place allowing proper competition of at least three contractors. However, in the case of constructing a project through the Users Committee, this condition was exempted.

The decision of implementing a project either through the Users Committee or the contractor (and selecting the contractor in case a project was implemented through the contractor) would be taken by the LDO if the amount was below Rs. 150,000. If the amount was more, the decision would be taken by a committee chaired by the DP Chairman and DP Vice-Chairman, LDO, District Engineer, and the Chief of the sectoral office concerned as the members.

The LDO was also responsible for arranging the internal audit of local Panchayats and district level sectoral offices. He would ask the office concerned for clarifying irregularities and in case of mismanagement of funds, refer to the Chief District Officer (CDO) or Zonal Commissioner for necessary action.

4.11 Database for Planning

The Decentralization Scheme (DS) had specified a database at district and village level, called District and Village Profile, for planning purpose. The data required for the District/Village Profile are summarized in Annex 1(g). The District Vice-Chairman was responsible for collecting and updating the District and Village Profiles. Provision was also made for a review room in each Panchayat office where progress of development activities was displayed, using simple charts and tables. The profiles were supposed to be reviewed and updated once in every six months. At the VP level, VP members, members of class organizations, and project staff were to be invited in the meeting. In the case of DP review meeting, the Zonal Commissioner, Regional Directors, CDO and chiefs of the district level sectoral offices were to be invited.
CHAPTER 5

PRESENTATION OF THE CASE STUDIES: IMPLEMENTATION OF THE DECENTRALIZATION SCHEME (DS)

5.1 Introduction

As noted in Chapter 3, the empirical part of the research study was conducted at the district, village and project levels in one of the mid-hill district of the Eastern Development Region of Nepal (Chapter 1: Map 1). It was also noted in Chapter 3 that in order to protect the identity of the informants, the names of the case study locations as well as the name of the informants have been changed, although the findings represent a true story. The findings of the case studies are presented in this Chapter. In order to make a causal relationship of the case studies at three levels, the order of presentation of the findings is maintained from district, village to project level.

The prescribed framework of local level planned development process according to the Decentralization Scheme (DS) have been mentioned in Chapter 4. In this Chapter the implementation part of the DS will be presented through the case studies. The presentation is made in a descriptive way. The idea is to narrate the actual situation of the planned development process occurred in the field. More analytical discussions will be made in Chapter 7, while relating the findings with the policy setting. In this Chapter, an attempts will also be made to explore the reasons as to why the actual events differed from the prescribed process.

The case studies rely heavily on the data collected during the study period (1992) on files and on discussions with informants. Very few reliable secondary data were available for the reference period of 1986-90. Therefore, 1992 data and information were also used, in spite of the fact that the study was supposed to capture the events of the 1986-90 period. In the project level study, the observations made by the researcher during the study period (1992) were also used. This was thought to be acceptable because 1990-91 was a transition period from the partyless Panchayat System to the
multi-party democratic system and no significant changes had taken place from the procedures that were operationalized in the study period.

5.2 The Planned Development Process at District Level

5.2.1 Profile of case study area

Ivang is a hill district of the Eastern Development Region. The district is divided into 47 Village Panchayats and an Town Panchayat called Ivang Town Panchayat, which is the headquarters of the Ivang district. The elevation of the district progresses from the southern low flat land called inner Tarai towards the mountains of the northern part of the district. The altitude of the district ranges between 600 metres from the sea level in the south to over 2000 metres from the sea level in the north. The climate is subtropical. Rainfall is caused mainly by the monsoon winds. The annual average rainfall is around 2300 milli-metre. The maximum precipitation takes place between June and September.

Ivang is traditionally known as a cash crop growing area. A number of important cash crops such as broom (Amliso), ginger, citrus, guava fruits, cardamum and tea are cultivated and exported from this district. Among the other agricultural crops, paddy, maize, wheat and potato are the main food products. Livestock and livestock products, silk cocoon and vegetables such as green peas, squash and squash yam are also exported from the district.

A highway intersects through almost the middle part of the district and joins with another district to the north. The major parts of the Ivang district are accessible by at least fair-weather roads.

The population figures of the Ivang district, including the selected Village Panchayats for the micro level case study, are shown in Table 5.1. The comparison of 1981 and 1991 census figures show that the average family size of Ivang district decreased from 5.69 persons per family in 1981 to 5.65 persons in 1991. However, the population increased by 28.6 percent over the 10 year period. The similar trend is seen at the Village Panchayat (VP) level, except Naudanda VP, which showed an increase in the family size as well as the population.

The Ivang Town Panchayat, where all the district level offices are located, is the headquarters of the Ivang District. In the Ivang Town Panchayat there is a small bazaar which has market days twice a week.
Table 5.1: Population Growth of Ivang District 1981-91

<table>
<thead>
<tr>
<th>NAME</th>
<th>1981 CENSUS</th>
<th>1991 CENSUS</th>
<th>POPULATION INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOH</td>
<td>NOP</td>
<td>AFS</td>
</tr>
<tr>
<td>Ivang TP</td>
<td>1748</td>
<td>9773</td>
<td>5.59</td>
</tr>
<tr>
<td>Majuwa VP</td>
<td>678</td>
<td>4349</td>
<td>6.41</td>
</tr>
<tr>
<td>Naudanda VP</td>
<td>798</td>
<td>4464</td>
<td>5.59</td>
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<tr>
<td>Pyauli VP</td>
<td>350</td>
<td>2267</td>
<td>6.48</td>
</tr>
<tr>
<td>Ivang District</td>
<td>31330</td>
<td>178356</td>
<td>5.69</td>
</tr>
</tbody>
</table>

Legend:

NOH = Number of households  NOP = Number of population
AFS = Average family size   TP = Town Panchayat
VP = Village Panchayat


Other facilities at the Ivang Bazaar include 11 primary and 6 secondary schools and a multi purpose college. The town has piped drinking water supply and electricity. It also has telephone and wireless radio services linking it with other parts of the world.

5.2.2 Composition and the role of District Panchayat (DP) and District Assembly

The District Panchayat (DP) played a vital role in the three tier system of the Panchayat polity. It had two parts: the District Assembly was the larger legislative body for policy making, while the District Panchayat (DP) was the executive body for the day to day functioning and the execution of policies and plans. The DP was the second tier from the bottom as well as from the top, therefore the convergence of messages from both sides took place at this level. The political structure at the local level of Ivang District is summarized in Chart 5.1.
Chart 5.1: Composition of Political Structure of Ivang District

During the empirical study, the background of the political leaders, who were elected in the 1982 and 1987 election, of the DP and three selected VPs were examined. The data are presented in Annex 2 (a). It was found that the ownership of property and education was positively correlated with the level of leadership. Large and educated farmers were found in the DP leadership while medium size farmers with lower level of education were found in the VP leadership. Moreover, very few poor farmers were seen among the leaders at both levels. Therefore, what is generally termed as 'the local elites' had dominated the leadership at both levels. In terms of caste distribution, high caste people were seen at the DP level, but at the village level, the combination depended on the distribution of the high caste/ethnic population. In terms of occupation, almost all were farmers, except a few traders from small towns and bazaars, especially at the DP level. In VP level the non-farmers were retired army pensioners.
It was found that in the District Panchayat (DP), the DP Chairman was the single most important figure. He implemented the decisions passed at the DP and the District Assembly meetings and acted as the head of the district such as welcoming all important guests, chairing and inaugurating all important meetings, participating in relief operations or even settling family quarrels. One ex-chairman compared the role of a District Chairman with that of a "father" in a family who was supposed to foster harmony among all family members. Indeed, the term also had other implications which could be analogous with the father's role of the DP Chairman such as his undefined role at the district level, his discretionary power at the DP and his paternalistic attitude towards the development process (Section 5.2.4) and towards his staff, mainly with the LDO (Section 5.2.8). This unequal distribution of power at the District Panchayat seriously undermined the achievement of goals and objectives of the DS (Chapter 4, Section 4.6) in exercising democratic practices at lower level Panchayat institutions.

Generally the DP met once in every month. There was, however, a definitional problem in recording the number of the DP meetings, because a meeting lasted from 1 day to a maximum of 12 days. But a meeting was not continuous. There were a number of days' gap in between two consecutive meetings. The first meeting ended with "to be discussed further on such a day", leaving a scope for continuity. The agenda of most of the meetings was related to development activities. Table 5.2 shows the big gap between the number of meetings and the number of days. Some people, mostly related with the Panchayat System, argued that there used to be an intensive discussion on development issues during those days, while the critics remarked that it was only for the meeting allowance (Rs.40/a day) that the meeting was prolonged.

The District Assembly was the policy making body at the district level. The members of Ivang District Assembly included 94 Pradhan Panchas and Upa Pradhan Panchas (47 VPs x 2), 6 Chairmen of class organizations, 2 Pradhan Pancha and Upa Pradhan Pancha and 3 members of Ivang Town Panchayat, 2 elected and 1 nominated Rastriya Panchayat Member, totalling 108 members. To organize a meeting of such a large number of delegates from all over the district, which required the payment of travel and daily allowances, was expensive. According to the Decentralization Scheme (DS), the District Assembly meeting was supposed to be held twice a year (one in summer and one in winter). During the study period it was held only once during the winter season, mainly because there was no corresponding budget
Table 5.2: Number of meetings of District Panchayat and District Assembly during 1986-90

<table>
<thead>
<tr>
<th>YEAR</th>
<th>DISTRICT PANCHAYAT</th>
<th>DISTRICT ASSEMBLY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NO OF MEETINGS</td>
<td>TOTAL NO OF DAYS</td>
</tr>
<tr>
<td>1986</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>1987</td>
<td>7</td>
<td>21</td>
</tr>
<tr>
<td>1988</td>
<td>11</td>
<td>27</td>
</tr>
<tr>
<td>1989</td>
<td>11</td>
<td>39</td>
</tr>
<tr>
<td>1990</td>
<td>9</td>
<td>38</td>
</tr>
</tbody>
</table>

Source: File records

arrangement for two District Assembly meetings. But it was necessary to organize, at least, the winter session of the District Assembly meeting because there was a mandatory provision for the annual programme and budget to be approved by the District Assembly. One point to be noted here is that an important provision of the DS that the local leaders should actively participate in the decision making process through the local political bodies, like the District Assembly, was partially implemented.

At the District Assembly meeting, the general consensus was the basis for adopting a resolution. Different views were expressed during the meeting, but only the agreed points were recorded in the minutes. Sometimes, the District Assembly was also used as the power base of the national government especially in adopting the political agendas such as condemning the political activities of the banned political parties against the Panchayat System or passing resolutions against somebody's political remarks. Such resolutions were sent from the central level political organizations like Panchayat Policy and Evaluation Committee to include in the agenda. However, the District Assembly was not allowed to take decisions against the policy of the national government. If an agenda item against the policy of the national government was included, the Local Development Officer (LDO) would intervene to prevent the passage of that item through, among others, persuasion to the
members. But if he failed, he had the right to withhold the implementation of such decisions pending to the national government's approval.

The Decentralization Scheme (DS) had defined the role of the District Assembly as the supreme body at the district level, for formulation, implementation and evaluation of the District Development Plan (DDP). But it was not capable enough to act as the policy body, mainly because, as shown in Table 5.2, it met only once a year in spite of the fact that there was a mandatory provision to meet twice a year. One District Assembly meeting lasted for 3 to 5 days of which 2 days (inauguration and closing) were ceremonial. In the remaining 1 to 3 days, it was too much to expect from the just literate village level leaders to understand the implications of the sectoral plans, written in a more technical manner, and give policy guidance. In reality the VP leaders were more anxious to check the allocation in their respective VPs, in easily understandable local development projects like drinking water, irrigation, building construction, etc., than to formulate policy guidelines for the district development strategy.

In the plan formulation and approval process at the district level the central level authorities e.g. the National Planning Commission (NPC) and the ministries concerned did not participate actively in guiding the local level organizations to follow the principles laid down on the DS during the study period, nor made any serious effort to simplify the procedures, even when it became apparent that some of the procedures were not suitable to the local situation.

The administrative functions of the District Panchayat and District Assembly were carried out by the District Panchayat Secretariat headed by the Local Development Officer (LDO), deployed from the Ministry of Panchayat and Local Development (MPLD). The LDO was assisted by a Planning Officer and a few administrative and technical personnel. The salaries of the LDO, the Planning Officer and a few permanent clerical staff of the DP Secretariat were borne by the general budget of the national government. Other administrative and technical staff were employed temporarily from the administrative grant and the DP fund. The composition of the staff of the DP Secretariat is shown in Annex 2(b).

5.2.3 Income and expenditure of the District Panchayat (DP)

The income and expenditure figures of the Ivang DP during the 1986-90 period are presented in Table 5.3 and 5.4. There were some difficulties in finding the old records. Because, two senior clerical staff (the accountant and a senior clerk) retired during the study period. They were among the nearly
Local Level Planned Development

10,000 public service holders who were retired all over Nepal in 1992 by a government decision to retire public service holders from service at the completion of 30 years of service period and/or 58 years of age. Moreover, there were some difficulties in collecting the data due to two main reasons. First, the general practice of expenditure of project money was that the money was given as an advance to the Village Panchayats (VP) or the Users Committees for project implementation. Once the advanced money was cleared, the expenditures were recorded in the ledger under the respective budget headings. If, however, the advanced money was cleared in the next year, the expenditure was also recorded in next year’s ledger, with reference to the earlier project. Therefore several ledgers had to be consulted to calculate the expenditure figures.

Second, after the overthrow of the Panchayat System in 1990 and the subsequent establishment of the District Development Committee (in the place of the District Panchayat) in 1991, only the unspent balance was separated from the earlier ledger book. Accordingly, the unspent balance in 1990, which was Rs. 1,975,050, became the opening balance for the new budget for 1991. Due to the fact that many of the Panchayat leaders who had taken advances for project implementation, were hiding since the mass uprising against the Panchayat System in 1990, there was no possibility of tracing the exact amount of expenditure incurred from the earlier project fund. In fact, due to the change of the political system, the change from the District Panchayat (DP) to the District Development Committee (DDC) provided a perfect mask to hide the already weak financial record keeping system of the DP. The accounts for the period 1986-90 had not been audited. The earlier expenditure was taken as a "gone case". However, with the cooperation of the lower staff of DDC, data collected from various old records are presented in Tables 5.3 & 5.4.

5.2.3.1 Income

(a) Government Source: Table 5.3 shows that the government sources included grant-in-aid, administrative grant and general budget. The grant-in-aid was given as a block grant for the local development sectoral programme while the administrative grant was given for office management and for the expenditure of temporary staff hired by the DP (Annex 2.b). The general budget was the part of the general administrative budget of the central government which included the salaries and allowances of permanent staff such as the LDO, the Planning Officer and the permanent clerical staff of the
Table 5.3: Income and expenditure of District Panchayat during 1986-90 period (in Nepalese Rupees)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (a) Govt source</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last years balance</td>
<td>2871</td>
<td>484057</td>
<td>191494</td>
<td>907956</td>
<td>1586885</td>
<td>1975050</td>
</tr>
<tr>
<td>Grant-in-aid</td>
<td>1660000</td>
<td>1650000</td>
<td>1650000</td>
<td>1815000</td>
<td>1617000</td>
<td></td>
</tr>
<tr>
<td>Admin. grant</td>
<td>191100</td>
<td>201000</td>
<td>381502</td>
<td>350458</td>
<td>296966</td>
<td></td>
</tr>
<tr>
<td>General budget</td>
<td>496980</td>
<td>921245</td>
<td>1094473</td>
<td>1008195</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>4070851</td>
<td>3256302</td>
<td>3317469</td>
<td>4081609</td>
<td>3500851</td>
<td></td>
</tr>
<tr>
<td>(b) Own source</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local dev. tax</td>
<td>63475</td>
<td>487278</td>
<td>541337</td>
<td>259630</td>
<td>216226</td>
<td></td>
</tr>
<tr>
<td>District dev. fund</td>
<td>125880</td>
<td>175743</td>
<td>765258</td>
<td>1957477</td>
<td>927487</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>189355</td>
<td>663021</td>
<td>1306595</td>
<td>2217107</td>
<td>1143713</td>
<td></td>
</tr>
<tr>
<td>Grand total of income</td>
<td>4260206</td>
<td>3919323</td>
<td>4624064</td>
<td>6298716</td>
<td>4644564</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant-in-aid</td>
<td>1229980</td>
<td>1660053</td>
<td>723970</td>
<td>880050</td>
<td>1328253</td>
<td></td>
</tr>
<tr>
<td>Admin. grant</td>
<td>249000</td>
<td>247500</td>
<td>247500</td>
<td>264082</td>
<td>264280</td>
<td></td>
</tr>
<tr>
<td>General budget</td>
<td>N/A</td>
<td>732407</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Own source</td>
<td>114631</td>
<td>171907</td>
<td>484470</td>
<td>1531301</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Grand total of expenditure</td>
<td>1593611</td>
<td>2811867</td>
<td>1455940</td>
<td>2675433</td>
<td>1592533</td>
<td></td>
</tr>
</tbody>
</table>

N/A = Not available
Source: DDC, Ivang
Table 5.4: Income of District Development Fund 1986-90 (in Nepalese Rupees)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Last year's balance</td>
<td>2778</td>
<td>10879</td>
<td>3835</td>
<td>209127</td>
<td>508046</td>
</tr>
<tr>
<td>2. Radio license renew</td>
<td>6156</td>
<td>1469</td>
<td>2918</td>
<td>322</td>
<td>-</td>
</tr>
<tr>
<td>3. Application recommendation fee</td>
<td>1612</td>
<td>896</td>
<td>1905</td>
<td>1200</td>
<td>97</td>
</tr>
<tr>
<td>4. Citizenship recommendation fee</td>
<td>8850</td>
<td>26617</td>
<td>17653</td>
<td>9563</td>
<td>550</td>
</tr>
<tr>
<td>5. Fine</td>
<td>271</td>
<td>10</td>
<td>110</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6. Guest house charge</td>
<td>5268</td>
<td>4299</td>
<td>5503</td>
<td>3351</td>
<td>2897</td>
</tr>
<tr>
<td>7. Advance clearance</td>
<td>1565</td>
<td>-</td>
<td>-</td>
<td>15000</td>
<td>7720</td>
</tr>
<tr>
<td>8. Other misc.</td>
<td>5086</td>
<td>3532</td>
<td>80721</td>
<td>23978</td>
<td>227208</td>
</tr>
<tr>
<td>9. Refund borrowing in grant in aid account</td>
<td>(1000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(17052)</td>
</tr>
<tr>
<td>10. Road tax</td>
<td>71935</td>
<td>70291</td>
<td>103205</td>
<td>105332</td>
<td>108774</td>
</tr>
<tr>
<td>11. Press</td>
<td>18745</td>
<td>7150</td>
<td>2000</td>
<td>6427</td>
<td>30000</td>
</tr>
<tr>
<td>12. Borrow from grant in aid account</td>
<td>4600</td>
<td>42400</td>
<td>109505</td>
<td>402040</td>
<td>-</td>
</tr>
<tr>
<td>13. Payment received from administration acct.</td>
<td>-</td>
<td>8200</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14. Tax levied in sand and stones</td>
<td>-</td>
<td>-</td>
<td>1730</td>
<td>1551</td>
<td>-</td>
</tr>
<tr>
<td>15. Export duty</td>
<td>-</td>
<td>-</td>
<td>26723</td>
<td>317756</td>
<td>124547</td>
</tr>
<tr>
<td>16. Income from Dahattar-Bahattar</td>
<td>-</td>
<td>-</td>
<td>409449</td>
<td>925128</td>
<td>-</td>
</tr>
<tr>
<td>17. Credit to M.R. Campus</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(20000)</td>
<td>10000</td>
</tr>
<tr>
<td>18. Credit to VP account</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(28298)</td>
<td>-</td>
</tr>
<tr>
<td>19. Credit to class orgn.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(15000)</td>
<td>-</td>
</tr>
<tr>
<td>20. Credit to district forest office</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10000)</td>
<td>-</td>
</tr>
<tr>
<td>21. Credit to Mechi irrigation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(300)</td>
<td>-</td>
</tr>
<tr>
<td>22. Payment of credit Budhabore VP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1000)</td>
<td>-</td>
</tr>
<tr>
<td>23. Credit to electricity board</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1500)</td>
<td>-</td>
</tr>
<tr>
<td>24. Credit to Panchayet Rally</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1500)</td>
<td>-</td>
</tr>
<tr>
<td>25. Credit to cooperative</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2500)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>125880</td>
<td>175743</td>
<td>765258</td>
<td>1957477</td>
<td>927487</td>
</tr>
</tbody>
</table>

Note: Dahattar Bahattar - The term "flooding timbers" used for flood carries trees of the river banks which used to be auctioned by DP. The Dept. of Forests banned such auction from 1990 because the contractors cut other trees on the pretext of flooding timbers.
Presentation of the case studies

DP. The trend of income from the government source was more or less increasing during the study period.

(b) The District Panchayat's Own Source: The second source of income was the DP's own sources. It included local development tax which was the 50% share of land tax collected at the district. The land tax was apportioned to the DP by the District Land Tax Office after collection. The amount depended on the amount of tax collection. All other source of funds were put together in a basket called the District Development Fund. The income of the District Development Fund during 1986-90 is presented in Table 5.4. It shows that there was not a single reliable source, on the basis of which long term development programmes could be projected. Even within the available sources, there were a lot of fluctuations over the years. Income from auctioning of timber carried by floods, which was called "flooding timber" (Dahattar Bahattar), was considerable in 1988 and 1989, but it was stopped by the Department of Forests because of its misuse by the contractor. Interestingly, a considerable amount was borrowed from grant-in-aid account in 1989 and 1990 to purchase a vehicle. This amount was never paid back to the account. A number of other agencies had also borrowed money from this account, but it was reported that many of those loans were not paid back.

5.2.3.2 Expenditure

The expenditure figures of the DP during 1986-90 period are also presented in Table 5.3. It should be noted here that as an autonomous body, the District Assembly was given the authority to approve its own budget. Therefore, except for the general budget, the central government sent the total budget ceiling to be given as the block grant in the next financial year to the DP. Based on the budget ceiling received from the central government (e.g. grant-in-aid and administrative grant) and its own income sources, the DP prepared the annual programme and budget for the approval of the District Assembly.

Usually, the unspent balance of the government expenditure (both development and general budget) was frozen at the end of the financial year. But in the case of the District Panchayat (DP), except the general budget, the unspent balance was carried over to the next financial year. The main reason behind this arrangement was that most of the projects were actually started quite late in the financial year, resulting in almost all of the allocated money remaining unspent up to the end of the financial year. Therefore a large amount would have been frozen. To release (popularly known as "to
defreez") the money again in order to continue project implementation would require some time, which in turn would cause serious delay. If the money was not frozen, one could start a project at any point of the year and continue it till its completion. Therefore in Table 5.3 the expenditure of grant-in-aid and administrative grant were not consistent with that of the amount received. For example, in 1987, the expenditure of the grant-in-aid was higher than the amount received whereas it remained much lower in other years. Similarly, the expenditure of administrative grant in 1986 and 1987 was much higher than its receipt. Because, for project implementation the money was given in advance, which were actually accounted for the next year. In such cases, the advances of the previous year was also included in the expenditure figure of the next year. However, the growing amount of the unspent balance over the years shows the large backlog of expenditure of the development fund. The unspent balance of 1990 was more than the total grant-in-aid of 1990.

5.2.4 The medium term plan and the annual plan at the district level under the local development sector

All the district level development activities were supposed to be the components of a consolidated and integrated plan called the District Development Plan (DDP). The components of DDP of the Ivang district is shown in Chart 5.2. The components included almost all the rural development activities undertaken at the district level except four types of agencies such as service agencies e.g. post office, wireless radio, telephone, electricity etc., urban based service agencies e.g. urban water supply and sewerage etc., security services e.g. Police, jail, army etc. and revenue and tax collection offices e.g. income tax, land tax, excise duty etc.. In order to plan each of the components of the DDP by the respective subject matter specialists, the Decentralization Act 1982 had designated all the district level development agencies relevant to the programme as the section of the District Panchayat Secretariat.
Even though the sectoral agencies were the sections of District Panchayat Secretariat, they had their own way of planning, keeping in view their specific needs. For example a number of agencies such as agriculture, livestock, forestry, health etc. discussed their plan in a regional conference, attended by regional directors, departments, research agencies and specialists, before the plan was discussed at the district level. But at the district level, the general procedure of incorporating the sectoral programme into the DDP was the same. In this section, the discussion on plan formulation at the district level is concentrated only on the local development sector, in which the district and village level Panchayats were directly involved in all the stages of planned development.
In the local development sector, the DP collected projects from all the Village Panchayats (VPs) in 1985 for the Five Year Medium Term Plan 1986-90. All the proposed projects were collated by VP wise and approved by the District Assembly in 1985. The reason behind collecting the projects for the Medium Term Plan, which was in fact spelt out in Clause 8 of the Decentralization Act 1982, was that it would give sufficient time for the DP to examine the projects for the subsequent annual programmes. Moreover, in the Medium Term Plan the projects were specified for each year of the five year period so that the VPs were aware of the projects to be implemented in a particular year. The projects of the Five Year Medium Term Plan 1986-90 are summarized in Table 5.5. The Table includes both district level, meaning larger projects having a coverage of more than one VP, and the village level, meaning smaller projects covering only one VP. The Table shows that most of the projects were building construction (e.g. schools, Panchayat offices, health posts etc.) followed by drinking water supply and irrigation projects.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
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<td>15</td>
<td>18</td>
<td>12</td>
<td>23</td>
<td>88</td>
</tr>
<tr>
<td>Drinking Water</td>
<td>53</td>
<td>56</td>
<td>49</td>
<td>33</td>
<td>31</td>
<td>221</td>
</tr>
<tr>
<td>Irrigation</td>
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<td>27</td>
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<td>Suspension bridges</td>
<td>5</td>
<td>4</td>
<td>6</td>
<td>16</td>
<td>38</td>
<td>69</td>
</tr>
<tr>
<td>Building Construction</td>
<td>34</td>
<td>21</td>
<td>16</td>
<td>39</td>
<td>27</td>
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<td>Play Ground</td>
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<td>10</td>
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<td>Motorable Bridge</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Roofing Programme</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>3</td>
<td>4</td>
<td>23</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>17</td>
<td>21</td>
<td>27</td>
<td>20</td>
<td>24</td>
<td>109</td>
</tr>
</tbody>
</table>

N.B. 1. Miscellaneous projects are repair and maintenance works of temples, Panchayat Office buildings & other small constructions.

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1 The Five Year Medium Term Plan was for 1985-90 period. But this study has adopted the method of calculating the fiscal year 1985-86 as 1986, 1986-97 as 1987 etc. The conversion of Nepali Calendar into English Calendar is given in Annex 4.
5.2.4.1 Annual plan of 1986-90

The projects of the annual plan of the Ivang DP during 1986-90 period under the local development sector are shown in Table 5.6 to 5.10. Only the district level projects were available in the file. Therefore the village level projects are not included in the tables.

The Tables show that all the district level projects as specified by the Medium Term Plan were included only in 1986. But from 1987 onwards, less and less projects from the Medium Term Plan were included in the annual District Development Plan. A number of reasons were identified for selecting different projects in the annual plan. First, a number of local leaders elected in 1982 were replaced by those elected in the 1987 election. Since there was no mandatory provision that the projects proposed for the Medium Term Plan must be included in the subsequent annual programmes, unless they were rejected for some reasons, the newly elected political leaders included their own projects. Here is an interesting example of struggle for scarce resources using the 'development projects' to meet the objectives of the actors themselves. The gaps or the loopholes of the policy was used as the room for manoeuvre to include their own agenda.

Second, the Local Development Officer (LDO), who was involved in preparing the Five Year Medium Term Plan in 1985, was transferred in 1987 which also had an effect on the continuation of the plan designed earlier. The effect of frequent transfer of key staff was significant in plan implementation.

Third, in fact the fundamental reason was what is termed here as "the planning game" of the District Panchayat (DP). In order to avoid disputes over project selection (and rejection) in the District Assembly meeting, there was a general tendency of the DP Members (in fact of the DP Chairman) to approve all projects submitted by VPs with a condition "to be implemented on the basis of technical feasibility and resource availability".

There was a technical justification in following such procedures. A project could be accepted or rejected on the basis of its technical feasibility. But by the financial rules, a project must also be included in the annual programme in order to spend money for it. Therefore, all projects were included in the District Development Plan (DDP) with the assumption that feasible projects would be included on the basis of their feasibility study. However, in the subsequent years (see Tables 5.7, 5.8, and 5.9) the gap between planned and implemented projects widened dramatically. In 1989 for example, out of 421 projects only 61 (14 percent of the planned projects) were implemented. A point to be noted here is that the District
Table 5.6: Annual District Development Plan 1986 (Local Development Sector) Project in Number

<table>
<thead>
<tr>
<th>AREA</th>
<th>Target of Five Year Plan</th>
<th>Annual Target of Dist. Assembly</th>
<th>Implemented</th>
<th>Completed</th>
<th>Incomplete</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From 5 yr Plan</td>
<td>Others</td>
<td>Total</td>
<td>From Annual Plan Target</td>
<td>Others</td>
</tr>
<tr>
<td>1. Road construction</td>
<td>11</td>
<td>11</td>
<td>18</td>
<td>11</td>
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<tr>
<td>2. Drinking water</td>
<td>2</td>
<td>2</td>
<td>52</td>
<td>35</td>
<td>-</td>
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<tr>
<td>3. Building construction</td>
<td>1</td>
<td>1</td>
<td>40</td>
<td>19</td>
<td>-</td>
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<tr>
<td>4. Suspension Bridge</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>5. Irrigation Canal</td>
<td>3</td>
<td>3</td>
<td>20</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>6. Play Ground</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>7. Wooden Bridge</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8. Roofing Programme</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td><strong>20</strong></td>
<td><strong>119</strong></td>
<td><strong>83</strong></td>
<td><strong>14</strong></td>
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Table 5.7: Annual District Development Plan 1987 (Local Development Sector) Project in Number

<table>
<thead>
<tr>
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<th>Annual Target of Dist. Assembly</th>
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<th>Completed</th>
<th>Incomplete</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From 5 yr Plan</td>
<td>Others</td>
<td>Total</td>
<td>From Annual Plan Target</td>
<td>Others</td>
</tr>
<tr>
<td>1. Road construction</td>
<td>5</td>
<td>4</td>
<td>19</td>
<td>16</td>
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<tr>
<td>2. Drinking water</td>
<td>3</td>
<td>3</td>
<td>46</td>
<td>24</td>
<td>7</td>
</tr>
<tr>
<td>3. Irrigation Canal</td>
<td>3</td>
<td>3</td>
<td>16</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>4. Building Construction</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>5. Suspension Bridge</td>
<td>3</td>
<td>-</td>
<td>9</td>
<td>-</td>
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<tr>
<td>6. Play Ground</td>
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<td>-</td>
<td>2</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>7. Roofing Programme</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>8. Miscellaneous</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>10</strong></td>
<td><strong>112</strong></td>
<td><strong>62</strong></td>
<td><strong>16</strong></td>
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<td>Target of Five Year Plan</td>
<td>Annual Target of Dist. Assembly</td>
<td>Implemented</td>
<td>Completed</td>
<td>Incomplete</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------------------</td>
<td>-------------------------------</td>
<td>-------------</td>
<td>-----------</td>
<td>------------</td>
</tr>
<tr>
<td>Project in Number</td>
<td>From 5 yr Plan</td>
<td>Others</td>
<td>Total</td>
<td>From Annual Plan Target</td>
<td>Others</td>
</tr>
<tr>
<td>1. Road construction</td>
<td>5</td>
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<td>19</td>
<td>22</td>
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<td>11</td>
</tr>
<tr>
<td>4. Building Construction</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>5. Play Ground</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>6. Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>103</td>
<td>103</td>
<td>9</td>
</tr>
<tr>
<td>7. Roofing Programme</td>
<td>-</td>
<td>-</td>
<td>33</td>
<td>33</td>
<td>14</td>
</tr>
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<td>Total</td>
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<th>Target of Five Year Plan</th>
<th>Annual Target of Dist. Assembly</th>
<th>Implemented</th>
<th>Completed</th>
<th>Incomplete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project in Number</td>
<td>From 5 yr Plan</td>
<td>Others</td>
<td>Total</td>
<td>From Annual Plan Target</td>
<td>Others</td>
</tr>
<tr>
<td>1. Road construction</td>
<td>5</td>
<td>2</td>
<td>53</td>
<td>55</td>
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<td>7</td>
</tr>
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<td>4. Suspension Bridge</td>
<td>-</td>
<td>-</td>
<td>36</td>
<td>36</td>
<td>1</td>
</tr>
<tr>
<td>5. Building Construction</td>
<td>-</td>
<td>-</td>
<td>63</td>
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<tr>
<td>Total</td>
<td>11</td>
<td>4</td>
<td>417</td>
<td>421</td>
<td>61</td>
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### Table 5.10: Annual District Development Plan 1990 (Local Development Sector) Project in Number

<table>
<thead>
<tr>
<th>AREA</th>
<th>Target of Five Year Plan</th>
<th>Annual Target of Dist. Assembly</th>
<th>Implemented</th>
<th>Completed</th>
<th>Incomplete</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From 5 yr Plan</td>
<td>Others</td>
<td>Total</td>
<td>From Annual Plan Target</td>
<td>Others</td>
</tr>
<tr>
<td>1. Road</td>
<td>5</td>
<td>3</td>
<td>53</td>
<td>56</td>
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<tr>
<td>2. Irrigation</td>
<td>3</td>
<td>1</td>
<td>79</td>
<td>80</td>
<td>-</td>
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<tr>
<td>3. Drinking Water</td>
<td>2</td>
<td>1</td>
<td>163</td>
<td>164</td>
<td>-</td>
</tr>
<tr>
<td>4. Suspension Bridge</td>
<td>2</td>
<td>1</td>
<td>37</td>
<td>38</td>
<td>-</td>
</tr>
<tr>
<td>5. Roofing Programme</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>60</td>
<td>35</td>
</tr>
<tr>
<td>6. Play Ground</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>7. Motorable Bridge</td>
<td>2</td>
<td>1</td>
<td>11</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>8. Building Construction</td>
<td>-</td>
<td>-</td>
<td>89</td>
<td>89</td>
<td>-</td>
</tr>
<tr>
<td>8. Miscellaneous</td>
<td>13</td>
<td>4</td>
<td>116</td>
<td>120</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>27</td>
<td>11</td>
<td>614</td>
<td>625</td>
<td>35</td>
</tr>
</tbody>
</table>

**Note for Tables 5.6 to 5.10:**

1. Projects completed before 1990 were taken as completed projects.
2. Miscellaneous projects were either small repair works or large projects requested to the central level.
3. Road Projects include different phases of the same project.
4. In 1990 the Panchayat System was overthrown. During the people's uprising the District Assembly was held but no project, except roofing programme, was implemented.
Assembly was authorised to regularise its plan of work and budget. But when it came for the expenditure of money, the general financial rules were also applied. For example the District Assembly could not ask to conduct feasibility study before a project was included in the annual programme and budget and as a result, a project had to be approved three times before it was finally implemented (Section 5.2.6).

Fourth, there was also a tendency to implement projects by the DP other than those selected by the District Assembly. A number of 'other' projects were implemented by the DP in 1986 and 1987, which were not included in the annual plan. In 1986 13% (14 out of 110) and in 1987 17% (16 out of 91) of the implemented projects were 'others'. It was reported that the 'other' projects were mostly selected by the DP Chairman during the middle of the year. It is interesting that there were no 'other' projects implemented during 1988, 1989 and 1990. The reason could be that there were sufficient projects in the stock, already approved by the District Assembly, from which the DP Chairman could select.

Finally, there was a steady increase in the roofing programme over the years. This was the only programme implemented in 1990. The reason, it was said, was that this programme was implemented mainly on the personal initiative of a local political leader, who was a member of the Rastriya Panchayat (RP) and who later held a ministerial position. During his term in the ministry, a substantial quantity of roofing sheets were diverted to Ivang. Similarly, through his personal initiative, materials for five suspension bridges were also sent to Ivang in 1989. Although the projects were taken from the earlier list of projects approved by the District Assembly, they could not be included in the annual plan due to a dispute between the RP Member and the DP relating to the location of the projects. The materials were still (in 1993) lying in front of the DP Office.

5.2.5 Stages of planned development at the district level in local development sector

The formulation of plan at the district level started when the budget ceiling and guidelines were received from the Ministry of Panchayat and Local Development (MPLD) and the National Planning Commission (NPC) respectively. Based on the budget ceiling and guidelines and also adding its own resources the District Panchayat (DP) prepared (actually prepared by DP Chairman, LDO and Planning Officer) the budget ceiling and guidelines for the Village Panchayats (VPs) and sent to the VPs for village level
planning. The plan formulation process at the VP level will be discussed in Section 5.3.2. Once the Village Development Plans were collected from all VPs, the DP Secretariat tabulated all the projects by VP-wise in the agenda for the approval of the District Assembly. As noted in Section 5.2.4, the District Assembly approved all projects received from VPs with a remark "to be implemented, based on the technical feasibility and resource availability". It allowed the DP to conduct feasibility studies of the projects in order to prioritize and select the most feasible and cost effective projects.

It was impossible to conduct feasibility studies, which included survey, design and estimate the cost, of a large number of projects of different types running from 139 in 1986 (Table 5.6) to 625 in 1990 (Table 5.10) by seven Sub-Overseer working in the DP (only 4 in 1989 and 1990, see in Annex 2.b). The Sub-Overseer were junior level technicians, trained for six months in Panchayat Training Institute Jhapa and were employed by the DP from its contingency budget. Therefore the projects were short listed, mainly by the DP Chairman, for a feasibility study. This was not a separate stage of planning but in reality it played an important role. There were no objective criteria laid down for short listing of projects. In fact the influence of village level politicians at the DP level and political considerations of the DP Chairman played a dominant role in selecting projects for feasibility studies. One local technician reported that it also happened sometimes, especially during the pre-election period, that large and unrealistic projects were selected for feasibility studies. Technicians were sent with surveying equipment to the project areas. The idea was just to give an impression to the people that such large projects were being planned for them.

Feasibility studies of short listed projects were then conducted by the Sub-Overseer which included survey, design and their costs estimate of each project. In local development projects a "survey" referred to an indication of the preliminary measurements and the location of a project, "design" referred to an indicative drawing to show some technical details of construction such as cement work, slab, retaining wall etc., and the cost estimate contained the quantity of works in cubic metre measurement multiplied by the standard rates for those items to obtain the total cost of a project. But in projects like water supply and irrigation, the feasibility study neither contained information of the flow and its present uses of the source water, nor any socio-cultural and economic information of the command area. With the limited engineering knowledge, the Sub-Overseer level technicians calculated only the engineering measurements in a standard technical format, which was usually written in English. One engineer commented that the project design was meant for the account division and the audit, because the project design
was the administrative requirement for the disbursement of money, rather than to provide any technical guidelines for project implementation (also see 5.2.9-b).

By the time of the next District Assembly meeting, whatever number of projects were designed, were sent for the scrutiny of the Physical Construction and Maintenance Committee. No debate or "scrutiny" was reported in the Committee meeting. On the contrary whenever the DP Chairman wanted more projects included in the programme, he asked the Sub-Overseer to make the project designs immediately. Then, the Sub-Overseer had to use their experience and intuitive knowledge of that locality for the data required.

It was reported that not much concern was expressed in the District Assembly meeting regarding the validity of the survey and cost estimates. The reason was that in most cases the estimated figure did not influence the DP allocation which was far less (Table 5.11) than the estimated figure. In the programme and budget of the District Panchayat, the total cost of a project was mentioned against two funding sources namely the DP grant and people's participation. Here again there was a general assumption that those items such as unskilled labour, stone, sand, bamboo etc. which could be available locally were to be calculated for people's participation, and those items such as cement, pipes, skilled labour etc. were to be calculated for the DP grant. But in reality, the division was quite arbitrary and did not follow any pattern. Table 5.11 shows that the proportion of the DP contribution, except in water supply (W/S) projects, ranged from 1 to 44 percent of the total cost while people's participation ranged from 56 to 99 percent.

In the case of water supply (W/S) project the cost of construction materials was budgeted in the District Panchayat (DP) grant, which was procured centrally by the DP. The people's participation component of W/S projects was the transportation of construction materials from district headquarters to the project site, local materials, and unskilled labour for digging the pipeline trench and constructing tapstand posts. Therefore, in the case of W/S projects the ratio of the DP grant was also high. A number of informants, both the Panchayat supporters and the critics, reported that the DP had vested interests in procurement of construction materials of W/S projects. This allegation appeared to be convincing when one finds more emphasis on construction of W/S projects while less or no concern for maintaining them. The District Panchayat Secretariat however had a defensive point that procurement, transportation, and storage of such materials in bulk with technical supervision, would be more cost effective and qualitative. It was also reported that such vested interests were in the
Table 5.11: Project Cost Calculation in Terms of the DP Contribution and People’s Participation in Some Randomly Selected Projects

<table>
<thead>
<tr>
<th>NAME OF PROJECT</th>
<th>YEAR</th>
<th>DP CONTRIBUTION</th>
<th>PEOPLE’S PARTICIPATION (PP)</th>
<th>TOTAL</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suspension Bridge</td>
<td>1986</td>
<td>16500</td>
<td>365703</td>
<td>530703</td>
<td>31</td>
</tr>
<tr>
<td>Motorable Road (M/Road)</td>
<td>1986</td>
<td>5000</td>
<td>36356</td>
<td>41356</td>
<td>12</td>
</tr>
<tr>
<td>VP Building</td>
<td>1986</td>
<td>33333</td>
<td>42201</td>
<td>75534</td>
<td>44</td>
</tr>
<tr>
<td>M/Road</td>
<td>1986</td>
<td>5000</td>
<td>445148</td>
<td>450148</td>
<td>1</td>
</tr>
<tr>
<td>M/Road</td>
<td>1986</td>
<td>22000</td>
<td>331157</td>
<td>353157</td>
<td>6</td>
</tr>
<tr>
<td>High School Building</td>
<td>1986</td>
<td>4000</td>
<td>73000</td>
<td>77000</td>
<td>5</td>
</tr>
<tr>
<td>Irrigation Rehabilitation</td>
<td>1989</td>
<td>1317</td>
<td>3951</td>
<td>5268</td>
<td>25</td>
</tr>
<tr>
<td>Barbote W/S Project</td>
<td>1987</td>
<td>34618</td>
<td>8655</td>
<td>43273</td>
<td>80</td>
</tr>
<tr>
<td>Public Toilet Construction</td>
<td>1986</td>
<td>5000</td>
<td>105000</td>
<td>110000</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: File records
core of non-coordination and non-cooperation of the District Panchayat Secretariat (the LDO Office) and its technical section, the Public Works Office (Section 5.2.9.b). Because the technicians were the front line personnel in procurement of the construction materials, while the LDO was the authority to approve the bill.

There was a mandatory provision that all local level projects should be implemented through the Users Committee. Therefore when a project was ready for implementation, the DP asked the Village Panchayat (VP) to form a Users Committee. Once the Users Committee was formed the Chairman and the Secretary were invited to sign an agreement with the DP for project implementation. In the agreement the procedure of disbursement of funds was laid down. The general procedure was that the DP disbursed the project fund in three instalments: first instalment 50%, second instalment 30% and the last instalment 20%. The first instalment was disbursed after signing the contract, second and final instalments after the technical supervision and approval of running bills by the DP technicians. Each instalment was given as the advance money under the joint responsibility of the Chairman and the Secretary of the Users Committee. The advance money was cleared as the project expenditure once the running bills were certified by the DP technician. For the final instalment, the project had to be certified by the Completion Certificate Committee. Therefore there was a legal binding that a project must be completed.

In such a tight legal framework, one may find it hard to imagine how an Users Committee signed an agreement of a project costing nearly Rs. 450,000 for only Rs. 5000 of the DP grant (Table 5.11). Three reasons were reported. First, if the Users Committee of a particular project did not accept the allocated money, however low it was, it could be diverted to some other project. Therefore there was a hard choice between accepting or loosing the money. Second, there was a lack of knowledge of the "cost" of a project at village level. Perhaps, due to the predominance of barter trade at the village level and a low level of monetary transaction, a small amount of money seemed substantial to the villagers. The DP took advantage of such naive attitudes by allocating only small amount of money for each project in order to satisfy as many VPs as possible. Third, in the case of road projects, it was implicitly assumed that it was to be a 'continuing project'. Therefore, a small amount of money was allocated for the same road over many years. However, the earth works were washed away by monsoon rain, necessitating the repetition of the same tasks year after year.

After signing the agreement, the DP disbursed the first instalment to start a project. In the case of W/S project, the DP disbursed the first instalment
only after the transportation of construction materials to the project site. The second and the last instalments followed after the technical supervision and approval of running bills by the DP technicians. In most cases it was reported that the technicians approved the running bills right at the District Panchayat Secretariat (DPS), when the Chairman and the Secretary of a Users Committee visited the district headquarters for the subsequent instalment. The progress of projects was only monitored when the technicians were passing through the VP or when a Users Committee requested the DP for technical help. The completion certificate was a routine work to clear the advance money into project expenditure (more will be discussed in Section 5.2.7).

This Section shows that the stages of planned development as explained in Chapter 2, Section 2.4.2 were not properly followed in the actual situation. Identification of projects was the starting point of the planning process. But the specific objectives that had to be realised were often implicit. Because of the interface of various set of actors in the struggle for the scarce resources, there was also a danger in clarifying the objectives. The same thing happened in the research and inventory stage, when the actors concerned realized that a proper feasibility study might make the project technically unfeasible. Consequently, only a small amount of money was made available for inventory, thus it was only "window dressings" in order to give the impression that the procedures of the DS was followed.

5.2.6 Sequencing and timing of various stages of local development planning

The sequence of various planning stages prescribed by the DS (compiled in the format by K.R. Nepal: 1987), was presented in Table 4.2 in Chapter 4. The project files were checked whether the actual planning process followed the same order during the study period. The actual stages followed in local level planned development (in the local development sector) is presented in Table 5.12 below.

It was found that the planning process did not progress in the prescribed order. For example, as stated in Section 5.2.5, in order to incur financial expenditure in a project, the District Assembly had to include the project in the DDP first. This meant that all the lists of projects received from VPs were first included in the DDP in order to carry out the feasibility studies.
### Table 5.12: Actual stages of local level planned development in the Local Development Sector during 1986-90 period

<table>
<thead>
<tr>
<th>STAGE</th>
<th>No</th>
<th>ACTIVITIES</th>
<th>FORMAL ROLE</th>
<th>ACTUAL CONDUCT</th>
<th>TIME PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource forecast</td>
<td>1</td>
<td>Budget ceiling &amp; guidelines to DP</td>
<td>MPLD/NPC</td>
<td>MPLD</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Budget ceiling &amp; guidelines to VP</td>
<td>DP Chairman/LDO/Planning Officer</td>
<td>DP Chairman</td>
<td></td>
</tr>
<tr>
<td>Project identification</td>
<td>3</td>
<td>Collection of project from Ward Committees</td>
<td>Pradhan Pancha/Pradhan Pancha</td>
<td></td>
<td>Year 1</td>
</tr>
<tr>
<td>Plan approval</td>
<td>4</td>
<td>Preparation &amp; approval of Village Development Plan (VDP)</td>
<td>VP/Village Assembly</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Inclusion of all projects of VDP in DDP for feasibility study</td>
<td>DP/District Assembly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and inventory</td>
<td>6</td>
<td>Short listing of projects for feasibility study</td>
<td>DP Chairman/VP/Village Assembly</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>Feasibility Study</td>
<td>District Engineer</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>Submit feasible projects to Plan Formulation Committee</td>
<td>Dist. Engineer/VP/Village Assembly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan approval</td>
<td>9</td>
<td>Inclusion in DDP and approved</td>
<td>DP/District Assembly</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>Send DDP to MPLD for inclusion in the Ministry’s annual plan and budget</td>
<td>LDO/Planning Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>Inclusion in annual plan and budget</td>
<td>MPLD/NPC/RP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>Send approved programme and budget authority letter to DP</td>
<td>MPLD/NPC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>Inclusion of the approved programme and budget in the DP’s current year’s programme and budget</td>
<td>DP/District Assembly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan activation</td>
<td>14</td>
<td>Budget release for the approved programme and budget</td>
<td>LDO/District Treasury</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and implementation</td>
<td></td>
<td></td>
<td></td>
<td>Year 3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>Ask VP to form Users Committee and invite the Chairman and the Secretary to sign the agreement for project implementation</td>
<td>LDO/VP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>Disburse first instalment for project implementation</td>
<td>LDO/Users Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>Disburse second and final instalment after technical supervision</td>
<td>LDO/Supervision Committee/Users Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluation &amp;</td>
<td>18</td>
<td>Certify completion and hand over to the Users Committee</td>
<td>Completion Certificate Committee/LDO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Handing over</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legend:
- LDO = Local Development Officer
- NPC = National Planning Commission
- MPLD = Ministry of Panchayat and Local Development
- DDP = District Development Plan
- DP = District Panchayat
- VP = Village Panchayat
- RP = Rastriya Panchayat
- MPLD = Ministry of Panchayat and Local Development
- DDP = District Development Plan
by the DP. Therefore, "final approval" by the District Assembly became the starting point for project scrutiny. Moreover some of the stages mentioned in Table 4.2 (Chapter 4) such as "total resource forecast", "sectoral resource allocation" and "approval" were not recorded as the separate stages of planning. The actual practice was that the DP Chairman, the LDO and the Planning Officer sat together and made a formula for the budget ceiling of VPs, when they received the budget ceiling and guidelines from the Ministry. The basic formula was to retain 50 percent of the available resources for district level projects and distribute the balance 50 percent among all VPs.

Second, it was shown in Table 4.2 that the DS had assumed that the District Development Plan (DDP) was an annual planning planning cycle. Table 5.12 shows that that was not the case. One planning cycle required nearly three years, leaving the plan activation, implementation, evaluation and handing over part, which might take several years.

Third, Table 5.12 shows that there was a very long approval process. A project had to be approved three times by the District Assembly, before it was finally implemented. The first stage of approval was to allow a project to incur expenditure for the so called feasibility study, the second stage of approval was to include it in the District Development Plan (DDP), and the third stage of approval was to include the project in the current year's programme and budget. The third approval was in addition to the approval of the Ministry, the National Planning Commission (NPC) and the Rastriya Panchayat (the Parliament) to include in the national plan and budget. This long approval process sharply contradicted with the notion of 'power devolution' to the local level.

Fourth, Table 5.12 shows that the actors of the actual conduct were different than those formally assigned. Of course, somebody had to take lead in actually conducting a task. But, as pointed out in Section 5.2.2 that the DP Chairman was the single most powerful person in the DP. Therefore his role especially in the Stage Nos. 5, 6, 8 of Table 5.12 narrowed down the scope of people's participation in the subsequent stages of planned development. Moreover, in Stage Nos. 17 and 18 of Table 5.12, when the Sub-Overseers and the LDO routinely 'certified' the project completion and 'handed over' to the Users Committee, the effectiveness of the use of the several committees in the plan implementation process was seriously undermined.

Finally in the local development projects, which required people's participation in the form of the voluntary labour, the projects should have been implemented during the slack period from the agricultural point of
view. In the case of Nepal the slack period is from December (after the harvest) to May/June (before plantation). This is also the dry season, which gives added advantage in transporting construction materials to the remote project sites. Therefore the timing factor is very important in the local development project implementation. However, during the study period the implementation of most of the projects were started after March. Therefore very little time was left to mobilise people for voluntary labour contribution. When a project is half completed, people were diverted for their agricultural activities. By this time the financial year was over and the new planning cycle started, leaving the old project incomplete. But due to the special provision of the DP (Section 5.2.3) that the unspent balance were not frozen at end of the financial year, the expenditure of project money was not affected.

5.2.7 Role of various committees

The Decentralization Scheme (DS) had envisaged the setting of a number of committees at district and village level. The committees can be divided into three functional category. First, there were five Plan Formulation Committees (PFCs) in which the DP Members, the Chairmen of Class Organizations, and the relevant office-in-charge of the line agencies at the district level were the members. The DP Chairman and Vice-Chairman, the Chief District Officer (CDO), and the Local Development Officer (LDO) were ex-officio members in all the five Committees. These Plan Formulation Committees, having a combination of local leaders and subject matter specialists, were to be the think tank of the DP and the District Assembly for selecting cost effective and beneficial projects.

Second, there was a high level Supervision Committee consisting of Rastriya Panchayat (RP) Members, DP Chairman and Vice-Chairman, CDO, LDO, and the District Engineer. The Committee was also expected to resolve problems during project implementation, and to speed-up progress. There was another committee called the Completion Certificate Committee, which was to certify the completion of a project and hand it over to the Users Committee.

And finally, there was the Users Committee at the project level for project implementation, maintenance and operation of the project. According to the original version of the Decentralization Act 1982 the Users Committee was to be elected by the project beneficiaries. This requirement was amended in 1983, even before it was implemented. According to the amended version, the VP (and DP in the case of district level projects) would
select 7 to 11 members from the beneficiaries depending upon the size and coverage of a project. The Committee would be chaired by a Ward Chairman or Pradhan Pancha/Upa Pradhan Pancha.

During the field study, the minutes of the various committees were checked in order to find out their role in the DDP formulation. It was found that most of the meetings of the Plan Formulation committees (PFCs) were held during winter. As the PFCs were expected to scrutinise the projects for approval of the District Assembly it was natural to have their meeting during the winter because the District Assembly meetings were also held in the winter. The maximum number of meetings were in the Education Committee. Because the Committee also acted as an advisory body of the District Education Officer for the implementation of the education programme. The minutes of the meetings of the Education Committee were kept confidential, because in many cases the decisions were on administrative matters.

Generally the meetings reviewed the current year's programme and discussed and clarified the next year's proposed targets. The programme was generally designed by the respective offices, based on the guidelines (i.e. prescribed format) and budget ceiling. The differences of opinion of the meetings were not recorded but only the agreed points were written down in the minutes. But some ex-DP members who worked with the committees said that such meetings frequently debated on the location of projects.

The idea of using political leaders in the PFCs was felt positive by the local political leaders as well as the administrative personnel. It was said that even though the local leaders could not contribute much in plan formulation, due to the lack of professional capability, they were very effective in plan approval in the District Assembly meetings. They were also effective during project implementation, especially in mobilising voluntary labour. Some of the politicians felt that the use of political leaders in the PFCs actually strengthened the position of the line agency's administrative personnel. Because in many cases the DP members came the same day from their village home to attend the PFC's meeting. They had no time to study the proposals. The political leaders also had limitations of understanding the implications of technically written sectoral plans. Consequently, the PFC's were in fact used as an instrument of sectoral officials to approve their proposals. In the case of the education programmes the political leaders frequently tried to enter into the administrative arena, especially on recruitment and transfer of school teachers.

It was also said that the composition of the Plan Formulation Committee (PFC) very much affected the outcome. For example, the DP
Chairman & Vice-Chairman, LDO and CDO were the ex-officio members of all the PFCs. During the presence of those senior officials, who were the bosses of the committees members, not all members took part in the discussions. In fact, the discussions were led by the bosses and the solutions/suggestions were those suggested by them. If however, the PFC took a different decision, the bosses could always check in the next two layers, i.e. in Joint Committee meetings or in DP meetings, before finally presenting the programme to District Assembly meeting for approval.

The meeting of the Supervision Committee was not held during the study period. It was said that the Committee did its job informally. It was found that there was not a single meeting recorded in a period of five years. The reason that suggested by the informants was the political composition of its members. In a situation when the DP Chairman also had the ambition of becoming a Rastriya Panchayat (RP) Member, the DP Chairman did not let a RP Member to use "his" development spring-board. Because, as the Chairman of the Supervision Committee, the RP Member could point out the faulty points of the DP in project planning and management thereby damaging the political image of the DP Chairman. Therefore, the DP Chairman tried to avoid such formal meetings. When the situation warranted, he rather preferred an informal way of involving RP Members in resolving those problems.

There was another "Programme Review Committee" which was not, in fact, a statutory body under the Decentralization Scheme (DS) but was started by a circular of the National Planning Commission (NPC) in 1988. All DP officials, and chiefs of all sectoral offices were invited on the 8th day of every month (later, once in every two months) to review the on going programme of the offices concerned. The LDO coordinated the meeting. The committee was very thoughtful in identifying the contradiction between the provisions laid down in the law and the working order of the ministry in programme implementation. A decision of the Programme Review Committee dated December 1988 relating to the forest sector programme is quoted here as an example.

The Forest Act has authorized to cut trees within one's farm boundary, while the Ministry of Forest has banned such cut. This contradiction between the Act and the Ministry's order has made us confused to implement the policy. It has also discouraged the people to plant trees in farm land for their own use. Therefore request should be made to the Ministry of Forest to review the order.
Another committee at the district level was Completion Certificate Committee which was expected to certify the completed projects and hand them over to the Users Committee. Many of the projects were under-funded in terms of their estimated cost, with the assumption that people's participation, in the form of free labour would fill the gap. People's free labour was available, but not to the extent that such an under-funded project would have required. Consequently either the money was finished before completion or projects were completed with very low technical standard, using almost all available resources. Such projects or even the incomplete projects were certified as completed and handed over to the Users Committee in a routine manner so that the advanced money taken by the Chairman of the Users Committee would be cleared as the expenditure of the project. It would avoid audit objection to the advance money taken for project implementation.

5.2.8 Role of the local development officer (LDO)

The job description of the LDO, who was deployed from the Ministry of Panchayat and Local Development (MPLD), is summarized in Annex 1(f). In the empirical study, the role of the LDO was examined from two standpoints i.e. as the chief executive officer of the DP Secretariat and as the coordinator of the District Development Plan (DDP). The latter role is discussed in section 5.2.9 (a) below.

In his role as the chief executive officer of the DP Secretariat, the LDO depended on local political relationships, which at times compelled him to take decisions that were different to those dictated by his own vision. One ex-LDO recalled that there was a proposal from ILO for a medium sized irrigation project in Ivang district. He selected one VP for the said irrigation project. From his own judgement, the selection was quite good and he had persuaded DP members to approve the proposal. However, a powerful Pradhan Pancha of another VP with personal connections to a high level official of Local Development Department manoeuvred to have the project and relocated in his Panchayat (ILO project in Case Study I). Due to poor management of project implementation and corruption in the use of project funds, the project failed. The ex-LDO was of the opinion that had the original proposal been implemented, the project would not have failed. Such manoeuvring through political interests and personal connections was common in those days.

Moreover, the relation between the LDO and the DP Chairman were strained. The latter always regarded the LDO as his "government posted
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secretary", while the former considered himself to be the "representative of the Government in the DP". If the DP Chairman had good relationships with the ruling faction in Kathmandu, then the LDO had little space to maintain his independent position, unless he also had "Afno Manchhe" at the centre (the concept of having personal connection in high places is well documented by Bista 1991). Another ex-LDO of Ivang said that his strategy to keep himself always safe was to abide by the rules. He remarked "If the LDO is to be adaptive and flexible to the local situation, his position must be independent and safe in the first place".

When a powerful local political group/figure felt that the LDO was not helping them/him, it was very likely that the LDO would be transferred. In some cases however, one group pushed him while the other group pulled. This situation was seen in Ivang, when a DP Chairman tried to transfer the LDO from Ivang while a local Rastriya Panchayat (RP) Member tried to retain him. Finally, when the DP Chairman was unable to transfer him there was a strained working relationship between the LDO and the DP Chairman for almost a year, until the LDO was finally transferred.

Some ex-LDOs stated that they also had problems in project implementation through political leaders. Because the general practice was that the money was given to the political leaders as an advance for project implementation. To get a satisfactory account of expenditure from the political leaders was difficult. The safest way to avoid an audit query while keeping the local politicians in good humour, was to regularize the money advanced as an expenditure. The ex-LDOs said that they did just that. However, while doing so, they had to violate rules and overlook unauthorized expenditure.

5.2.9 Development environment at local level

To appreciate the achievement of the local level planned development process in Nepal, one must look into the contemporary development environment at the local level. The development environment here refers to the institutional and social support available for development. Four areas are selected for discussion.

(a) Coordination: One of the fundamental roles of the LDO was to coordinate the sectoral activities in the formulation and implementation of the DDP. However, the role of the LDO as a coordinator was very much resented, due to several reasons. The sectoral agencies alleged that LDO became rather "controller" than a "facilitator".
The LDO's role of coordinator had been challenged by sectoral officers of the one of the district at a meeting held in 1990. Although it was not possible to locate a copy of the minutes of the meeting it was reported that the minute was circulated in all 75 districts. The meeting concluded that the LDO, being an official of one of the implementing sectoral ministry, could not perform the role of the coordinator. The meeting had proposed two suggestions. First, coordination of all line agencies to be the responsibility of the Chief District Officer (CDO) already working at the district level, under the Ministry of Home Affairs as the chief representative of HMG/N; and second, the establishment of a District Development Authority to function directly under the office of the Prime Minister.

In some cases, the sectoral offices wanted to exclude the LDO in programme implementation due to personal reasons. In fact, there used to be a personality problem among the officers of the same rank, to be "coordinated" under one of them. Annex 2 (c) shows that in 1989 and 1990, the LDO of the Ivang District was in fact junior to some of the sectoral officers. Another important reason was a communication problem of some technical offices such as agriculture, health, irrigation etc. with a generalists development practitioner like the LDO, who tended to view things in a rather administrative manner, which at times created frustrations among the front line implementing staffs. The LDO also had defensive points that he had to accomplish the tasks, which were mostly of administrative nature. Most of his tasks had neither financial and logistic support nor an appreciation of his limitations. Consequently, he had to compromise with the quality of work, while maintaining the administrative formalities to avoid audit objections. Such situation was not appreciated by the technicians who tended to think in a more professional manner.

A fundamental question posed by some sectoral officers that "why should the LDO be the coordinator of the DDP anyway?" This question brought out the larger issue that if "rural development" was supposed to increase the income of the target people, the lead sector in the Ivang District should have been agriculture or livestock development, not infrastructural activities. One sectoral officer commented "Infrastructural projects have high political value, therefore such projects will continue to play a dominating role in local development". The same logic was applied to the LDO who, as a general development practitioner, had been instrumental in manoeuvring local development activities for powerful political leaders.

There were also frequent transfers of staff in key positions, resulting in such positions remaining vacant for quite some time. When the positions were filled, the incumbents required some time to understand the problems
and local situations, and by that time they adjust in the position another transfer might occur. Table 5.13, provides a picture of the transfer of some staff in key positions during the study period.

Table 5.13: Transfer of Office Chiefs in some of the key development related offices during 1986-90 period

<table>
<thead>
<tr>
<th>No</th>
<th>NAME OF THE POST</th>
<th>NO OF TIMES TRANSFERRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sr. Veterinary Officer</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Cottege Industry Development Officer</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>District Forest Officer</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Local Development Officer</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>District Development Officer</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>District Education Officer</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Field Survey

One of the reasons for such frequent transfers was that almost all the senior officers were from outside the district and therefore, wanted to go back to Kathmandu or to less remote areas in the shortest possible time. One important point to be noted here is that one could manage to get a desired posting through "Afno Manchhe" connections. Referring to the chronic absence of doctors in a local hospital a doctor jokingly remarked "Almost all doctors are either the sons or sons-in-law of powerful persons. Having so close connections with big people, why should they remain in remote area?"

Although the LDO was supposed to be the coordinator, he had no role in these transfers. He was never consulted in district level manpower planning even though he was supposed to implement the DDP. In fact he was one of those who were transferred. Such frequent transfers adversely affected the implementation of the DDP.

b) Technical Support: There was a Public Works Office (PWO), in which one Engineer and five Overseer were working. Organizationally, the PWO was the engineering branch of the DP. Functionally, however, it was a general
engineering unit of a district. Because any office, having no technical manpower, could use its services by paying its administrative overhead costs such as stationery, travel and daily allowance of the technicians involved. It also meant that the DP would have to pay the overhead cost while using the services of the PWO for the survey and design of the DP projects. There was a contingency budget in DP (about 10 to 15% of the development grant) which could have used for such purposes. But instead of giving this money to the PWO, the DP found it convenient to employ directly some Sub-Overseer to attend to technical matters, using the same budget. The Sub-Overseer would then be under the DP's administrative control and would also meet audit requirements. Therefore by using the contingency fund of grant-in-aid (which was 10% of the total amount), the Ivang DP had employed 14 technicians in 1986 which came down to 10 in 1990 (Annex 2.b). The job description of the Sub-Overseer ranged from providing technical support for on going projects, certifying completed projects, making all specifications for procurement of construction materials for W/S projects, to conducting feasibility study and designing projects for the approval of the District Assembly.

Another important duty of the Public Works Office (PWO) was to provide technical backstopping support to the Users Committee, when the completed projects were handed over to them. The projects included District Panchayat, sectoral, and donor agency financed projects. But there was no maintenance budget which Public Works Office could utilize. Some maintenance works were included in the development budget of the DP, which was allocated on a case by case basis. But there was no system for a regular backstopping support to the Users Committee for project maintenance and operation, either in the DP or in other agencies who provided support for project construction.

The main problem of the PWO was that there was no appreciation of the technical requirements in the whole development process. There was always a tendency to look at everything from an administrative point of view. This point was evident by the fact that in Public Works Office in Ivang, all kinds of expensive furniture, curtains, carpets etc. were available, but technical tools were not. Moreover, there was a general point that all technicians had to work under very rigid financial rules. No flexibility was permitted as far as financial management was concerned. Being front line personnel dealing in project implementation, the safest way for technicians was to maintain the prescribed formalities. However, it was also reported that there was a large degree of corruption involved in construction works at all levels, while conforming to the financial regulations. Two separate
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explanations were given. First in an under-funded situation like in the DP projects, the expenditure was certified by the technician without relating it to the progress of work. A small bribe, in cash or kind, was given to get the expenditure approved. Second, in projects with a large budget, such as the projects of sectoral agencies, a higher rate analysis using the standard "construction norms in Nepal" was used for preparing the estimates. The legally inflated component of the cost was used for either calculating the required percentage of people's participation or for siphoning off the excess to the personal account.

c) Data/Knowledge Base: One of the basic ideas of decentralized planned development is the use of local knowledge in order to solve local problems and exploit local potentialities. Therefore, provision for district and village profiles was made a part of the local level planned development process. The data requirements for the profile was presented in Annex 1(g). The policy makers had assumed that the data could easily be collected and periodically updated from the files of the relevant district level line agencies.

The District Panchayat Secretariat of the Ivang District collected data for the district profile and published it in 1985. Some data such as population related figures were taken from the census report. Credit and input supply, student enrolment etc. were extracted from the progress report of the concerned offices, and land ownership, land use, productivity, food supply etc. were calculated on the basis of available information and assumptions. But the source of the data were not mentioned and the methodology used for collection and calculation were not spelt out. For example, according to food supply data 42.4 percent of the population of the Ivang District had over 6 months' a food deficit in 1985. However, considering the relatively good production base of the Ivang District, this finding was not very convincing. Nonetheless, if the profile was periodically reviewed it would have helped the planners. One or two attempts were made to update the data which, however, were not supported by DP leaders.

The main problem of the district and village profile was not only the lack of correct data but also the lack of ideas on how to use them. The data available had never been used as the basis for planning. Because the importance of a dynamic analytical basis for development was not appreciated. In the past, monitoring data were mostly used for making progress charts and graphs for important visitors. But while devising a project, for example, on education or health, data on education on health status among various ethnic or gender groups had never been utilized. On the contrary political leaders might have been apprehensive that if data
became the basis of planning, political considerations might loose their value. Therefore political leaders rather ridiculed the idea of data collection by saying the "DATA collection meant Daily Allowance and Travelling Allowance collection".

d) Social Support: The people's perception of 'development' was found to be confused, due to, among others, the following three reasons. First, people saw large scale misuse of resources and corruption by public figures in development projects. Therefore, they were less interested in the so-called "development projects". One could see the apathy of the people when it came to take over and maintenance of a large number of "completed" projects at the village level. A remark of a frustrated school teacher is worth quoting. He said "we have seen the development game - what it sounds and what it actually is. Recently, a contractor of a road project has publicly admitted that he paid a large amount of money to get the job. An important political figure of this district has used the roofing sheets meant for a high school to build his own house. We can count tens of corruption cases relating to the "development" projects. How would the people believe that what you tell, will be actually done?"

Second, there was a high level of frustration among almost all staff working in public offices. Everybody had their own reasons. But all agreed with one point that the rules were not equally and fairly applied to everybody. People having more resources e.g. power or money, could get their work done quickly from the back door. Unfortunately, the same thing was happening when a common man walked into a public office to get his work done.

Finally, the teachers felt that the root cause of mass frustration and apathy, especially among the younger generation, was due to the New Education Policy (1975) which had dismantled the competitive atmosphere in school level education. All schools were equal: governed by the same administration, same curriculum, same text books and same level of financial assistance from the government. Schools no longer depended upon donations from the local people and were, therefore, no longer accountable to them. By the expansion of such an education system, flocks of school educated youth were created, who were neither creative and competitive for formal sector employment nor willing to go back to their farm land for manual work. Partly because the curriculum was not geared to the capabilities needed for rural development. They became "modern" by spending money on expensive western style dresses and alcoholic drinks. But they could not afford such a life style with their own income. In many cases
the political leaders used such youths as their field workers or their contracting agents. Consequently, they were instrumental in exposing corruption and misuse of money to the masses. This in turn further damaged the social support for planned development.

5.3 Planned Development Process at Village Level

Three Village Panchayats (VPs) were selected for the study of the planned development process at the VP level. They were Majuwa, Naudanda and Pyauli. Two criteria were kept in mind while selecting the VPs. First, spatial distribution of the sample villages in the district was given priority, as much as possible, despite the fact that trekking by foot was the principal mode of transportation in most of the research area. Second, attempts were made to cover a heterogeneous set of VPs in terms of physical facilities and development performance. The selection of VPs was made after consultation with the Ivang District Panchayat Secretariat (DPS).

The first VP, Majuwa, was situated 18 miles west of Ivang Bazaar. It was linked with a fair-weather motor road from Tar Bari. There is a small town called Majuwa Bazaar in which a commercial bank, Agriculture Development Bank of Nepal (ADB/N), cooperatives, post office, health post, police post, VP Office, a high School and Service Centres for agriculture and veterinary were located. The Majuwa Bazaar was the main commercial centre of western Ivang. There was a weekly market on Wednesday, which was the main income source of the VP. It was rated as a 'good' VP. The second VP selected was Naudanda which was the adjacent VP to the east of Ivang Town Panchayat, about 10 miles from Ivang Bazaar. The Aitabare Bazaar was the headquarters of Naudanda VP in which a health post, post office, police post, cooperatives and a high school were located. There was a weekly market on Sunday in Aitabare Bazaar. It was rated as a 'moderate' VP.

Finally, Pyauli VP was situated in the north-eastern corner of Ivang District, about 18 miles from Ivang Bazaar. There was a small Bazaar called Panchami in which the VP office and a few other offices such as health post, post office and a veterinary Service Centre were located. It also had a weekly market on Sunday. The Pyauli VP was in the remote area of Ivang district. During the winter it took a day-long easy walk from Ivang Bazaar to reach to the VP Office by a short route crossing a number of mountain streams and rivers. But during summer, when all the rivers and streams were swollen by
monsoon rain and flood water, the only way was through the adjacent VPs by crossing suspension bridges of the main trails.

Population data of all three selected VPs which were presented in Table 5.1, show that in all VPs, except Naudanda, the family size decreased while the total population increased by about 28% in average during the 1981-91 period. In Naudanda both the family size as well as the total population increased during that period. The background of political leaders in the three VPs is presented in Annex 2 (a). It was found that most of the VP leaders (1982 and 1987 election period) were medium size farmers with a low level of education. The exception was in the Pyauli VP where three VP officials were illiterate.

At the VP level a Village Secretary was posted from HMG/N under the administrative control of the Local Development Officer (LDO). All arrangements at VP level, such as the working procedures of the Village Panchayat (VP) and Village Assembly were prototypes of the DP level. Procedures were followed at the VP level as far as possible in a resource and expertise constrained situation. For example the VP meeting was held once a month and the Village Assembly once a year. But at the VP level there was no meeting allowance for the VP as well as for the Village Assembly meetings. The Village Secretary kept the minutes of the meetings.

The Pradhan Panchas and the Village Secretaries played an important role in maintaining close contact between the district level offices and the VP. The recommendation of the VP was required for a number of issues such as citizenship certificates, registration of land, settlement of disputes, granting of scholarships and even to guarantee the bank loans. But, due to the physical inaccessibility, poor postal services and lack of sufficient budget of the VP it was difficult to attend to this work on time through official correspondence. To make the contact easy for both the office and the people, the Pradhan Panchas and Village Secretaries visited Ivang Bazaar quite frequently. A respondent (Section 6.4) termed the Pradhan Pancha as a "mobile office", having the official letter pad in one pocket and the office stamp in the other, for writing any official correspondence anywhere. This was found true during field observations.

Apart from the development work, the VP performed some judicial functions at the village level such as settling disputes on land and family quarrels. The VP was also a focal point of information dissemination relating to such issues as family planning, epidemics or environmental concerns.
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5.3.1 Income and expenditure of the Village Panchayats (VPs)

The Ivang district was relatively ahead in agricultural production among the hill districts of Eastern Nepal. Substantial amounts of cash crops and livestock products were produced and exported from this district. An estimate of the agriculture production, based on discussions with local leaders and traders, is given below in Table 5.14.

Table 5.14: Cash Crops and Livestock Products in Sample VPs as estimated by informants (Maund = 37.5 kg/per year)

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>MAJUWA</th>
<th>NAUDANDA</th>
<th>PYAULI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardamom</td>
<td>1500</td>
<td>500</td>
<td>2000</td>
</tr>
<tr>
<td>Kucho (Broom)</td>
<td>1500</td>
<td>1000</td>
<td>500</td>
</tr>
<tr>
<td>Bamboo Baskets (Number)</td>
<td>9000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Potato</td>
<td>1000</td>
<td>2000</td>
<td>5000</td>
</tr>
<tr>
<td>Ghee</td>
<td>250</td>
<td>500</td>
<td>1000</td>
</tr>
<tr>
<td>Goats (Number)</td>
<td>2550</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td>Bristle (kg.)</td>
<td>250</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>Orange</td>
<td>-</td>
<td>600</td>
<td>-</td>
</tr>
<tr>
<td>Ginger</td>
<td>-</td>
<td>5000</td>
<td>-</td>
</tr>
<tr>
<td>Green Peas</td>
<td>-</td>
<td>1600</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: The figure for Majuwa includes sales at the local weekly market and therefore may include products of other VPs.

In spite of the high production of cash crops, the income of VPs was very low. The income and expenditure of the three sample VPs during 1986-90 period is shown in Table 5.15, 5.16, 5.17, 5.18, 5.19, 5.20 and 5.21. Tables 5.15, 5.17, 5.19 show that the incomes of all the three VPs were not kept in the same budget headings. In Naudanda VP the grant from the District Panchayat (DP) was not included in the income of the VP, because it was spent separately from the project account. However, it was generally found that the administrative and the judicial functions of the VP were the main source of income. If the VP had to settle a dispute, it charged certain fees.
The VP also charged for licenses of radios, guns etc. and fees for recommendations and applications. It was said that the VP could have collected more tax especially from the licenses and market tax, had it been backed up by administrative force. Due to the individual network at the village level, everybody knew who had what. But to force tax on village leaders or their relatives, who might have possessed those items, was risky.

Secondly, except for the land tax there was no taxation for agriculture products, also not for the cash crops. An effort was made by the Decentralization Scheme (DS) to introduce the Panchayat Development Land Tax (PDLT), based on the productivity of land, for local resource mobilization. Under the PDLT system, the VP was allowed to retain 85% of the tax collected while giving only 10% to the District Development Fund and 5% to the central treasury. Among the 3 VPs studied, the PDLT system was experimented only in the Majuwa VP. In 1986, the Majuwa VP had retained Rs. 8000 (26% of its total income in 1986) from PDLT. But the PDLT was resented by farmers of some other districts. So the scheme was nationally postponed in 1987.
The DP had levied an export duty on agricultural products exported from the district. For products exported outside the country, which was the case of the Ivang district, the government also levied a customs duty on the same items. But there was no tax at the VP level where the items were actually produced. In the Majuwa VP, however, such products were subjected to a 'market tax' if they were purchased/sold through the local weekly market.

Sometimes, disputes between the DP and the VPs were reported on the right of tax collection. For example, in Naudanda VP, the income from Beni Mela (an annual fair celebrated during Makar Sakranti festival in the winter) was collected by the DP in 1987 and 1988 on the ground that it was a district level fair. However, this situation was corrected with the passing of a resolution by the Naudanda Village Assembly in 1988 demanding its traditional right on the Beni Mela. The management of the Beni Mela was handed over to the Naudanda VP in 1989.

Table 5.16: Expenditure of Majuwa VP During 1986-90 (in Rs.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Salaries</td>
<td>5970</td>
<td>6860</td>
<td>8262</td>
<td>9420</td>
<td>23857*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>*) includes</td>
</tr>
</tbody>
</table>
|                            |      |      |      |      | salaries of a water supply guard and a sweeper.
| 2. Service                 | 114  | 315  | 360  | 25   | 653  |
| 3. Repair & Maintenance    | -    | -    | 550  | -    | -    |
| 4. Office Goods            | 730  | 811  | 1501 | 1868 | 1222 |
| 5. News Papers & Magazines | 20   | 34   | -    | -    | 250  |
| 6. Grant-in-aid/ Rewards   | 8008 | 8028 | 4095 | 5464 | 1128 |
|                            |      |      |      |      | includes grant to school from the amount collected on market tax.
| 7. Unforeseen              | 268  | 178  | 588  | 563  | 746  |
| 8. Building Construction   | 12040| 4792 | 240  | -    | 1535 |
| 9. Repair & Maintenance    | 592  | 50   | 32496| 8000 | 2856 |
| Total                      | 27743| 21068| 48091| 25340| 32248|
Table 5.17: Income of Naudanda VP During 1986-90 (in Rs.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Deed of agreement</td>
<td>590</td>
<td>565</td>
<td>10</td>
<td>167</td>
<td>763</td>
</tr>
<tr>
<td>2. Previous Balance</td>
<td>-</td>
<td>118</td>
<td>-</td>
<td>672</td>
<td>655</td>
</tr>
<tr>
<td>3. Gun &amp; Radio License Renew Fee</td>
<td>45</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4. Market Tax</td>
<td>100</td>
<td>290</td>
<td>-</td>
<td>403</td>
<td>1896</td>
</tr>
<tr>
<td>5. Recommendation Fee</td>
<td>540</td>
<td>571</td>
<td>8809</td>
<td>648</td>
<td>677</td>
</tr>
<tr>
<td>6. Application Fee</td>
<td>142</td>
<td>107</td>
<td>26</td>
<td>127</td>
<td>19</td>
</tr>
<tr>
<td>7. Others</td>
<td>842</td>
<td>377</td>
<td>-</td>
<td>375</td>
<td>-</td>
</tr>
<tr>
<td>8. Auction of Gross</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>600</td>
</tr>
<tr>
<td>Total</td>
<td>2259</td>
<td>2028</td>
<td>8845</td>
<td>2392</td>
<td>4610</td>
</tr>
</tbody>
</table>

Table 5.18: Expenditure of Naudanda VP During 1986-90 (in Rs.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Salaries</td>
<td>750</td>
<td>1500</td>
<td>1100</td>
<td>-</td>
<td>1750</td>
</tr>
<tr>
<td>2. Maintenance</td>
<td>325</td>
<td>5</td>
<td>1360</td>
<td>800</td>
<td>460</td>
</tr>
<tr>
<td>3. Unforeseen</td>
<td>120</td>
<td>30</td>
<td>3038</td>
<td>-</td>
<td>1209</td>
</tr>
<tr>
<td>4. Office Goods</td>
<td>1114</td>
<td>172</td>
<td>2375</td>
<td>962</td>
<td>635</td>
</tr>
<tr>
<td>5. Grant-in-aid/ Rewards</td>
<td>200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6. Allowance</td>
<td>647</td>
<td>180</td>
<td>300</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7. Fuel</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8. Service</td>
<td>37</td>
<td>20</td>
<td>9</td>
<td>55</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>3205</td>
<td>1907</td>
<td>8182</td>
<td>1817</td>
<td>4084</td>
</tr>
</tbody>
</table>
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Table 5.19: Income of Pyauli VP During 1986-90 (in Rs.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Previous Balance</td>
<td>N.A.</td>
<td></td>
<td>589</td>
<td></td>
<td>114</td>
</tr>
<tr>
<td>2. Radio Licence Renew Fee</td>
<td>N.A.</td>
<td>-</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Grant from DP</td>
<td>N.A.</td>
<td>-</td>
<td>11668</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Penalty/Fine</td>
<td>N.A.</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Application Fee</td>
<td>N.A.</td>
<td>22</td>
<td>41</td>
<td>58</td>
<td>9</td>
</tr>
<tr>
<td>6. Miscellaneous</td>
<td>N.A.</td>
<td>36</td>
<td>40</td>
<td>325</td>
<td></td>
</tr>
<tr>
<td>7. Others</td>
<td>N.A.</td>
<td>325</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Citizenship Certificate</td>
<td>N.A.</td>
<td></td>
<td>1680</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Recommendation Fee</td>
<td>N.A.</td>
<td></td>
<td>128</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>10. Market Tax</td>
<td>N.A.</td>
<td></td>
<td>1100</td>
<td></td>
<td>700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>932</td>
<td>14672</td>
<td>972</td>
<td>848</td>
</tr>
</tbody>
</table>

Table 5.20: Expenditure of Pyauli VP During 1986-90 (In Rs.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Salaries</td>
<td>N.A.</td>
<td>600</td>
<td>250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Other Goods</td>
<td>N.A.</td>
<td>151</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Unforeseen</td>
<td>N.A.</td>
<td>175</td>
<td>1688</td>
<td>295</td>
<td>45</td>
</tr>
<tr>
<td>4. Service</td>
<td>N.A.</td>
<td></td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Office Goods</td>
<td>N.A.</td>
<td></td>
<td>135</td>
<td>782</td>
<td></td>
</tr>
<tr>
<td>6. Grant-in-aid/Rewards</td>
<td>N.A.</td>
<td></td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Repair &amp; Maintenance</td>
<td>N.A.</td>
<td></td>
<td></td>
<td></td>
<td>11668</td>
</tr>
<tr>
<td>8. Others</td>
<td>N.A.</td>
<td></td>
<td></td>
<td>715</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>926</td>
<td>2377</td>
<td>1792</td>
<td>11713</td>
</tr>
</tbody>
</table>
Table 5.21: Total income and Expenditure of Sample VPs During 1986-90 (in Rs.)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MAJUWA</th>
<th>PYAULI</th>
<th>NAUDANDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>INCOME</td>
<td>EXPENDITURE</td>
<td>INCOME</td>
</tr>
<tr>
<td>1986</td>
<td>30915</td>
<td>27743</td>
<td>N.A.</td>
</tr>
<tr>
<td>1987</td>
<td>32966</td>
<td>21068</td>
<td>932</td>
</tr>
<tr>
<td>1988</td>
<td>52762</td>
<td>48091</td>
<td>14672</td>
</tr>
<tr>
<td>1989</td>
<td>37400</td>
<td>25340</td>
<td>972</td>
</tr>
<tr>
<td>1990</td>
<td>43100</td>
<td>32248</td>
<td>848</td>
</tr>
<tr>
<td>Total</td>
<td>197143</td>
<td>154490</td>
<td>17424</td>
</tr>
</tbody>
</table>

Note: N.A. = Records not available

As the income of VPs was low, they were unable to undertake any meaningful development work using their own income sources. Their own income was not even sufficient for meeting the expenses of office management and stationery. It was reported that in some cases the Pradhan Panchas purchased stationery items on their own account. The Majuwa VP was in a better financial situation among the 3 VPs.

The expenditure figures of the sample VPs are shown in Tables 5.16, 5.18 and 5.20. In the expenditure figures, the salary of the Village Secretaries were not included, they were on the payroll of the general budget. Expenditure was mostly on stationery items and on meeting arrangements. In 1988 a substantial amount was spent under "unforeseen" budget headings. During that year, a mobile mission visited all VPs of the district to distribute citizenship certificates. Although the VPs earned an income by charging a fee from the applicants, the VP had to bear all the costs of the mission.

The expenditure of construction works (new construction or repair works) was made from the budget heading 'repair and maintenance'. It was found that the method of spending and accounting the project money was not uniform. The project expenditure was accounted for only after the completion of a project. For example in the Pyauli VP the expenditure of 1988 projects was accounted in 1990. Similarly, in the Majuwa VP, the project expenditure of 1986 and 1987 projects was accounted in the 1988 and 1989 expenditures. Moreover, some VPs included the project funds as income and expenditure in the VP budget and some did not. For example in
the Pyauli VP only 1988 projects were included in the VP budget whereas the expenditure of 1986 and 1987 projects was made directly from the project account. Therefore the income and expenditure of those project were not shown in the VP budget. The same was the case of the Naudanda VP in which the income and expenditure of project money were never shown in the VP budget.

Due to a relatively better income position of the Majuwa VP, a number of development activities was undertaken using its own income source. The expenditure figure of the Majuwa VP included a donation to a High School, and the cleaning of market places.

5.3.2 Plan formulation and implementation at Village Panchayat (VP)

The plan formulation process at the VP level started when the VP received the budget ceiling and guidelines from the District Panchayat (DP). It was said in all three VPs that the projects were collected from ward level, through informal consultation with Ward Chairmen. In some VPs ward level meetings were also organised where projects were identified. In the plan formulation and approval process at village level the Service Centre (SC) did not provide any technical support, as envisaged in the DS, mainly because there were no Service Centres in all nine Ilakas, equipped with staff from the sectoral offices. Moreover, the offices working at the SC level were opened as an individual service delivery unit rather than an integrated planning unit (Section 5.3.3).

All VPs formulated a Five Year Medium Term Plan (1986-90) in 1985. The projects of the Medium Term Plan and the Annual Plan, which are classified under the areas of responsibilities of VP, are shown in Table 5.22. But only in 1986 the projects listed in the Medium Term Plan were incorporated in the Annual Plan. From 1987 onwards the Village Assembly selected different projects from those included in the Medium Term Plan, because, what was also found in the case of district level case study (Section 5.2.4.1), a number of local leaders elected in 1982 were replaced by those elected in the 1987 election. Since there was no mandatory provision that the projects proposed for the Medium Term Plan must be included in the subsequent Annual Plans, unless they were rejected after their feasibility studies, the newly elected political leaders included their own projects. Indeed, the numbers of new projects proposed in all three VPs from 1988 onwards was substantial.

The Table 5.22 shows a general tendency in all the VPs to concentrate on construction oriented projects such as construction and roofing of school
Local Level Planned Development

buildings, construction and rehabilitation of irrigation projects, construction of water supply projects and construction of roads and bridges. There were almost no service oriented projects such as health & population programmes, forest, soil & environment conservation, industry, commerce & tourism, fuel supply, village welfare and Panchayat development. The reason was that the sectoral projects were separately planned and sent to the sectoral agencies, therefore were not included in the Village Development Plan which was sent to the District Panchayat Secretariat.

It was said that at the VP level the 'development programme' (Bikash Karyakram in Nepali) was generally meant for construction of projects. The same concept of development was found at the DP level in some earlier studies (such as Paudyal 1985). It was partly because the people, and in many cases the policy planners and the international donors as well, wanted to see some visible 'progress' of development projects. There were also allegations of corruptions attached with the construction oriented projects, which was found to be largely true, at least in the local development projects, due to the total absence of any quality control mechanism. It was found that projects were certified as completed when the money had been spent. During the study period the expenditure of the VPs was not audited. It was said that, the formalities of expenditure of money were maintained and the accounts were kept in the prescribed format. But even if the expenditure was audited, there was no basis to check the integrity of the money spent unless a detailed investigation was made on the actual use of the available funds and this took seldom place.

It was already stated in Section 5.2.5 that the local level projects were implemented through the Users Committee. When a project had finally been approved, the District Panchayat (DP) asked the VP to form a Users Committee for a project. Depending upon the coverage of a project, the Committee consisted of Pradhan Pancha/Upa Pradhan Pancha or Ward Chairman as the Chairman and 7 to 11 beneficiaries as the Members. In village level projects, covering only a few Wards of a VP, the Ward Chairman was selected by the VP as the Chairman, but in the case of the district level projects, covering more than one VP, the Pradhan or Upa Pradhan Pancha was selected by the DP as the Chairman. The Village Secretary was generally selected as the Secretary of the Committee because of his knowledge of account keeping. In some cases, such as in Case Study II, other person like the local school teacher was also selected as the Secretary of the Committee.
Table 5.22: Medium Term & Annual Plan of 3 VPs (1986-90) (In Number)

<table>
<thead>
<tr>
<th>AREA</th>
<th>MEDIUM TERM PLAN</th>
<th>ANNUAL PLAN</th>
<th>MAJUWA</th>
<th>NAUDANDA</th>
<th>PYAULI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PROPOSED</td>
<td>IMPLEMENTED</td>
<td>PROPOSED</td>
<td>IMPLEMENTED</td>
<td>PROPOSED</td>
</tr>
<tr>
<td>1. Education &amp; Cultural Development</td>
<td>3 5 1 6</td>
<td>- - - - - -</td>
<td>5 5 - - - -</td>
<td>2 2 - 7 2 2 - 1 1 - -</td>
<td></td>
</tr>
<tr>
<td>2. Health &amp; Population Programme</td>
<td>- 1</td>
<td>- - - - - -</td>
<td>- 3 - - - -</td>
<td>1 - - 1 - - 1 - -</td>
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</tr>
<tr>
<td>3. Agriculture, Irrigation &amp; Land Reform</td>
<td>8 2</td>
<td>6 6 12 14 - 1 2 - 1 - - 4 4 - - - -</td>
<td>4 1 2 - - 1 - -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Physical Construction &amp; Communication Development</td>
<td>2 3</td>
<td>7 6 14 20 - 1 - 1 - - 6 5 - 1 1 - 4 5 5 - - -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Water Supply and Electricity</td>
<td>4 9</td>
<td>7 9 11 8 - 1 - - - - 12 - 15 2 1 2 - - 2 3 3 - -</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6. Forest, Soil &amp; Environmental Conservation</td>
<td>- 1</td>
<td>- - - - - -</td>
<td>- - - - - - - - - -</td>
<td>1 1 - - - -</td>
<td></td>
</tr>
<tr>
<td>7. Industry, Commerce &amp; Tourism</td>
<td>1</td>
<td>- 1 1 - - - - - - - - - - - - - - - - - - - - -</td>
<td></td>
<td></td>
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<tr>
<td>8. Fuel Supply</td>
<td>-</td>
<td>- - - - - -</td>
<td>- - - - - - - - - -</td>
<td>1 - - - - - - - -</td>
<td></td>
</tr>
<tr>
<td>9. Village Welfare</td>
<td>-</td>
<td>1 - 2 - - - - - - - - - - - - - - - - - - - -</td>
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<td></td>
<td></td>
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<tr>
<td>10. Panchayat Development</td>
<td>-</td>
<td>- - - - - -</td>
<td>- - - - - - - - - -</td>
<td>1 - - - - - - - -</td>
<td></td>
</tr>
</tbody>
</table>

Note
1: na = Records not available
2: In Majuwa the Village Assembly was not held in 1990.
Once the Committee had been formed the LDO invited the Chairman and the Secretary to sign an agreement for the project implementation. Those who signed the agreement were accountable for the expenditure. After completion of the project, they were also responsible to obtain the completion certificate in order to clear the advanced money into project expenditure. Therefore, in a real sense, the members of the Users' Committee had no role to play in the administration of the project implementation.

Beneficiaries were mobilized by the Users Committee, mostly by the Chairman of the Users Committee, for the voluntary labour contribution in project implementation. In most occasions it was possible to persuade the people to contribute their labour, because mutual help was a part of the village culture. But in some cases force was also used to mobilize free labour. For example, in the Water Supply (W/S) project of Majuwa Bazaar, two days' free labour (or cash equivalent) was forcibly collected from all wards. The reason for asking labour contribution from other wards, even though the W/S project covered only the Bazaar area, was that people of other wards (and of course their children) consumed water when they visit the market (and the high school located in the Bazaar). Even the police force was used in some wards. However, the Bazaar area was the smallest contributor of free labour for project construction. The project was completed but remained functional for a very short-period of time, due to the lack of maintenance by the beneficiaries themselves.

Users Committees were formed for all local level projects because it was an administrative requirement for budget release from the DP. In most cases however, the Users Committee was functional only during the project construction period but was not effective after the project's completion. There was a number of reasons which are illustrated in the two case studies (section 5.4.1 and 5.4.2). First, there was a legal problem when the Pradhan Panchas or the Ward Chairmen, who used to be the Chairmen of the Users Committees, were not re-elected in the subsequent election. Neither the incumbent acted as the Chairman nor the old Chairman took any initiatives with regard to use and maintenance of a project. Second, there was a social problem of cultivating a new habit of maintaining a common property through an organization like the Users Committee. The Users Committee had not been developed as a social organization. And above all, as stated above, there was a technical problem in almost all the under-funded projects, which were barely completed having low technical standard. They were handed over to the Users Committee as a part of the administrative formalities. Most of the projects could not provide services as intended, therefore the Users Committee could not mobilize people to take them over and maintain them.
5.3.3 Service centre: Its role in VP level planning

The idea of Service Centre (SC) was to create an office at sub-district level, one in each of the nine political constituencies of a district called Ilaka, having separate but inter-linked units of each of the development related district level line agencies. But when the concept was actually implemented, perhaps in order make the Service Centre manageable, the idea was confined only within the agricultural related agencies. Some policy makers saw it as a planning body located at sub-district level which could coordinate the sectoral activities in a more effective manner and act as the focal point for a two way communication between the village and the district level. Some other senior planners felt it to be an integrated service delivery point at sub-district level, where a farmer could get all the agriculture related services at one visit. In either case the Service Centre was supposed to be an integrated and multi-functional Centre. This is shown in Chart 5.3 below:

But there were some problems in implementing this concept. First, as explained in Section 4.2, a district was divided into nine political constituencies to elect nine District Panchayat Members called Ilakas. When the concept of a Service Centre was introduced in 1978, the same Ilakas were taken as the division of the Service Centre boundary. However, a number of them were not suitable service delivery points because the Ilakas were divided by the political considerations. For example, the Pyauli VP was in a remote area which was not a suitable service delivery point for a number of VPs it was supposed to cover. The Nayagoun VP, where the ADB/N office was located covering Pyauli VP also, would have been a better place for Service Centre no. 7. But Nayagoun fell under another Ilaka.

An integrated Service Centre which could provide technical support for preparation, implementation, evaluation and operation of development projects to VPs; help Users Committees to organize and function; and exchange ideas and experiences among VPs, as stipulated in Clause 17 of the Decentralization Act 1982, was not realised at the sub-district level. Only a few district level offices such as the District Agriculture Office, Veterinary Office, Cooperatives, Agriculture Development Bank of Nepal (ADB/N) etc. opened their offices at the sub-district level, some of which were located outside SC areas. As shown in Table 5.23, many of the offices had actually been established before the implementation of the Decentralization Scheme (DS).
It was found that the offices working at the Service Centre (SC) or sub-district level were opened as separate units to deliver specific types of services. For example, the Agriculture unit of Majuwa implemented the targets of the District Agriculture Office, in the VPs it covered. Similarly, the
Health Post of Pyauli provided health services to the VPs as a part of the district health programme. But neither was the Agriculture unit designed to develop an agriculture development plan for a completed irrigation project, nor was the Health Post supposed to look into the sanitation component of a completed drinking water supply project. Moreover, all the offices working at sub-district level were vertically linked with their parent office in the Ivang district headquarters. There was no coordination between the offices in the area. It is interesting to note that the nomenclature used, especially for agriculture and veterinary units were 'Agriculture Service Centre' and 'Veterinary Service Centre', although the offices were separately located. This was in contrast to the concept of SC, which was supposed to be an integrated unit.

Among the various offices located at sub-district level the ADB/N offices were well received, because the local people did not have to go to Ivang Bazaar for credit. With the introduction of expensive livestock breeds, the importance of veterinary services rapidly grew. People frequently visited the Veterinary Unit for medicine and other services. But the Agriculture Unit was less effective because the agriculture extension workers knew only the general techniques of modern farming, which were not suitable to the traditional and subsistence hill farming. Moreover, as one Agriculture Officer commented "Our message is less receptive at village level because we are familiar with English phraseology to express farming techniques, crop diseases and preventive methods".

5.4 Project Level Case Study

In order to examine the implementation of the planned development process at the project level, two cases were studied. The findings are presented below.

5.4.1 Case study I: Ghumaune irrigation project

5.4.1.1 Introduction

The Ghumaune Irrigation Project is located in Majuwa and Dhuni Village Panchayats (VPs), situated about 20 kilometres west of the Ivang district headquarters. The project has a perennial source of water from the Ghumaune Khola (river), which has a catchment area of 40.47 square
kilometres. The length of the main canal is 18 kilometres and several small perennial spring sources join it on the way (Map 3).

**Map 3: A Sketch Map of Ghumaune Irrigation Project**

The command area is a well drained upland terrace with an average slope of 20 to 30 degrees. The soil type in the command area is loamy and fertile. A recent survey estimated that the project can irrigate about 600 ha, belonging to about 500 families. The average size of the land holdings is 2.7 hectare per family. The principal ethnic groups in the project area are Brahmin, Chhetri, Newar, Magar, Rai, Limbu and Lama.

The project was implemented in several phases, though the phases were not inter-linked. In the chain of events of the project, summarised in Table 5.24 below, the major activities will be shown in different phases. The activities will be elaborated in the sections below.
### Table 5.24: Chain of Events of Ghumaune Irrigation Project

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ACTION</th>
<th>RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>Dhuni Village Assembly selected Ghumaune Irrigation project (Phase-1) from Jhilke Khola with small coverage</td>
<td>District Assembly approved a budget of Rs.97,000 out of which, DP would provide Rs. 24,000</td>
</tr>
<tr>
<td>1983</td>
<td>People overwhelmingly participated in project implementation</td>
<td>People contributed Rs. 40,000 DP disbursed Rs. 6,000 as first instalment</td>
</tr>
<tr>
<td>1983</td>
<td>Pradhan Pancha managed to get ILO funded project in the same area</td>
<td>DP wrote Dhuni VP to stop work in Ghumaune project</td>
</tr>
<tr>
<td>1984</td>
<td>Project idea revised by VP &amp; decided to construct Phase 2 from Ghumaune Khola</td>
<td>DP approved revised project &amp; disbursed remaining Rs. 18,000, from earlier budget</td>
</tr>
<tr>
<td>1984</td>
<td>Money finished. People decided to borrow from ADB/N</td>
<td>Rs 25,000 credit taken from ADB/N against collateral of 7 farmers land certificates. People added Rs.7000.</td>
</tr>
<tr>
<td>1984</td>
<td>Canal completed</td>
<td>People contributed Rs. 9000</td>
</tr>
<tr>
<td>1985</td>
<td>Canal washed away by monsoon rain and flood water</td>
<td>VP reported to DP for help but not available</td>
</tr>
<tr>
<td>1985</td>
<td>ADB/N reminded 7 farmers to pay back loan</td>
<td>Seven farmers found themselves in trouble</td>
</tr>
<tr>
<td>1987</td>
<td>A delegation sent to Kathmandu &amp; met with a Minister for help</td>
<td>The Minister managed to include it in DOI programme</td>
</tr>
<tr>
<td>1988</td>
<td>DOI started work of Phase 3 of Project through Users Committee</td>
<td>During 1988-90 period Rs. 550,000 disbursed out of which Rs. 288,523 spent</td>
</tr>
<tr>
<td>1989</td>
<td>Seven farmers contributed free labour in DOI Project</td>
<td>Rs.5300 was deposited in ADB/N from labour contribution in DOI project</td>
</tr>
<tr>
<td>1990-91</td>
<td>ADB/N started legal action which included auctioning off the collateral property of the seven farmers</td>
<td>ADB/N official visited site &amp; recommended auction</td>
</tr>
<tr>
<td>1992</td>
<td>Bidding of the auction still to take place</td>
<td>Total ADB/N's liability up to 1991 was Rs. 67,840</td>
</tr>
</tbody>
</table>
5.4.1.2 Origin of the project

The Phase 1 of the Ghumaune Irrigation Project was approved by the Dhuni Village Assembly in 1983 as a district level project. The source of the canal was the Jhilke Khola, a small tributary of Ghumaune Khola, which could irrigate only a part of the area of Dhuni Village Panchayat (VP). The Ivang District Assembly approved the project in 1983. Of the total budget of Rs. 97,000\(^1\) the District Panchayat (DP) provided Rs. 24,000 while the remaining Rs. 73,000 was to be contributed locally mainly as voluntary labour.

The beneficiaries were enthusiastic and contributed cash amounting to Rs. 40,000. The DP disbursed Rs. 6,000 as the first instalment for the initiation of the project. Voluntary labour was mobilized to supplement the available resources, in which people responded positively. A canal from Jhilke Khola to Kali Khola was dug utilizing all these resources.

Meanwhile Mr. Tulasi Ram, who was the Pradhan Pancha (VP Chairman) of Dhuni VP, through his personal connections, was able to get an irrigation project funded by International Labour Office (ILO) via the Regional Office of the Ministry of Panchayat and Local Development (MPLD). The source of this project was also the same river (Jhilke Khola), a little upstream from the other canal. The requirement of the ILO for such a small irrigation project was that the total length of a canal should not exceed 3 kilometres. This meant that the project could irrigate Tulasi Ram's land more intensively than the other canal. It also had more money allocated. But there appeared to be a possible danger that ILO might refuse to fund the project because there was another project already under construction drawing on the same source of water. Therefore, Tulasi Ram convinced the DP Chairman to write Dhuni VP to stop the construction of the other project, on the grounds that the water would not be sufficient for both projects.

5.4.1.3 Expansion to larger project

The farmers of ward Nos 1,2,7,8 and 9 of Dhuni VP were not discouraged by the letter of the District Panchayat (DP), even though they would not have benefited from the ILO project. Rather, they decided to construct another canal from a larger source of Ghumaune Khola itself. The source of this

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\(^1\) Official exchange rate of Nepali Rupees in 1985 was US$ 1 = Rs.20.40 (Dunsmore 1987).
canal was just below the confluence of Guhe Khola and Ghumaune Khola. There was neither a technical survey and design nor a cost estimate for the project. But the general agreement was that the canal from Ghumaune Khola would be linked with the already constructed canal of Jhilke Khola.

In order to get release of the balance amount of the project from the DP, the farmers had to send the revised project idea of Phase 2 of the Ghumaune Irrigation Project to the DP. It was sent in 1984. The DP then asked its technicians to make a project design. The project design included alignment drawing and cost estimate. The project designs were, in most cases, made in the DP office, because they were the administrative requirements for the project approval and fund release. Here is an example of the interpretation of the rules by the local bureaucrats, technicians and the political leaders. In spite of the procedural binding of technical design and cost estimate as the pre-requisite for project approval and fund release, they were seen only as administrative formalities and were of little use for the implementation.

The Ghumaune Irrigation Project Phase 2 was approved by the DP in 1984 and the release of the balance of Rs. 18,000 from the earlier budget was authorized. It also satisfied Tulasi Ram because the project aimed at a larger coverage from a larger source. There was no formally elected Users Committee, but as the Pradhan Pancha, Tulasi Ram acted as the Chairman and the respective Ward Members acted as the Members of this so called Users Committee.

The Committee decided that all beneficiary households would provide voluntary 35 days labour. In an isolated area with hard rocks such as Jhilke Jungle, petty contracts were also awarded to some of the beneficiaries. With all the available resources including voluntary labour of the beneficiaries, a canal from Ghumaune Khola to Batase (about 13 kilometres) was dug.

As the available money and free labour was utilized the Committee decided to borrow Rs. 25,000 from Agriculture Development Bank of Nepal (ADB/N) with land certificates of seven farmers as the collateral (Section 5.4.1.4). Three kilometres of canal from Batase to Naule Gaun were given in contract at a total cost of Rs. 32,000. It was too difficult to collect the deficit of Rs. 7,000. A Ward Chairman recalls that even his own wrist watch had to be given to the contractor.

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1 The Agriculture Development Bank of Nepal (ADB/N) is a government owned autonomous credit institution, devoted primarily to agriculture development. It has a vast organizational network at regional, zonal, district and sub-district level all over the country.
Another 2 km of canal had to be excavated to reach the last beneficiaries, who had contributed cash and their labour. This time, the request for contributions of cash and kind was made mainly because the canal had to be linked with the land of those seven farmers who had volunteered to give their land certificates as collateral for the ADB/N loan. A total of Rs. 9,000 was collected, which was barely sufficient to complete the canal. It appears that at the village level there was a lack of knowledge of the real ‘cost’ of the project. A little amount of money seemed quite a lot for the villagers, but it was not sufficient to accomplish the work they originally planned.

Although the construction of the canal was completed, the wall of the newly built earthen canal was soft and weak. Moreover, due to the lack of technical survey, design and supervision, the slope of the canal was faulty in a number of sections, which had to be changed. But the beneficiaries were completely tired of contributing additional money or labour. There was also no money available from the DP to maintain the project. The same year over half of the canal was washed away by the monsoon rains and flood water. The VP, reporting the damages to the DP in August 1985, requested technical and financial help which, however, was not available. Consequently, the canal became non-operational and gradually disappeared.

5.4.1.4 Loan from Agriculture Development Bank of Nepal (ADB/N)

The decision to obtain a loan from ADB/N was taken in a meeting which were attended by 22 farmers of ward No 9. The minutes of the meeting was attached to the application of the loan to ADB/N in June 1983. The minutes outlined the terms and conditions for the ADB/N loan. It was stated in the decision that the loan was taken to complete a 3 kilometre section of an 18 kilometres long irrigation project. The loan would be jointly paid by all beneficiaries, after the production of the irrigated land increased. As the ADB/N required collateral for the loan, land certificates of seven farmers of Ward No 9 were deposited. The Tamasuk (loan agreement) with the ADB/N was signed by those seven farmers making them, and not the whole group, liable for the loan.

From 1985 the ADB/N started sending its routine reminders to the ‘loanees’ to repay the loan. At the beginning the farmers did not understand why they got those reminders, as they thought that they were representing all the project beneficiaries. The failure of the project made it impossible to collect money from the project beneficiaries. Thus, the original idea of the loan repayment process had to be reinterpreted. When it became evident that
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the ADB/N was now concerned only with the seven farmers, the matter was informally discussed at village level.

In 1987 the seven farmers requested the ADB/N to waive the interest and penalty, and to reschedule the repayment of the capital. The ADB/N refused. In the same year, another effort was made by the villagers to have the loan rescheduled by sending a delegation to Kathmandu to appeal to the Minister concerned. The delegation was led by Tulasi Ram, who was not any more the Pradhan Pancha, but was among the persons who had decided to take the loan. The travelling expenses, amounting to Rs. 1400, were borne by the seven farmers. The delegation returned with an assurance from the Minister that he would do his best. With the help of the Minister some project rehabilitation work was done by the Department of Irrigation (DOI) to support the farmers which, however, benefited the Committee Members, engineers and the contractors more than the targeted farmers (Section 5.4.1.5).

The ADB/N initiated legal action in 1990 against the seven 'delinquent farmers'. This included, among others, freezing transactions of the collateral land through the Land Revenue Office; inspection by an officer of ADB/N of the project to identify the nature of the outstanding loan and the collateral property; approval for auction by District Auction Committee (consisting of Chief District Officer (CDO), District Superintendent of Police (DSP), Land Revenue Officer and the ADB/N Manager); and publication of the auction notice in a newspaper for bidding. By 1991 the ADB/N completed all the formalities. But the bidding for auction was yet to take place.

Meanwhile, the farmers sent another delegation to Kathmandu in 1991, again, led by Tulasi Ram to meet the newly elected local Members of Parliament (MPs) of the democratic government. One member of the delegation recalls "One MP had even assured us that he would sell his own land and pay off the loan, if he was unable, through his political channel, to free the 7 farmers from their obligation to the ADB/N". When the researcher met the MP, who was now a senior politician, and asked him about the assurance he had given to the farmers, he said "My assurance was not that serious. However, I am trying my best to do something for them".

The amount owing to the ADB/N up to 1991 is shown in Table 5.25. But the interest until the date of the auction, a penalty fee for the defaulters for the remaining period and the cost of legal action is still to be added to the amount.
Table 5.25: ADB/N's liability in Ghumaune Irrigation Project loan (as of June 1991)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original amount</td>
<td>Rs. 25,000</td>
</tr>
<tr>
<td>Recapitalization in 1986 (Capital+interest)</td>
<td>Rs. 36,374</td>
</tr>
<tr>
<td>Interest (up to June 1991)</td>
<td>Rs. 24,808</td>
</tr>
<tr>
<td>Penalty (additional 4% interest levied for defaulters)</td>
<td>Rs. 4715</td>
</tr>
<tr>
<td>Interest's interest</td>
<td>Rs. 1943</td>
</tr>
<tr>
<td>Total</td>
<td>Rs. 67,840</td>
</tr>
</tbody>
</table>

Source: Field study

5.4.1.5 Irrigation sector project

In 1987, a local political leader who was a Minister during that period, attempted to include the rehabilitation of this project in the Royal Directives for the Department of Irrigation (DOI). Accordingly the District Office of DOI took it over, then the Project came into phase 3. The DOI formed a Users Committee to implement it. The main persons in the Users Committee were Ram Kumar, Harka Man, Bir Bahadur, and Tulasi Ram. Ram Kumar was powerful in terms of his political status, Harka Man was the most sincere and neutral local leader, Bir Bahadur was a leader of Majuwa Village Panchayat and had good political relation with Ram Kumar and Tulasi Ram was the ex-Pradhan Pancha and political rival of Ram Kumar.

While requesting the project the VP leaders (who were in the Users Committee) had unofficially assured the Minister that the seven farmers would be given first priority to work in the project and the money equivalent to their labour cost would be deposited in the ADB/N to clear the outstanding loan. The seven farmers informed the researcher that they contributed their labour free of charge as assigned. Some other farmers also reported that they had contributed free labour in favour of the seven farmers. But only Rs. 5300 was deposited by the Users Committee in favour of the seven farmers in the ADB/N. People allege that Ram Kumar and Bir Bahadur collaborated with the site engineer. They made a bill which was higher the actual cost of a small amount of work. Harka Man was not aware of such an internal game.
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He played the role of the spokesman for the Committee. And Tulasi Ram was neglected because of his low political profile during that period.

It was interesting to note that the project file of the District Office of Department of Irrigation (DOI), contained neither the project history nor any information on the ADB/N loan. One of the reasons was that Tulasi Ram was the chairman of the earlier project which Ram Kumar did not want to refer to when the project was surveyed for rehabilitation. There was also a feeling that Tulasi Ram should take personal responsibility for ADB/N loan, because it was he who had initiated the idea for obtaining the ADB/N loan. The District Office of DOI had incurred the following expenditure during 1986-90 period.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>AMOUNT DISBURSED</th>
<th>EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988/89</td>
<td>100,000</td>
<td>Consolidated expenditure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>of three years</td>
</tr>
<tr>
<td>1989/90</td>
<td>250,000</td>
<td>Rs. 288,523</td>
</tr>
<tr>
<td>1990/91</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>550,000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field study

Table 5.26 shows that during the 1988-90 period Rs. 550,000 was disbursed to the District Office of DOI for the Ghumaune Irrigation Project, out of which Rs. 288,523 was spent through the Users Committee. The unspent balance was returned (what is called 'frozen'), because this was a time bound project of the Department of Irrigation (DOI). The beneficiaries however, were not aware of the expenditure. They joked that they would have completed the whole project on their own had they received that much of cash in hand.

In 1990, the survey and design of the project was given to a Kathmandu based consulting firm which submitted its report in July 1990. Again, the report did not contain any information on the previous work. It regarded the canal as a new project.

In this survey, the command area was estimated to be about 600 hectares, which DOI had estimated to be 800 hectares. The costs were also
reduced from the DOI estimated figure of Rs. 31,500,000 to Rs. 23,800,000. The length of the main canal was 18 kilometres in both the estimates.

According to the rules of DOI such irrigation projects were to be implemented through the Users Committee once they were funded. The beneficiaries should contribute up to 2 percent cash and 7 percent free labour of the total cost. In this case it meant a cash contribution of about Rs. 475,000 and a labour contribution by the project beneficiaries equivalent to about Rs. 1,666,000. By all standards, this was too high a figure to be collected at Dhuni and Majuwa VPs. The question now is how did the system actually work? An engineer commented "...a project is estimated with higher rate analysis, using a weapon called the Construction Norms in Nepal. Thus, the project cost becomes higher with extra profit in it for the same quantity of work. The extra profit is then mobilized by the contractor to fulfil the DOI's criteria for the project. The whole process is carried out informally, though everybody knows about it". Consequently, the Users Committee, which was supposed to play a leading role in implementation and take it over after completion, was mainly used as an instrument to formalize the informal actions.

5.4.1.6 Aftermath of the project

By the time the project had been selected for study in 1992, all the administrative formalities for auctioning off the collateral property of the seven farmers were completed. Only the bidding was still to take place. The researcher discussed informally with the local ADB/N officials and asked them to postpone the bidding, with the assurance that the researcher would try to find a solution to solve the problem. In the meantime an application, signed by all seven farmers, was sent to the Prime Minister explaining how the loan had been obtained. It was stated in the application that it was purely a method for generating local resources for a development project, which however, was not successful. Therefore the Prime Minister was requested to write off the loan or provide a grant from HMG/N to pay the loan.

In a discussion with some policy makers of ADB/N, Kathmandu, it became clear that the above method would not work, because this was not an unique case of project failure. One policy maker of ADB/N put it "Will the Prime Minister be prepared to write off loans of all projects that failed?"

There are, of course, counter arguments that if such project failures are common ADB/N should take some initiatives for reviewing the individual cases and finding a way to solve the problem instead of continuing to auction off the collateral property in order to obtain the loan. This point is important
when one finds that everyday at least one page of Gorkhapatra, a daily newspaper of Nepal, full of auctioning notices of ADB/N. Indeed, if one looks into individual cases, one may even find the general concept of "cheap" institutional credit questionable. For example, as one of the seven farmers whose land was to be auctioned put it:

they said that the loan was cheap. Now we are paying three times more than the amount we borrowed. They favour a successful misuser while taking legal action in case of a genuine failure. If the end result will be to loose our property, we would have preferred the old money lender who would have, at least, visited our house and shed tears with us, before he took over our land.

It is not argued that the security concern of ADB/N for its loan should be undermined. But better communications between the ADB/N and the borrowers have to be established. The case of the seven farmers was discussed with the local ADB/N Branch Manager who made the suggestion that the ADB/N could finance another irrigation project in the same area. The total cost of the project could be, say Rs. 200,000. In the present HMGN policy, 50% of the cost will be subsidized in hill irrigation projects. Therefore, if the beneficiaries completed the project with their free labour, they could clear the earlier loan from the HMGN grant portion while the present loan would be paid off by the remaining amount. They may make a small saving, after paying the earlier loan, which could be utilized for hard rock cutting or other purposes.

This idea was discussed with the beneficiaries, who readily agreed to give their free labour. When the researcher left Ivang in March 1993, a local engineer was volunteering to design Phase 4 of the project. The local ADB/N Manager was prepared to finance the project. If this initiative is implemented as planned there is a chance to free the seven farmers from the loan trap.

5.4.2 Case study II: Barbote village water supply (W/S) project

5.4.2.1 Origin of the project

In 1982, UNICEF (United Nations Children's Fund) constructed a medium size water supply (W/S) project in the Naudanda Village Panchayat (VP), about 16 km east of Ivang Bazar. The project was selected by UNICEF, in consultation with the VP, and constructed by UNICEF technicians. The
Local Level Planned Development

The source of this W/S system was the Bange Khola (river/stream) which had a perennial supply of water. The water source was covered by a thick forest of cardamom bushes. The project had a water intake and collection tank built of cement. The main pipe line was about 3 kilo metres in length with 40 millimetre and 32 millimetre HDP (High Density Polythene) pipes. There

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**Table 5.27: Chain of events of Barbote Water Supply Project**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ACTION</th>
<th>RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>Naudanda Village Assembly selected Barbote W/S Project in Village Development Plan.</td>
<td>Included in DDP in 1987. Out of the total cost of Rs.43,273 DP provided materials equivalent to Rs.34,681.</td>
</tr>
<tr>
<td>1987</td>
<td>Inhabitants of Bimire, Amale and Ramite hamlets requested Users Committee to include them in Barbote W/S Project.</td>
<td>Request approved. It was decided to divert pipelines of the three hamlets of Naudanda W/S project to Barbote W/S Project.</td>
</tr>
<tr>
<td>1987</td>
<td>Four households negotiated informally for relocation of Tap No.3.</td>
<td>An agreement was reached to give a branch tap to a household in exchange for relocation.</td>
</tr>
<tr>
<td>1987</td>
<td>After project completion Ward Chairman protested that a separate Tap can't be given for individual household.</td>
<td>The household reported to VP that he was deceived by the 'communists'. He also stressed his demand for a separate tap.</td>
</tr>
<tr>
<td>1988</td>
<td><em>Pradhan Pancha</em> settled the dispute in favour of the household by giving a separate tap.</td>
<td>Inhabitants of Bimire felt that Ramite hamlet might have helped the household to win. In revenge, pipeline to Ramite was cut.</td>
</tr>
<tr>
<td>1988</td>
<td>Ramite hamlet reported to VP and requested a direct connection from the main pipeline near Tap No.4.</td>
<td><em>Pradhan Pancha</em> settled in favour of Ramite hamlet.</td>
</tr>
<tr>
<td>1988</td>
<td>Ramite hamlet requested additional pipes to DP, through VP. It was included as a miscellaneous project.</td>
<td>Pipes was transported to project site. Tap No.8 was joined with main pipeline near Tap No.4.</td>
</tr>
</tbody>
</table>

---

project covered several hamlets around the main road leaving out some isolated and remote hamlets. Barbote was one of those hamlets which was not covered by the main project. Therefore Barbote hamlet tried to supply drinking water to about 40 households by tapping an alternative water source. The activities took place in this project is summarized in Table 5.27:
were 8 taps of which 7 tapstands were built with cemented posts and 6 had washing platforms. A sketch of Barbote W/S project is shown in Map 4 below.

*Map 4: A Sketch Map of Barbote Water Supply Project*
The project was selected by Naudanda Village Assembly in 1985 as a village level project. It was included in the District Development Plan (DDP) in 1985 by the Ivang District Assembly. The project was surveyed and designed by a Sub-Overseer of the DP in 1986 and finally, it was approved by the District Assembly for implementation in 1987. The total cost of the project was Rs. 43,273 out of which the District Panchayat (DP) provided construction materials equivalent to Rs. 34,618. The construction materials included the HDP pipes for the pipeline, GI (Galvanized Iron) pipes, iron bars and cement for the tapstands and the washing platforms and some fitting materials. The construction materials were sent according to the project design. However, if some diversion was made in the project, such as Tap no.3, the connecting pipeline, tapstand and the washing platform was to be built by the households concerned.

Local contribution included local materials such as sand and stone for the construction of the intake tank, tapstands and the washing platforms and labour for transportation of construction materials, digging of pipe line trenches and construction of tapstand posts. In this project the local contribution in the form of local materials and free labour was equivalent to Rs.8655.

When the project was finally approved in 1987, the Users Committee was formed by the VP with the Ward Chairman (also a beneficiary) as Chairman, 4 other beneficiaries as the Members, and a local school teacher as the Secretary. The Chairman and the Secretary signed the agreement with the DP and organized the whole operation of project construction.

Initially the W/S project was designed to serve only 11 households (from Tap Nos. 1 to 4) that were not covered by the UNICEF funded Naudanda W/S project. But when the Barbote W/S project was finally approved by the District Assembly, other households from a nearby hamlets (now from Tap No. 5 to 8 which were covered by Naudanda W/S project) requested the Users Committee to include them in this system, because the supply of water from Naudanda W/S project was irregular and insufficient. The Users Committee, after a discussion, complied with this request as they felt that the water source was sufficient to cover the additional households. It was decided that the pipes of their section of the Naudanda W/S project (i.e. the pipelines from Tap No 5 onwards) would be utilized for the extension of Barbote W/S project so that there would be no additional cost for the extension. The revised project covered 40 households of four hamlets namely Barbote, Amale, Bimire and Ramite.
5.4.2.2 Location of Tapstands: Problem of project implementation

During the project construction there was a problem of determining the exact location of one tapstand. Originally tapstand No 3 (now No 4) was to be located about 20 metres north of its present site, which was nearer to the house of Ekaraj and far from houses of Motikaji, Dhature, and Rambire. The latter three persons negotiated with Ekaraj to relocate the tapstand in its present site, about 20 metre south, in exchange for a separate sub-branch from tap No 4, for his private use. It is not clear whether the Chairman of the Users Committee at this stage was aware of this arrangement. But when the tapstands were constructed the Chairman refused to provide a separate tap to Ekaraj's house on the ground that there should not be private taps for individual households. The Chairman's idea was first supported by Dhature and Rambire, who had earlier negotiated with Ekaraj. Later on when the controversy escalated, over 23 households of Bimire and Amale hamlets (Tap No 5 and 6) also supported the Chairman's stand. Political overtones entered the controversy and those who supported the Chairman were regarded as those who belonged to the Chairman's political faction. To counter the political implications, Ekaraj and Motikaji, although they didn't have good relation in the past, joined together. They were supported by the inhabitants of Ramite hamlet (Tap No 8), insisting that the earlier agreement must be adhered to.

In the meantime Ekaraj reported the matter to the Panchayat Office with a counter allegation that the Committee Chairman who belonged to the Communist group deceived him and took away the assurance he was given at the beginning of the project. Ekaraj also exaggerated his demand that the Committee had assured to give him a separate tap from the main line. Ekaraj got immediate attention of the VP for two reasons. First, 'Communist' was the catch-word in those days to get the immediate attention of the government. Although both the Congress (democratic forces which believed in market economy) and the Communists were "anti-social elements" for the partyless Panchayat System, due to the radical slogans of the underground communist activists, the government administration helped local VPs to suppress communists. In fact, during that period, the Pradhan Pancha of Naudanda VP was in jail charged with being a communist activist, and Upa Pradhan Pancha was working as the Acting-Pradhan Pancha. Second, Ekaraj being a retired peon of the Naudanda VP, would naturally be favoured by the VP. Therefore the Acting-Pradhan Pancha visited the project site and settled the matter in favour of Ekaraj.
So Ekaraj became the winner. To show his strength to the "deceivers", he didn't construct the tapstand post, which he had to construct himself, and allowed the water to run for 24 hours. This was too much. The other households, who had supported Ekaraj earlier, were also agitated but nobody protested as it became obvious that Ekaraj had the backing of the VP. The inhabitants of Bimire hamlet, however, felt that it was the Ramite hamlet, who had helped Ekaraj to secure the private tap. Therefore to take revenge on the Ramite hamlet, which was at the end of the W/S system, the inhabitants of Bimire hamlet cut the main pipe line, diverting the water to the households of the Bimire hamlet from the main line itself, on the pretext that the water didn't flow from their tapstands. The Amale hamlet being in between came into the cross fire, although they had implicitly supported Bimire hamlet in the earlier dispute.

The Ramite hamlet reported the matter to the VP and requested a direct connection to Tap No 8 from the main pipe line near Tap No 4. The hidden agenda was to bypass the inhabitants of Bimire and Amale hamlets who allegedly belonged to the communist group. The Acting-Pradhan Pancha again visited the project area and approved the request of the Ramite hamlet. In this settlement, however, the Ward Chairman (who was the Chairman of the Users Committee and was also alleged to be a communist supporter) did not support the decision. The inhabitants of the Ramite hamlet made a request to the DP, through the VP, for additional HDP pipes of about 500 meters as a rehabilitation project. The project was included in the 1988 budget. The pipes were transported and joined Tap No.8 with the main pipeline (Map 4) by the inhabitants of Ramite. In 1988, the project was certified by the Completion Certificate Committee of the DP as completed and handed over to the Users Committee.

Over the period it became obvious to all beneficiaries that had they agreed to the location of Tap 3 (now 4) as originally planned, the whole dispute over the branch tap (and later on for a separate tap) would not have arisen, and the unity and cohesion of the beneficiaries in maintaining common property would not have been destroyed. Now nobody wanted to maintain the W/S system. As the Secretary of the Users Committee put it "When we saw water leakage from broken tapstands of the Naudanda W/S project, we used to joke that we would have maintained it well had we had such a W/S project in our hamlet. Now we have the project. However, it is maintained perhaps worse than the Naudanda W/S project."
5.4.2.3 Present condition of the project

During the field study, it was observed that the water tank at the intake was leaking from a number of holes and cracks, which were sealed by leaves and bamboo pieces. The main pipe line had not been buried to the required depth of 3 feet. In several places, the pipe line was above the surface. It was reported that the HDP Tees, used for joining the branch line with the main line, were broken causing a loss of large amounts of water. Moreover, Tap No. 8 was directly connected with the main line near Tap No. 3, which was taken about 500 metres down by hanging the pipes on tree branches. This also caused considerable water leakage. As a result the water did not flow from the tapstands. Out of 7 tapstands the only one that was properly working had been built by UNICEF technicians. Other reasons why no water flowed from the other 7 tapstands could be that the pipe had been blocked by sedimentation and/or the valve was not working.

The condition of the 8 tapstands, observed during the field study in 1992, is summarized in Table 5.28.

5.4.2.4 Aftermath of the project

Organizational Aspects

There was no organization for the maintenance and operation of the W/S system. There was a Users Committee, when the project was negotiated with the DP. But after the project construction was over and the completion had been certified by the Completion Certificate Committee the Users Committee ceased to function. There was a communication gap between the DP and the Users Committee. Because according to the rules, the Users Committee had to 'take over' the project for maintenance and operation after it had been completed. For example, as far as the DP was concerned, the project had been 'handed over' to the Users Committee, when the completion certificate had been signed by the DP. But that was not understood by the beneficiaries at the project level.

In a discussion with the beneficiaries, it was argued that the Ward Chairman used to be the Chairman of the Users Committee. Therefore, the authority of the previous Chairman (and therefore the Committee itself) was diminished when the new Ward Chairman was elected in the subsequent local election. But the new Chairman did not form a Users Committee, and as the former chairman was not functioning, a water management system did not develop. For example in a meeting of the beneficiaries held in 1991, the problem of operation and maintenance of the W/S project was discussed. It
was decided that each household would donate Rs. 2 to a joint fund, to be operated by the old Committee, in order to maintain the project. But only 12 households donated the money. One reason for such a lack of interest among the users could be the crisis of trust in the Committee and its leaders.

### Table 5.28: Present Condition of the Tapstands

<table>
<thead>
<tr>
<th>TAP No.</th>
<th>HOUSES SERVED</th>
<th>POPULATION SERVED</th>
<th>WATER FLOW</th>
<th>CONDITION OF TAPSTAND</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>ADULT</td>
<td>CHILD</td>
<td>TOTAL</td>
</tr>
<tr>
<td>1</td>
<td>4</td>
<td>20</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>7</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>17</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>5</td>
<td>11</td>
<td>49</td>
<td>10</td>
<td>59</td>
</tr>
<tr>
<td>6</td>
<td>12</td>
<td>43</td>
<td>29</td>
<td>72</td>
</tr>
<tr>
<td>7</td>
<td>4</td>
<td>15</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>8</td>
<td>3</td>
<td>12</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>168</td>
<td>68</td>
<td>236</td>
</tr>
</tbody>
</table>
Secondly, the inhabitants of the hamlets had for centuries used a Dharo (traditional water spout), which required no maintenance, without paying anything. Opportunity cost of the time needed for fetching water from a distance, were not taken into account because water fetching was the job of "women and children" in a household, who would not be counted in terms of a paid labour. In fact it was reported that in those hamlets where the water did not flow continuously, the households had already started to collect water from the spring water source, which was used before.

Finally, there was a tendency among beneficiaries to ask the DP for project maintenance even for small repair works, which the local people could have easily prevented through regular supervision of the system. It was true that the inhabitants would have required outside support when there was major damage. But there was no difference, as far as the project rehabilitation policy of DP was concerned, between the damage caused by reasons beyond the beneficiary's control and the damage caused due to sheer negligence and lack of regular maintenance of the system. On the contrary, a local leader with good personal connections at higher levels might get a small repair work done on a priority basis because of its low budget. The same thing had happened to the request of Ramite hamlet for additional pipes, which was seen more as a 'low cost political tool' to counter the communists, than as rehabilitation work of the project. Such trends had seriously damaged the self help habit of the local inhabitants.

**Change of Habits**

Water supply projects are usually justified in terms of their sanitary benefits to women and children, and the use of "surplus labour", otherwise used for collecting water, for cleaning and kitchen gardening. In this study, the households were judged in terms of the use of toilet, use of waste water for kitchen gardens, and use of water for cleaning purposes (which included cleaning of children, women and their houses). The classification of "good" "reasonable" and "poor" in kitchen gardening and house cleaning was based on the judgement of the researcher. For toilets, a cement plastered pit toilet was regarded as "good", a simple pit toilet with bamboo fence and thatched roof as 'reasonable", and no toilet or simply a place without any fence or roof was regarded as "poor". The data of this observation are presented in Table 5.29.

Table 5.29 shows that the majority of the households fall into the category poor. It was observed that, the greater the distance from the source,
the supply of water diminished, and therefore less water was used for the kitchen garden. Cleanliness was related with tradition. Such as taking a bath on the fasting day which usually fell once a week; cleaning the house with cow-dung mixed with water and red soil on full moon and no moon day;

Table 5.29: Use of Water for Sanitary and other Purposes

<table>
<thead>
<tr>
<th>ITEM</th>
<th>HOUSES OBSERVED</th>
<th>CONDITION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>GOOD</td>
</tr>
<tr>
<td>Condition of toilet</td>
<td>40</td>
<td>1</td>
</tr>
<tr>
<td>Use of water in</td>
<td>40</td>
<td>6</td>
</tr>
<tr>
<td>Kitchen garden</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleanliness</td>
<td>40</td>
<td>10</td>
</tr>
</tbody>
</table>

cleaning the whole house and washing it with white or and red soil once a year, before Dashain festival; decorating the house with coloured papers and other decoration pieces before Tihar festival. The presence of the W/S system had contributed only in a limited way to the improvements of the hygienic conditions of the people. The "poor" in cleanliness were very poor agricultural labourers who could not give time for house cleaning. Other reason could be that many households of this locality also owned some land in a distance of about 4-5 hours walk, called Bensi land. They spent most of their time in the year in the Bensi land taking care of the agriculture and livestock activities. Therefore they could not give sufficient time to clean their houses.
CHAPTER 6

IMPLEMENTATION OF THE DECENTRALIZATION POLICY IN NEPAL: OPINIONS OF POLICY PLANNERS

6.1 Introduction

As stated in Section 3.3.1 of Chapter 3, an 'Opinion Survey' was carried out as a part of the macro level study. A structured questionnaire, using all open ended questions was distributed to a purposively selected sample of 20 persons, who were associated, directly or indirectly, with the formulation and/or implementation of the decentralization policy in Nepal during the study period. The respondents were selected on the basis of the researcher's knowledge, personally or through their publications. Out of the sample of 20 persons 12 responded. A reason for non-response may be the nature of the questionnaire (enclosed in Annex 3), which required a considerable amount of time for completion. Those who responded, however, answered the questions in detail. The characteristics of the respondents are given in Table 6.1 below.

In Table 6.1, the respondents were classified as policy makers when they were involved in designing the decentralization policy in 1982. Functionaries were those who were involved in implementing the policy. The 'advisors' were the expatriate experts, who were working during that period. The respondents were also classified in terms of 'insiders', referring to those who were born and grew-up in the Nepalese society, and 'outsiders', referring to those who had come to Nepal from other countries, for long or short periods. The difference in the responses of these two groups was that the 'insiders' mostly commented from the broader political context while the 'outsiders' were specific to the given issues. The 'insiders' also somewhat reflected the government's/or the critic's point of view while the 'outsiders' reflected the donors'. There was also a difference in the responses of the 'working' and the 'retired' groups. The former were rather careful in formulating their opinion, while the latter were rather open in their criticism.
Table 6.1: Composition of the respondents of the Opinion Survey

<table>
<thead>
<tr>
<th>No</th>
<th>Social Background</th>
<th>Profession During 1986-90 Period</th>
<th>Present Position</th>
<th>Code of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Insider</td>
<td>Outsider</td>
<td></td>
<td>Still in office</td>
</tr>
<tr>
<td>1</td>
<td>-</td>
<td>1</td>
<td>Advisor</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>-</td>
<td>1</td>
<td>Advisor</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>-</td>
<td>1</td>
<td>Researcher</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>-</td>
<td>Functionary</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>-</td>
<td>Policy Maker</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>-</td>
<td>Researcher</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>-</td>
<td>Researcher</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>-</td>
<td>Policy Maker</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>1</td>
<td>-</td>
<td>Functionary</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>1</td>
<td>-</td>
<td>Researcher</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>1</td>
<td>-</td>
<td>Functionary</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>1</td>
<td>-</td>
<td>Policy Maker</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>3</td>
<td></td>
<td>6</td>
</tr>
</tbody>
</table>

However the comments of these groups are not separated in the text, unless they are significantly different.

In the questionnaire (enclosed in Annex 3), two types of questions were framed. First, opinion seeking in a given statement, and second, response seeking in a given interrogative type of question. A short background information was given at the beginning of the questionnaire in order to make the respondents aware of the context in which the questions were asked.

Almost all the questions were negatively framed with regard to the Panchayat System. One may argue that the phrasing of the questions indicated the researcher's view. These leading questions could have influenced the respondents in formulating their opinion. However during the period when the Panchayat polity had just fallen apart, the widespread feeling towards the Panchayat System was negative. Therefore, the questions framed against the rhetoric of the Panchayat System helped to enter into their arena of thinking, and to ask "why" that happened? Almost all the respondents gave elaborate answers to the questions, which for some questions ran over one
page. Whenever they disagreed with the implication of a given question or a statement they also defended their case.

While systematizing the answers, no statistical consideration has been given in terms of "how many" have agreed/disagreed with a particular statement or question, due to the small size of the sample. Since each respondent was an authority in his own area having experience and expertise over a considerable period of time, more attention has been given on "what" was said. To avoid the tediousness in repeating the number of respondents for each point, the points are simply narrated or grouped together. But if there are substantial statements making positive or negative points, they are quoted in the text. At the same time, in order to protect the identity of the respondent in the quotation, the code name of the respondent (Table 6.1) has been used, the name of the district or project has been substituted as "in a district/project I was involved", and the name of a person in the quotation has been changed whenever necessary.

It should be noted here that the opinions have been simply collated in this Chapter, in a more coherent manner. No analytical view has been given on the opinions made. This will be attempted in Chapter 7.

6.2 Use of Development Resources to Maintain a Local Power Base

Respondents were asked their opinion on the following statement: "During the Panchayat System, the development resources were largely used to perpetuate the power base at the local level" (Question No.4, Annex 3). All respondents agreed with the statement. But opinions were sharply divided on the magnitude of the resources used and the reasons for it.

The 'outsiders' felt that local development projects had a very small share of the national development budget. Therefore, the given statement was an exaggeration. Even then, it did give local leaders a direct access to both cash and patronage/broker of the national government at the local level, which were helpful in maintaining their power base. But it was not an unique phenomenon of the Panchayat System of Nepal. Most local level as well as central level politicians in many countries all over the world try to use development related projects to enhance the popular base of their party. However, under the Panchayat System, the common people did not have the possibility to oust a failing politician through fair elections. Most politicians were convinced that they would remain in power for ever, which encouraged them to misuse development resources.
The ‘insiders’ views can be categorized into three lines of thinking. First, the Panchayat System defined as party-less in principle, functioned as a one-party system in practice. "Politics for development" was the accepted principle of the Panchayat System. Therefore in order to show that the Panchayat polity was devoted to development, the local development activities, which normally required "people's participation" in terms of local materials and free labour contribution as a part of the project cost, was channelled through local political bodies. The local leaders were made responsible to mobilize free labour, collect local materials, and to lead local committees. Such arrangements of using local leaders as the development agents and spending development resources through them might have, directly or indirectly, helped to perpetuate the power base at the local level.

Second, some of the respondents disagreed with the statement, that consolidating the power base at the local level is a democratic process. Such a process of mass mobilization contradicted the character of Panchayat polity, which essentially relied on the local traditional feudal class for its power base. One retired policy maker, ‘H’, commented:

The political system itself was a coalition between the old and neo-urban elite and their rural counterparts. One needed the other. Development resources became the instrument for securing and preserving the loyalty of the rural functionaries, small power-brokers, and some isolated small contractors who together became the power base of the Panchayat System.

Another respondent, ‘F’, who was a researcher, commented:

Systems like Panchayat which is essentially one-man-rule have continued mainly on the support of the bureaucracy-military coalition (BMC). An overwhelming portion of the development resources had been used to placate the BMC, although even within this there was a disproportionate distribution of resources among the ranks - the shares were more or less proportionate to the ranks in the BMC hierarchy.

But the influence of individual "leaders" who were among the power holders at the central level, should also be taken note of. Although there was a slogan of equitable distribution of resources, certain districts and certain areas within those districts were given more resources at the cost of other areas or districts. The reason was simple. Elections in the Panchayat System
Implementation of the decentralization policy in Nepal

were held on a non-party basis. Therefore politicians aspiring for election in the National Panchayat, had to build their support base by funnelling development resources into their constituencies. Those who were loyal to the central power structure were also provided with direct financial support and administrative protection by the Zonal Commissioner and the Chief District Officer (CDO) as the "government candidate" to contest the election.

In this respect, the practice in Nepal might not have been much different from many democratic systems of the Third World countries. The difference in Nepal's case came from the lack of public accountability which contributed to a situation where the resources were often mis-utilized and not spent for the stated purposes, whether desirable or undesirable from a national point of view.

Third, the rhetoric of the Panchayat System had all along been in favour of "achieving the greatest good for the greatest number". But the planners and the politicians failed to recognize the over-arching reality of the Nepalese traditional social structure that was highly stratified along social and economic elites in the communities. This situation demanded purposeful and effective intervention from the state in favour of the vast majority of the people in the lower rungs of the socio-economic ladder. This demanded vision, integrity, a high degree of management capability and also a resilient political system which was able to introduce and implement thorough radical reforms in favour of the poor (and by implication, against the interest of the rich).

On the contrary radical policies were legislated, but their implementing strategies were not well defined. For example, Decentralization Act 1982 emphasized the role of the National Planning Commission (NPC) without defining its functions, procedures, and relationships with other institutions. These arrangements simply did not work. In other cases the institutional arrangements made for local level planned development were even mis-utilized. For example, the political organs created at the lower level were mainly used to support the power at the central level. The national government used its influence through zonal and district administration to shape the local political organs in their favour. Therefore, the incapacity to achieve the radical goals was not only due to the lack of a compatible political structure but also due to the lack of a clear operational manual to achieve them. As a retired policy maker 'E' commented:

The critical issue has to do with the empowerment of the poor and the beneficiaries. But the methodology of achieving them in a context wherein the intended beneficiaries happen to be poor, ignorant and politically weak still remains to be sufficiently
crystallized. The few sporadic success stories that one comes across once in a while (e.g. a few Small Farmers Projects, Rural Self-Reliance Projects of Nepal and other similar stories elsewhere) have been more a function of the idiosyncrasy factors such as dedicated commitment of a few concerned professionals, than the making of a prototype for general application in traditional settings. In short, it is not so much the skewed allocation of development resources under the Panchayat System that is peculiar to the political system, but it was the result of the lack of poverty-focused strategies and interventions which is ubiquitous internationally.

6.3 Implementation of the Decentralization Scheme (DS)

The respondents were asked to identify the reasons why the Decentralization Act 1982 and its By-Laws were not properly implemented. For example, the Service Centres were not opened and functional, district and village profiles were not made, and planning stages stipulated in the Act were not followed (Question No.7, Annex 3). Regarding the Service Centre (SC), most of the respondents commented that the government had decided to open nine SCs in each district i.e. one in each Ilaka. No consideration was given as to whether services could be provided to the communities across the political Ilakas. Similarly no thought was given as to whether services could be provided in more Ilakas from one SC. For example, why did a small district like Bhaktapur need nine SCs? The buildings required for the SCs, the number of professionals needed to staff them, and the budget required to run the programme in order to provide services to the communities were not available and when these were available their use would not have been economically viable and administratively manageable.

Moreover, the SCs were in disrepute because those built by Integrated Rural Development (IRD) Projects like Karnali Bheri IRD (K-BIRD), Rapti IRD, Lower Sagarmatha IRD, and Koshi Hill Area IRD (KARDEP), were located in remote places. This was owing to a Finance Ministry’s decision that the land for SCs should not be purchased but should be donated by the local community. The Finance Ministry red-lined any proposed budget for the purchase of land. This decision was reinforced by the Ministry of Local Development (then MPLD) which refused to approve budget allocations for the construction of the Service Centres saying that buildings should be rented for this purpose.
Regarding the district and village profiles, there were no resources as well as the capabilities at the local level to collect and update the information needed for the profiles. Some of the respondents felt that at the district level the political leaders as well as the officials did not feel a genuine need for those profiles. The National Planning Commission (NPC) was not pushing enough to get those profiles made, and even in cases where the profiles were made, not much attention was paid to their use. Consequently there was no reason to prepare district and village profiles when the projects continued to be selected mainly on the basis of political considerations. In fact, the basic reason was that the central and the local political leaders had other priorities or "hidden agendas", for which profiles were not needed. Therefore they were not interested in preparing and updating the profiles.

Regarding the actual following of the planning stages as stipulated by the Act, the respondents felt that the district agencies were reluctant to implement the projects indicated in the district plan because the plan targets had not been incorporated into their own Ministry's plan, which was often finalized before the district plan. The District Assembly meetings were held too late for the Ministries to meet their own budget preparation deadlines, but the blame for this delay did not fall on the District Panchayat. Often the budget ceilings were not sent to the district within the time frame specified by the Act. Secondly, the Ministries waited until all proposed activities, budget requests, and targets had been completed at the district level before beginning budget preparation. Had the Ministries prepared clear and specific guidelines designating the type of projects they would endorse and provided budget ceilings for the district offices under them, the budget could easily have been prepared in half the time normally allotted for it. At the district level however, there were some positive achievements. As an 'outsider' researcher commented:

At the first District Assembly meeting I attended in December 1983, members of the District Assembly complained that the District Agriculture Development Officer (DADO) did not tell them even the total budget assigned for agriculture development in the district. By 1986 the DADO was formally presenting his budget in the District Assembly. By 1989 he was sitting in a review meeting explaining how he had used his budget during the previous four months.
6.3.1 Reasons for failure of implementation

6.3.1.1 Development policies during the Panchayat period

A question was asked whether the implementation of the development policies during the Panchayat period was poor (Question No. 16, Annex 3). All respondents felt that except for the infrastructural projects such as telecommunication, hydro power, or building of a cement plant etc., the implementation of the development programme in Nepal remained unsatisfactory during the Panchayat Period. The respondents gave several reasons which can be categorized into four broad areas. First, poor implementation was linked with poor planning and designing and, above all, with a poor institutional base for implementation. Even in infrastructural projects, the actual cost had always been much higher than the original estimate. Part of the reason lay in corrupt practices in the procurement of goods and services. The implementation had particularly been poor in agriculture and in poverty alleviation programmes including the IRDPs. In those sector motivation and coordination which was very important, was missing. Moreover, as an 'outsider' adviser commented:

... the government was too ambitious to achieve too many targets, while giving little attention to quality. Even a properly functioning government could not have achieved a sustainable self propelled economic growth by itself. Development is the outcome of a well thought-out balance between a stimulating government, a banking system providing adequate credit, and an innovative private sector. The government tried too much to be the sole motor for development.

Second, the poor performance was, and is, the result of the inherent deficiencies in responsiveness and accountability of the political and bureaucratic leaders. As the retired policy maker, 'E', commented:

In a traditional social context as in Nepal, the system of government does not make a substantial difference. Special interventions are necessary to enable people to participate in the planning and implementation of development programmes in the districts. Continuity in non-performance derives from such instances as nonfulfillment of election promises by the Panchayat leaders fought elections based on unfulfillable promises, the
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Nepali Congress (the ruling political party after the overthrow of the Panchayat System in 1990) contesting the last election by creating a scare of confiscation of private property by the leftists (later they themselves promised land distribution to all poor in the Tarai districts). In brief, disinformation continues to be the common refrain in the past as well as in the present political dispensation.

Third, implementation is a function, among other things, of the quality of leadership at various levels. Poor leadership inevitably results in poor implementation, which was the case of the Panchayat System.

Finally, development was considered, even by most donors, as something that the government and the donors should do. Rarely, was development considered as something that people do. But when it came to foreign donors involvement, the 'outsider', researcher, 'C' commented:

Donors rarely made use of qualified Nepalese experts in developing programmes. The Agriculture Project Services Centre (APROSC) was founded to provide this facility, but it was quickly assimilated to HMG/N and politicized. Local consultancy firms were involved mostly in evaluating projects, often as the local partner, but rarely taken seriously by the donors. As donors began to bring Nepalese more and more into senior posts, and gave them real responsibility and authority, the quality of programmes began to improve, even with the local constraints.

6.3.1.2 Decentralization Scheme (DS)

The respondents were asked to give their opinion on the reasons for the failure of the implementation of the DS (Question No 7 Annex 3). Broadly, there were three lines of thought among the respondents. First, the decentralization policy did not alter the informal power structure of the capital, which was centralized at the Royal Palace. In order to understand the decision making process at the central level, which remained valid even after the promulgation of the Decentralization Act 1982, one must look into the arrangements laid down by the Karya Sampadan Niyamawali (Working Procedure) of His Majesty's Government of Nepal (HMG/N). It shows that the King was the source of all authority. In the absence of the specificity of job of the central level Departments and the Ministries as to who should do what, the King had to be consulted through the Royal Palace Secretariat, for every decision taken by the Ministries. As a result, in operational terms the
Ministries performed the role of executing agencies instead of policy making bodies. As one retired policy maker, 'L', commented:

Even the Cabinet Ministers or the Secretaries had to take consent of the Palace before taking any decisions. Even in cases where the authority was clearly spelt out in paper, the Palace had to be informed before a decision was taken. These were the informal arrangements. This procedure reached to the extent that the Palace had to be informed for even those things which the Palace had nothing to do with. But the forwarding institution did not question as to why the Palace had to be informed. Neither did the Palace classify the matters that it had to be informed of. There was another problem within the Palace. There was no debate or discussion on major decisions with the executing agencies. There was nobody in the Palace to oppose or even question the decisions of the King. On the contrary, people around him praised whatever decisions he took.

Second, the decentralization policy was seen as the programme of the King rather than a political commitment of the Panchayat System. Therefore, the impetus for its implementation had to come, time and again, from the Palace. All the sectoral agencies, including the National Planning Commission (NPC), did not carry out their part of the responsibilities. Consequently, the DS became just a display of the fulfilment of a political promise of the Government. Researcher 'F' commented:

...the nature of the political system was such that different innovations were systematically and consistently sabotaged during implementation. There was never the earnestness to adopt an innovative policy as an important part of the operational programmes. Thus it makes little sense to question its components when the overall make-up did not envisage its implementation. Concepts like the Service Centres and village profiles were simple translations of text book planning concepts by planners. Unfortunately it lacked the basic homework and became quickly used as a political tool for channelizing government funds to different areas and groups.

Third the contemporary policy planners lacked the capacity to implement a policy that envisaged widespread and far reaching socio-cultural transformation. As the retired policy maker 'E' put it:
The Decentralization effort of the 1980s implied nothing less than the fundamental restructuring of the government institutions and their processes. By its very nature, that was not going to be accomplished in a year or two. It presupposed sustained implementation and monitoring on the part of the government. However, such understanding and actions were not forthcoming from the government. It was more or less an abortive attempt. As a lone crusader in the government, it was my experience that decentralization meant not only struggle against centralization but also a struggle against your own bosses. And obviously, that had its limits.

The question was also asked as to whether self-sustained development at the local level would have been generated as stipulated by the Decentralization Scheme (DS), had it been allowed to function for a longer period (Question No.5, Annex 3). In this question, the "outsiders" felt that it could have generated self-sustained development had the necessary amendments to the policy been made and a restructuring of the administrative set-up had taken place. The district level line agencies were reluctant to carry-out the projects indicated in the District Development Plan (DDP), because the targets had not been incorporated into their own Ministry's plan. The Ministries also refused to consider activities carried out in accordance with the DDP as part of the activities of the district level line agencies. Moreover, the line agencies at the district level simply did not want to accept the authority of the Local Development Officer (LDO) nor recognize any role for the DP in the development of their sector. Apparently, little or no effort was made to bring administrative regulations and countervailing laws into line with the Decentralization Scheme (DS). Therefore, there was a number of specific problems that needed to be addressed. For example the implementation of the district level development programme was handicapped by, among others:

(i) insufficient technical staff in the District Public Works Office to provide technical support;

(ii) insufficiently motivated staff in all the development agencies;

(iii) too small a budget, which was released, too slow and/or too late.
At the same time, one should not forget some positive changes that were noticed in local level planned development process. As the researcher 'C' exemplified:

The rural development project, in which I was involved, used the decentralized planning process from its inception. The project team learned that the system worked well and that it proved an excellent growth path for district and village politicians. Politicians learned to make hard choices and they also learned that making choices involved accepting responsibility for the choice made. They also learned the elements of planning.

The "insiders" however, felt that it would not have generated any positive results even if it was allowed to function for a longer period, mainly due to the following reasons.

First, self-sustained development at the local level required mobilization of local resources. But there was no scope for such resource mobilization. Provision was made for Panchayat Development Land Tax (PDLT) which could have generated resources at the local level. But it was withdrawn when some quarters resented its enactment.

Second, decentralization was not an end in itself. It was only a process of involving people in planning, implementation and operation of development activities. But the local leaders understood it as a "development programme" meant for them. Its content and spirit were neither understood nor adequately applied. At the same time the centre also did not seem anxious enough to keep the policy on a proper track. As the retired policy maker 'E' commented:

The said institutional structure had been only a part of the larger reorganization intended by the Act including such reforms in policies and processes as the formulation of the district development plans, institution of partnership a relationship between the national and local plans; and making the user groups the sole institutional medium for the planning and management of local development projects etc. A reform of such scope and magnitude would have required continued and close monitoring of their performance and instituting changes and improvements along the way. But, as it was, there was neither the commitment nor the capability at the national level to undertake this task. Without such backstopping support from the centre, the
institutional mechanism created in the district could not have attained its objective then or later.

Third, some respondents felt that the decentralization policy could be successfully operationalized only in a pluralistic set up where initiatives were encouraged and local decisions respected. The Panchayat System was a monolithic structure which did not tolerate any other shade of thinking. So, real decentralization was dangerous because it could breed free thinking and action which might go against the Panchayat. So long as the Panchayat model of authority was retained, even decades of decentralization would not have actually generated self-sustained development impulses at the local level. Respondent 'F', the researcher, commented:

Decentralization is always a function of the overall nature of the political system. No system working to perpetuate itself can have parts that are disparately working, otherwise too many internal contradictions will tear the system apart. Decentralization if carried to its logical conclusions would have produced too many conflicts for the Panchayat System. It could not therefore be implemented to the letter and the spirit. This is the main reason why the decentralization experiment had so many reincarnations in Nepal but each successive reintroduction was merely a political propaganda for continuing the system and attracting foreign aid. Similar examples are evident in land reforms, new education policy, basic needs programme, regional development strategy, administrative reforms, integrated rural development programmes, etc..

6.4 Institutional Capability of Local Political Bodies

Respondents were asked whether the local political bodies were technically capable using the power and responsibilities devolved to them (Question No. 6, Annex 3). Some felt that it was a myth to consider that local communities are not capable of doing things they desire and consider useful. There are many examples where local communities had built and managed their own development activities. For example, as the 'F', researcher, puts it:

When the hills of Nepal were terraced there was no department for hill terracing. When the farmer-managed irrigation systems were developed, there was no department of irrigation. Many of
the suspension bridges were built using indigenous know-how long before there was ever a department of suspension bridges. It is therefore a myth that villagers and local people do not have the technical competence.

The respondent ('F') further argued that the government never tried to harness local knowledge and skills. Instead of facilitating changes that would promote long term benefits for the greater good, the government used the means at its disposal for the perpetuation of the system by protecting the interests of particular groups. Therefore, to view the problem as one where villagers and local people did not understand what they were supposed to do is to give the benefit of the doubt to a corrupted political system and overlook the long history of people's decision making, management and organization.

On the other hand, some felt that the District Panchayat (DP), and even more so the Village Panchayat (VP), had essentially no expertise in planning and managing development programmes. Most VPs did not have an established office. As 'K' argues the Pradhan Panchas themselves were the "mobile office" of VPs who carried office pads and stamps in their pockets, thus producing official letters anywhere. On top of that, the government's decisions and directives made the local political cadre completely confused as to what they were supposed to do.

In fact one of the objectives of the decentralization policy was to enhance the local institutional capacity. The local leaders required training, workshops, seminars etc. to learn how to use their power and responsibilities, just like the Chief District Officer (CDO), Local Development Officer (LDO), and other line agency personnel used to have. The administrators apparently assumed that if the DP Chairman and the Vice-Chairman attended a three day seminar, the whole political structure in the district would change. In spite of that, in districts where some supportive rural development programmes were implemented, the local leaders were learning by doing. A researcher, 'C', commented:

In a district, where I was involved, an intensive rural development project was supporting them. The local politicians were learning their roles faster than the central administration and line agencies learned theirs. The problem was not the ability or lack of ability in district and village level politicians, but the weakness of will on the part of the central administration. The administration did not
trust local people to carry out development tasks, forgetting that the argument that led to the Decentralization Act was based on the lack of achievement by line agencies, directed by the central administration. It was openly being said, perhaps quite to the point, that even if decentralization failed completely, district development would be no worse off than it was.

The question was asked as to whether the local leaders actually represented the interests of the people they were supposed to represent (Question No.10, Annex 3). Some respondents felt that they did to some extent because the VP leaders prepared the project list and defended their case in District Assembly meetings. However, due to their low level of education, they were in a poor position to articulate their case. The main problem lay with the administration. The central administration had very little idea of fitting their programme to local needs. As a researcher 'C' commented:

The government had no planning process for the district. District planning was assumed to be complete when the Ministries/Departments decided on activities and targets for the district, usually without any concept of what the district's situation and needs were. The plans were based not on the local needs but on assumed needs and the ability of the Ministry to meet those assumed needs. In the ministries such as agriculture, we are dealing with a whole empire: seed farms, experimental farms, fertilizers, insecticides, extension offices, delivery system for materials and services. The Ministry's ability to deliver was filtered through the demands of this empire. A look at agriculture statistics will indicate pretty clearly that it was not delivering much of anything.

Some others felt that the local leaders, many of them were local elites, were representing a class and a group of the prevailing political establishment. This was evident from the way local projects were selected, were located and utilized the resources. It was also evident at the national level where people were dismissed in the wake of scandals but were again reinstated in higher positions.

Another issue brought forward in the questionnaire was whether it was realistic of the executing agencies to believe that by involving the local leadership such as the Village and District Panchayat leaders, they at the same time were involving the people of that community in the process of local level planned development. For example, the Chairman of the Users
Committee was the local political leader, even when he was not the beneficiary of the project, who, on behalf of the user's group, used to negotiate with the District Panchayat, for project implementation (Question No. 9, Annex 3).

The respondents felt that the Decentralization Act, as designed in 1982, provided for the election of the Users Committee by the beneficiaries of the project. But the supporters of the Panchayat System feared that the formation of independent Users Committee may lead to a pluralistic set up which may erode the authority of local Panchayats. Therefore, the Act was subjected to its first amendment in 1983 and the VP Ward Chairman or Praddan Pancha/Upa Pradhan Pancha were made the ex-officio chairman of all the Users Committees depending on the size of the project. As the retired policy maker 'E', who was involved in designing the Decentralization Act 1982, commented:

The story behind this episode was that following the enactment of the Decentralization Act 1982, the political bosses including the Palace, had second thoughts about some of its provisions, particularly the provision relating to the Users Committee. They became apprehensive that if the anti-Panchayat elements infiltrated the Users Committee, they could make the system crumble from inside. Therefore, in order to prevent such eventualities, they decided to make such a change.

He further argued that even without the amendment of the Act the same set of people would have come in any way. He added:

Based on my recent study of one village, where the concept of the Users Committee was first identified, I must add that Users Committees do not become effective without the legitimacy lent by the participation of the village elites in them directly or indirectly. This in sum, given the traditional nature of our village societies, election of secular, democratic and effective Users Committee leaders remains miles down the road.

6.5 Management Capacity of Local Bureaucracy

Asked why the management capacity of the government bureaucracy, especially in rural development sector remained poor (Question No.17,
Annex 3), all respondents felt that the performance of the bureaucracy had been poor both at the national and local levels. As the retired policy maker 'H' argued that the government bureaucracy had been mostly self-serving. All the education, training and exposure that civil servants received through substantial technical assistance programmes, led to an increase in their "earning capacity" but not to their productivity. The foreign aid regime was also to be blamed for creating the distortions where the articulate section of the bureaucracy could achieve more personal progress by virtue of their position then by being productive.

However, one must also recognize the fact that given the economic position - both actual and potential - Nepal was (and also is) not in a position to establish a huge bureaucracy, certainly nothing on the scale often suggested by the "Western" academics. Therefore the government should have clearly defined its role together with that of the non-government sector, and should have assessed what resources it could make available and how they could best be deployed. But that was never done. The retired advisor 'A' remarked:

What was so depressing and frustrating, in an IRDP where I was involved, was the failure of the government to use the trained staff they had - in other words, to identify individual roles and devolve responsibility. I often recall what Ramesh wrote to me from a Development Training Centre in UK. At the reception given at the beginning of his course, the head of the Centre had told him that he was the 20th Nepali of the Project Planning course. Ramesh, astonished by such a number at a relatively small Centre, was driven to wonder what had happened to all those people trained in UK, USA, India, China, Russia, and elsewhere. What indeed! The doctors and engineers might have been able to make use of their professional training but how many economists, planners, administrators ... were encouraged to use their initiative and what proportion merely returned to their routine jobs responding to instructions from their seniors?

Some other respondents felt that, the bureaucracy of Nepal also suffered from other pathologies both at personal and professional level which together crippled the level of performance. At a personal level there was a consistent lack of security in the civil service, a very erratic promotion system and a lack of minimum level of incentives to motivate the staff for best performance. At the professional level, there was a serious
communication gap between the centre and the local level which undermined the capacity of the centre to monitor and guide the development activities at the local level. Researcher 'C' commented:

There is no way for the centre to know what is actually happening in the districts in agriculture, animal husbandry, health care, and education. Yet the centre wants to maintain control of whatever is done in the districts. How can one have management without information? Even if the statistics submitted in the centre were valid, the gap between raw statistics and information is enormous. A parallel study of the agriculture section of the World Bank report on poverty in Nepal has published exactly the opposite conclusions based on the same data. The statistics gathered invariably deal with what the line agency has done. There is only silence about what these activities have achieved.

During the Panchayat era apart from the public and private sector, a third sector called the Panchayat sector was also fully recognized for planned development. The Panchayat sector was mainly to mobilize people's participation for development through the local political leaders. The local development sector coincided with the Panchayat sector at large. Naturally, the Panchayat sector, by virtue of its nomenclature, had a political inclination and was less equipped to stimulate development. As a result, the organization and management (O&M) of local Panchayats did not give enough attention to the performance of the functions transferred to them. For example, many staff of District Panchayat were employed on a temporary basis. The temporary staff never got any management training, nor incentives equal to the permanent staff. While their working conditions were pathetic, they were entrusted with enormous responsibility to administer development projects. Needless to say, the quality of local level projects was poor.

Moreover, the relationship between the elected representatives and the bureaucrats was not always cordial for which both parties were to blame. Some elected people regarded the bureaucrats as their servants and always tried to dictate to them, whereas the bureaucrats regarded the local leaders as incapable of shouldering their responsibility because of their low education and lack of experience. As a result one could notice a constant tussle at the district level, sometimes hidden, sometimes quite open, and frequently delegations went to the capital with a demand for the transfer of the Chief District Officer (CDO) or the Local Development Officer (LDO).
The respondents were requested to suggest how the local level bureaucracy could be made more capable, responsive, and committed to the local level planned development process. The following were the main suggestions:

- More professionalism in rural development sector is needed, which could specialize in inter-disciplinary types of development activities.

- A transparent policy in relation to recruitment, placement, promotion and also the incentives, privileges, and safeguards of the services.

- Specific jobs and responsibilities of political and sectoral line institutions should be developed. At present, the responsibilities of plan formulation, implementation, monitoring and evaluation work have been assigned to various committees, which has not been very effective. It might be better to assign responsibilities like plan formulation, monitoring and evaluation to the political bodies, and project implementation to the sectoral agencies.

- A regular training mechanism to strengthen local capabilities. Trained manpower should also be retained on the job with added incentives and rewards.

- Social reform to change the prevailing bureaucratic culture and values with regard to "work and pleasure, success and failure, and family and the society". Political leadership has an important role to play in effecting such changes.

6.6 Communication Mechanism

A question was asked about the mechanism adopted by the national government to communicate the spirit/assumptions and contents of the decentralization policy to the local bodies, and to understand the difficulties local bodies had in implementing them (Question No 14, Annex 3). All respondents said that communication was only a one-way traffic - from top to bottom. The commonly used methods of top-down communication took four forms. First, the Paripatra (circular) which was the most common method to convey the government's decision or opinion to the offices all
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over the country. Leaflets, pamphlets, posters, and booklets were also circulated which carried the basic message of decentralization policy.

Second, the government participated in face-to-face discussions with the local political leaders in the District Assembly meetings. Besides the district level sectoral office chiefs, who were a part of the district development planning process, ministers, Rastriya Panchayat (RP) Members, members of National Planning Commission, members of Panchayat Policy and the Evaluation Committee (a central bureau of Panchayat politics) participated in the District Assembly meetings.

Third, the government organized seminars, workshops, conferences at national and regional level, where the regional directors, chief of district offices, Chairmen of District Panchayats and also the central level representatives participated. Panchayat Training Institutes, Women Training Centres and a number of IRD projects also organized several symposia, workshops, and training sessions for local representatives as well as the government officials working in local Panchayats, especially on local level planning and management.

Finally, publication of the Gazette, Acts and By-laws by the government, and dissemination of government messages through mass media such as newspaper, radio, and TV to the public.

However, the impact of such communication methods was negligible. The reasons, given by the respondents are categorized in the following three groups. First, the political character of the Panchayat System was never able to anticipate events. It believed in force and therefore never needed a two way communication system.

Second, there were no systematic efforts at getting a regular feedback from the local level. The central monitoring system of various agencies was either weak or non-existent. A local data base was absent and a capability to collect and analyze them had been conspicuously lacking. However, the guise of so called "resource forecast" and "planning guidelines" had all along obviated the need for collecting and analyzing local data. As respondent 'K' who was a functionary argued, in one district, where he was working, the budget ceiling of 5 million was set for the next year whereas the current year's budget was 12 million, of which 9.6 million accounted for salaries and allowances. Another respondent 'C', a researcher, gave the example of a Chief District Officer (CDO) in another district, who even in August 1986, was not aware that the Decentralization Act was in force. Even copies of Decentralization Act and By-laws were not available in districts near the capital.
Finally, about one fourth of the country was covered by the internationally supported IRDPs. In those projects, the government was not substantially involved in the annual planning process, on an inter-disciplinary basis. As it was, with varying degrees of effectiveness, the specialists of the donor countries/agencies had many discussions in Kathmandu with the departments. But again, at that level, there was little delegation of authority to the division chiefs of their own office, so that one had to see the Secretary or Director to get agreement for even minor things and the burden to those officials was therefore very, perhaps impossibly, heavy.

The question was asked whether the policy making bodies of that period were aware that the local level projects were not properly maintained and operated by the beneficiaries (Question No.8, Annex 3). Some respondents felt that the government was aware of what was going on. The retired policy maker 'H' commented:

How could it be otherwise when, among other things, the King himself regularly toured the countryside and met numerous people. The Janchbujh Kendra, a research centre of the Royal Palace Secretariat, sent teams regularly to gather information on what was going on in the districts. Then the line ministries had their own field personnel and reporting system.

Others, however, felt that the policy makers were not sufficiently aware of the fact that the installation of a new project also meant the introduction of a new technology which required the transfer of knowledge such as, how to manage and maintain the project, how to collect and manage project maintenance tax and so on. Moreover no system was developed to measure the effectiveness of the services of a project. Quite often, spending money for the construction activities was felt to be more important, not only for the politicians and the government officials, but also for the beneficiaries. Therefore, the completion of the physical structure was thought to be the total achievement of a project.

Were any remedial measure taken? Yes. Two remedial measures can be identified. First, in order to maintain the local development projects implemented through the local Panchayats, the government had instructed the District Panchayat (DP) to allocate 10 percent of the annual development grant of DP for project maintenance. Second, the concept of the Users Committee was instituted right from the project implementation stage, to make the users responsible for project maintenance and operation.
However, none of these measures were effective. There were three reasons. First, accountability of development activities was not in the priority list of the existing political system. Top most priority was given to running the system by "keeping the local political leaders happy". This was clearly reflected in the selection of projects, selection of the Users Committee and accountability of the project expenditure. Therefore what was happening might have been against the development objectives, but was very consistent with the political objectives.

Second, such remedial measures required several institutional reforms, which were not possible during that period. The retired policy maker 'E' commented:

...to create institutional arrangements for ensuring systematic planning, implementation, and management of those projects required not only taking initiatives but also creating compulsions for other fellow bureaucrats to act. Both of these were disdained in the contemporary government.

Some IRDPs attempted to set up a monitoring and evaluation (M&E) unit for monitoring at least, the IRD funded projects. But the effectiveness of such an unit depended not only on its competence but also on the acceptance of its authority by the implementing agencies. Some progress was made on the former but was impeded by the latter.

Finally, the beneficiaries also have to share the blame for not properly maintaining and operating a project. Even in projects implemented along the lines of the Users Committee, maintenance lagged while the Committee waited to see if anyone would come forward with additional funds for maintenance. Only when they found that this was not happening and would not happen, they assumed responsibility for maintenance. The same thing had happened in other NGOs like CARE, which had demanded a maintenance fund before accepting a project. Even then, villagers waited to see if CARE would assume responsibility for maintenance before providing their own maintenance fund.

When the respondents were asked to comment on the argument that the local level planning bodies such as the DPs and VPs were unable to communicate the spirit behind the local development programme to the local community, because they themselves were not clear what the Decentralization Scheme (DS) is all about (Question No.15, Annex 3). They gave some reasons for the understanding-gap between national and local level while agreeing with the statement. First, the message of planned development could
have only been communicated over time through 'learning by doing'. Therefore, a lack of seriousness in doing, resulted lack of clarity in understanding in the real situation. Second, too many agencies were involved at the central level in an uncoordinated manner. The directives given by those various institutions to the local bodies were often confusing, if not conflicting. The researcher 'F' said:

Directives were coming from Five Year Plans, Annual Budget, Kings's visit to the development regions, the Ministry's own priority, the Social Service Coordination Council etc.. It was a huge jumble of ideas and programmes not backed by adequate resources and consequently incomprehensible to many and quite rightfully, not taken very seriously by most.

Finally, the local bodies, as well as the local people, were quite convinced that the centre neither wanted to delegate the power to the local level, nor was concerned, in any way, with their simple basic needs. One respondent ('C') quotes a villager saying "We can do anything if the government will just get out of the way".

6.7 Use of Grant-in-Aid for Local Development

The respondents were asked to comment on why, apart from the political consideration, there was a continued flow of grant-in-aid, when matching local resources were not available (Question No 11 Annex 3). Some said that the idea of the grant-in-aid was to fuel the development process of the depressed areas/regions. The following were some of the perceptions of grant-in-aid:

- The main logic was that external support was required for the development of a resource poor depressed area. With the same logic, the requirement of a matching local contribution was waived, even by some internationally funded IRDPs.

- Grant-in-aid was seen as an unattached sum of money for allocation at the local level according to the local priorities, which might not be always consistent with the national priorities and were manageable at that level. Mobilization of local matching resources was seen as a means of maximizing development allocations as well as of enhancing
chances of proper management and maintenance by the beneficiaries. The consideration was more developmental than political in its premise.

- It was thought that small inputs could generate disproportionately high benefits to a community. For example, investment in village drinking water supply projects could enhance productivity by saving time of water collection of a farm family.

- Initiating a community project could stimulate other development works that the people could undertake on their own or with a little technical and/ or financial support from the government.

Some other respondents felt that the grant-in-aid was used purely for political purposes, though it was projected as a resource flow from the centre to the periphery. It is true that any government in Nepal would continue to say that it would like to spend more money for rural areas through grant-in-aid or otherwise. However, to use grant-in-aid as a development tool required at the receiving end democratic values, a higher degree of political commitment, and transparency in the use of funds. But in the Panchayat System the government or its leaders did not really depend upon the support of the masses for their political survival. Therefore, the grant-in-aid was used as a device to reward local Panchas (Panchayat worker/leader) and to secure their loyalty. This was evident from the fact that the amount disbursed depended very much on the local support to the central power structure.

The question was asked as to whether the contemporary policy making bodies were aware that resources were mismanaged at the local level (Question No.12 Annex 3). Respondent 'D', a working functionary, felt that the development resources at the local level were poorly managed due to the cumbersome and rigid financial rules. Despite the fact that many of the local development projects were completed, the audit report showed that there was misappropriation of funds largely because the chairman of the Users Committee and other front line officials could not properly follow the several procedures prescribed by the financial rules and regulations, for which neither they were trained nor was the system properly introduced. Audit objections on expenditure (called Beruju in Nepali) might have given an impression of "large mismanagement". In fact there was a mismatch between the capability of the actors involved and the rigid and complex financial rules.

Others felt that more than the mismanagement, there was a large misuse of resources and all concerned were aware of this fact. There was a number
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of reasons for such misuse. First, as 'F' argued that misuse of resources was the price for the continuity of the political system. It was therefore an unwritten but well recognized need of "carrot without stick" policy. As 'L' a retired policy maker commented:

As the Panchayat System "progressed" the system of grant-in-aid became more corruption prone. Before the referendum of 1980 the grant-in-aid allocation in the national budget was much smaller than the post 1980s. The reason was the "felt need" to reward the rural "people" who contributed to the victory of the Panchayat System in the referendum. The resources sent to the districts were meant as a reward; it was received as a reward...This led to a systematic and institutional corruption in the Panchayat System. For example, many times, the district level leaders reportedly received a "bearer cheque" of grant-in-aid from the ministry for the districts concerned. One does not have to stretch one's imagination how the cheque might have been cashed and for what purpose.

Second, there was the same scale of misuse of resources at the national level, as at the local level. Not everyone in the government was corrupt, but there was corruption at every level. In fact the higher the level of power, the greater the extent of corruption, both among the political workers and the civil servants.

Third, the policy makers were aware that a large amount of money advanced for implementing local development projects was not audited. But all those arrears were not necessarily due to the mismanagement of funds. The grants were inadequate to cover the project cost and therefore, even honest workers could not complete the projects and were reported as defaulters. Technicians were also not available in time so that the project could be evaluated on schedule. Grants were given against old estimates that did not take into account the growing inflation in the subsequent years.

Finally, the donors, who supported the IRD projects, also felt that there was a mismanagement of development resources in IRDP areas. From the donor's point of view, the outsider, retired advisor 'A' argued that there were two choices, "either proceed with projects, requesting/requiring stringent monitoring - while knowing that this would be unlikely to have much impact on the practice - or decline to participate, thereby denying the village people the possibility of some help. Most decided that mismanagement was unavoidable it was a price they were prepared, be it reluctantly, to pay".
6.8 People's Participation in Local Level Projects

Respondents were asked whether the policy making bodies were aware that people's participation, which was mostly calculated in terms of voluntary labour, was only on paper. In reality, the poorer section of the community was forced by the village/district leaders to contribute their labour free of cost (Question No.13 Annex 3). Observations of the respondents on this issue were mixed.

Some respondents felt that there was no clear cut definition of people's participation. An ad-hoc principle was applied that "poor contribute labour and rich contribute cash". This principle affected the poor more than the rich. However, people participated in several other ways. For example, a functionary 'D', argued that they did not claim compensation for their land used for the projects, the representatives did not ask money for attending several meetings, the front line political workers e.g. the chairman of the Users Committee did not claim travel expenses for visiting the district headquarters and so on. As a matter of fact in most areas of the hills of Nepal, there is still a custom to donate several days of labour just before Dasai festival to repair local trails. Therefore, it would be an injustice to say that people's participation was only on paper. Respondent 'E' said:

In my own experience, where a community asset has been created with an element of local resource contribution, the poor usually donated labour and their more fortunate brethren rendered equivalent/or more contribution in cash.

Some others felt that people, in fact, participated as assigned, but the benefit was reaped by somebody else. As the retired policy maker 'H' commented:

I do not believe that people's contribution was not available as voluntary labour which was envisaged. In fact, the problem was quite the contrary. The poor people provided free labour which they could not afford to give. Most poor people have to earn their livelihood working on odd jobs on and off farm. Providing free labour deprives them of the only income they have. This is more tragic as it often happened under the Panchayat System when, the poor provided voluntary labour while the contractors
and other power-brokers got paid for theirs or when their labour was wasted on incomplete projects or in projects that did not benefit them directly.

Some others felt that people's participation was just calculated on paper in a prescribed manner, because it was the requirement of project planning. But nobody monitored it during implementation to see whether the participation took place in the prescribed manner. In review meetings the progress of people's participation was always shown as 100 percent.

Finally, some others felt that exploitation is a fact of life and an accepted social practice in Nepal, that has no real relationship with the political structure. During the Panchayat System too the politicians as well as administrators followed the same social norm. As researcher 'F' argued:

Mobilization of free labour has been an age old feudal practice. There was, and still is, bonded labour, and compulsory contributions. When there are no agencies to protect the interest of the poorer groups, this type of exploitation goes on. In the early years of the Panchayat System, people contributed willingly because they believed that something useful would come out of it. As time passed, they became more and more disillusioned and were increasingly reluctant to provide voluntary labour unless they were forced to. In the latter years this practice of mobilizing voluntary labour was greatly reduced on account of its potential negative impact on the political system.

6.9 Conclusion

From the above discussion, the following conclusions can be drawn. First, the real objective of the national government was to maintain the status quo. Therefore, the development resources was used, to a greater extent, to create brokers at the local level who would help the national government to achieve its real objective. The Decentralization Scheme (DS), which envisaged a partnership between the national and the local level in local level planned development and the Users Committee at the very bottom, as the sole medium of local level project management, contradicted with this objective. It was reflected in several ways. The central government used its influence (as well as resources for the "government candidate") through the zonal and district administration to shape the local level political bodies. The national government was reluctant to implement the policies laid down on the DS.
And above all, the Decentralization Act 1982 was amended even before its implementation, when the national leadership realized that greater freedom at the project level might be subversive to the contemporary political system.

Second, at the national level, the King was the source of power. Due to the lack of specificity of the executive responsibility of the national level organizations of His Majesty's Government of Nepal (HMG/N), the King had to be consulted, through the Royal Palace Secretariat, for every decisions taken by the Ministries. The Ministries performed the role of the executing agencies instead of the policy making bodies. Consequently, the power could not be effectively transferred to the local level, in spite of the legislation of the DS, without specifying the policy making responsibilities at the national level.

Third, the institutional strategy that was capable to integrate the sectoral activities in the planned development process was not sufficiently crystallized. For example, the role of the National Planning Commission (NPC) was emphasized in the planned development process without defining its functions, procedures and relationships with other institutions at the national as well as at the local level.

Fourth, one of the objectives of the DS was to enhance the local institutional capacity in planned development process. But no serious efforts were made to enhance the capability of the institutions created under the DS at the local level. Moreover, due to the lack of a monitoring and evaluation (M&E) mechanism, the national government did not know what was actually happening at the local level. Even then the national government tried to maintain its control over the activities of the local level institutions.

Finally, there was no clear definition of people's participation. An ad-hoc principle that "poor contribute labour and rich contribute cash" was applied. However, due to the lack of monitoring on the use of people's participation during project implementation, this principle affected the poor more than the rich.
CHAPTER 7

ASSESSMENT OF THE STRATEGY OF LOCAL LEVEL PLANNED DEVELOPMENT UNDER THE DECENTRALIZATION SCHEME (DS)

7.1 Introduction

The broader objective of this study, as stated in Chapter 1, was to evaluate the local level planned development process of Nepal under the Decentralization Act 1982 and its By-Laws 1984, which together are referred to throughout the study as the Decentralization Scheme (DS). The theoretical and conceptual framework of local level planned development, on which this study is based, was formulated in Chapter 2. The methodology for this study was set out in Chapter 3. A number of hypothesis and research questions was also formulated (Section 3.2) in order to examine them during the course of the study. The strategy of local level planned development under the Decentralization Scheme (DS), was presented in Chapter 4. Chapter 5 presented the findings of the field study. The opinion of some policy planners on various issues was presented in Chapter 6.

In this Chapter, an attempt will be made to analyze the findings on the implementation of the DS at the local level and also relate them with the broader policy framework. Attempts will also be made to explore policy contradictions which inhibited the achievement of the goal of the DS. In this analysis the field evidence, presented in Chapter 5 and Chapter 6, will be used to substantiate the arguments. However, the data base of this study was quite small (i.e. one sector of the District Development Plan which covered 1 District Panchayat, 3 Village Panchayats and 2 projects for the field study, and 12 respondents for the opinion survey at the macro level study) to generalize the findings for a broader policy context. Therefore, secondary sources of literature, which were recently published referring to the DS, have also been utilized to substantiate the arguments.

It was mentioned in Chapter 4 that the broader objectives of the Decentralization Scheme (DS) were to adapt the development process to the
local talents, potentialities and needs and to enhance the capability of local Panchayat institutions in managing them. Therefore, the DS was not only seen as a method of governance, but also as a vehicle to encourage local potentialities and location specific comparative advantages. In other words devolving authority to the local institutions was seen as, what Curtis terms, a "conscious connection with economic liberalization" (Curtis 1992: 5), a method adopted to reduce the economic disparity within and between the regions. The institutional arrangements, which were envisaged in the DS had allowed room for manoeuvre for the local level political bodies. They would have fitted well in the context of Nepal having areas with:

- economic difference (difference on natural resources endowment);
- geographic differences (physical, ecological and climatic);
- social difference (number of caste and ethnic communities).

The conceptual underpinning of the Decentralization Scheme (DS) was to combine devolution and déconcentration in order to evolve a partnership between the central authorities and the local actors in the planned development process. The district level was taken as the focal point in which the decision making power pertaining to development was devolved to the District Panchayat (DP). As mentioned in Section 4.2, the DP had two parts: the District Assembly, having representatives from all Village Panchayats (VP), functioned as the policy making legislative body and the District Panchayat (DP), with a small number of full time working representatives, functioned as the implementing executive body. Similar arrangements were made at the VP level.

In order to support the decision making process at the local level, an integrated local administration (its concept was discussed in Section 2.4.3) was envisaged, in which all the district level sectoral offices, relevant to the District Development Plan (DDP) were integrated under the coordination of the Local Development Officer (LDO), a senior administrator appointed by the Ministry of Panchayat and Local Development (MPLD). Besides, a number of committees (Section 4.9) was formulated to achieve coordination in all stages of planned development.

On the other hand, as an active partner in the local level planned development process, the DS had specified the role of the national government. The role of the National Planning Commission (NPC), ministries/departments/regional directorates, the Zonal Commissioner, the Chief District Officer (CDO) and district level sectoral offices in DDP formulation and implementation were clearly spelt out (Annex 1-a). The NPC would provide professional support, the sectoral ministries/
### Table 7.1: Issues to be discussed in planned development stages

<table>
<thead>
<tr>
<th>PLANNED STAGES</th>
<th>ISSUES TO BE DISCUSSED</th>
<th>RELEVANT AGENCIES/ACTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulation of objectives</td>
<td>devolution, participation, deconcentration, lack of knowledge, accountability, leadership</td>
<td>Ministries, sectoral agencies, District Panchayat (DP), elected members, local people</td>
</tr>
<tr>
<td>Project Identification</td>
<td>participation, aggregation/disaggregation, resource forecast</td>
<td>National Planning Commission (NPC), Village Panchayat (VP), Village/District Assembly, Service Centre, DP, DP Chairman</td>
</tr>
<tr>
<td>Research and inventory</td>
<td>coordination, lack of knowledge, capability, local leaders, room for manoeuvre</td>
<td>DP, sectoral agencies, National Planning Commission</td>
</tr>
<tr>
<td>Project Design</td>
<td>coordination, lack of capability, maintaining of formalities, accountability</td>
<td>DP, Plan Formulation Committees (PFC), Public Works Office</td>
</tr>
<tr>
<td>Approval of plan</td>
<td>devolution, deconcentration, leadership, lack of capacity/capability, struggle for scarce resources</td>
<td>NPC, Ministries, DP, District Assembly, PFC</td>
</tr>
<tr>
<td>Implementation</td>
<td>leadership, participation, coordination, lack of resources, lack of capacity/capability, struggle for scarce resources, corruption, accountability</td>
<td>Ministry of Panchayat and Local Development (MPLD), DP, Local Development Officer (LDO), District Treasury, sectoral agencies, VP, Users Committee</td>
</tr>
<tr>
<td>Handover, operation &amp; maintenance</td>
<td>participation, coordination, lack of resources, lack of capacity/capability, lack of knowledge</td>
<td>DP, sectoral agencies, VP, Users Committee, Completion Certificate Committee</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>Coordination, lack of capacity/capability, lack of accountability, Monitoring and Evaluation (M&amp;E) mechanism</td>
<td>NPC, sectoral agencies, DP, Supervision Committee, Technicians, Decentralization Task Force</td>
</tr>
</tbody>
</table>

departments/regional directorates would provide resources and manpower, the Zonal Commissioner and Chief District Officer (CDO) would provide backstopping support in plan implementation and the district level sectoral offices would provide technical support to the DP in the planned development process. However, while implementing the DS the formal arrangements did not function as envisaged. A number of conceptual
contradictions as well as practical difficulties emerged during the implementation, which will be analyzed in this Chapter.

In Section 7.2 the findings of the case studies will be analyzed on the basis of the stages in the planned development process as presented in the conceptual framework in Section 2.4.2. The planned development stages and the issues to be discussed in the subsequent sections are presented in Table 7.1. The findings will then be analyzed with the hypotheses and the research questions in Section 7.3. In Section 7.4 broader political and administrative context under which the DS was implemented will be discussed and the conclusions from the analysis will be drawn in Section 7.5.

7.2 Analysis of the DS from Planned Development Stages

7.2.1 Formulation of objectives

It was discussed in Section 2.4.3 that the theoretical consideration of the decentralization policy was to bring about more efficiency, equity, and participation in local level planned development process, which was lacking due to the exclusive reliance on centralized planning. An appropriate mixture of devolution of decision making power to the lower level political bodies and deconcentration of administrative authority to the field level administrative entities was the core of the decentralization concept. It was thought that the local leaders, sitting right in front of their voters, could identify the solution of the local problem more efficiently than the national level leaders. This conception was not found true in the field study, due to the following reasons.

First, the DS assumed that the local level political bodies, to whom the power was to be devolved, were truly democratic institutions, fairly elected by the people. It was true that the political institutions, both local as well as national, could have been strengthened on the basis of fair and free elections. But, the ruling government and the Palace selected and supported the candidates as "government candidates", at all levels (Section 6.2). The government candidates received administrative protection through the Zonal Commissioner and the Chief District Officer (CDO) and got funds for election. Since there were no other political parties under the Panchayat System, the candidates were elected only from the Panchayat workers (popularly known as Panchas). What difference would it have made, had Pancha 'A' won instead of Pancha 'B'? But in practice those who were the local power brokers of the central power holders, were favoured and those
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who were honest and sincere but lacked "source" and "force", or lacked "Afno Manchhe" (Bista 1991) at the centre were kept outside. Therefore, there was a sharp contradiction between the objectives of the DS (Chapter 4 Section 4.6) and the objectives of the contemporary national government.

Second, it was found in the case studies that very few poor farmers were present in the local level political bodies (Annex 2 a). Majority of the local leaders were the local elites. Therefore, the objectives of the leaders were different from those of the people they were representing. The local leaders expressed their interest (political and economic) through 'projects' which could bring them money as well as influence. Therefore, the 'project' was used as a catchword to legitimize the interest of the local elites. Moreover, the decision making process in the local political bodies was not as participatory as argued in the conceptual framework (Section 2.4.3). The DP Chairman in the DP and the Pradhan Pancha (VP Chairman) at the VP were the most powerful actors, who 'guided' almost all the development processes. The members had only a limited role to play. However, when other members of the DP and the VP were nominated as the 'chairman' of the Users Committee, they again became powerful in controlling the project resources. Therefore, in the whole process the local elites controlled the resources of the 'development projects'.

Finally, the District/Village Assemblies, which were supposed to be the policy making body at the district and village level, met only once a year in spite of the mandatory provision for twice a year. The main reason was that there was no money to arrange the meetings. The Assemblies met once a year because the annual plan and budget had to be approved for expenditure. There were several interfaces among various different actors in the District Assembly meetings for their own objectives. It was discussed in Section 5.2.2 that the national level political bodies wanted the Assembly to approve their political agendas but not to voice against the policy of the national government. It was discussed in Section 5.2.5 that the DP Chairman wanted the Assembly to approve projects which he had short listed. The sectoral agencies wanted their technically written sectoral proposals approved, which the members of the District Assembly could hardly understand. The members also wanted to get their share of resources through the projects in their respective VPs. Therefore the battle in the District Assembly was on the maximization of the share for scarce resources in their respective fields. The local leaders participated in this struggle for the scarce resources and legitimized the share for the parties involved. There was little scope for formulating rational objectives for utilizing the available resources.
The above analysis shows that the goals and objectives of the DS (Section 4.6) were not realized. Therefore they were not implemented. Because the objectives of the DS contradicted with the actual objectives of the Panchayat System to consolidate the power at the national level. Devolving greater authority to the potentially subversive local political institutions was perceived as the threat to the national supremacy of power. Therefore local political institutions were kept under the strict control of the national administration. Such authoritative role of the administration was also consistent with the values, and norms of the public administration at the national level, which itself grew for centuries in a highly centralized feudalistic tradition.

On the deconcentration issue, the local administration was supposed to play a role of the 'subject matter specialists', in their respective fields, to enable the local leaders to understand and interpret the local problems. In the composition of the Plan Formulation Committees (PFCs) there was a mix of the local leaders and the subject matter specialists of the respective sectoral offices. But the bureaucrats used the PFCs to get their proposal approved rather than to discuss the sectoral problems and identify alternative solutions. The reason was that the local sectoral offices were working under the supervision of their head office in Kathmandu, not under the coordination of LDO as envisaged under the DS. Therefore discussing the problems might breed proposals contrary to the sectoral policies at the national level. The Forest Act (Section 5.2.7) is a point of reference in which the local forest office was complaining of the instruction of the Ministry of Forest, which was contrary to the Act. Such situations could be costly even for the career of the officer involved. Therefore the safest way in sectoral planning was to disaggregate the targets from the national plan (or from the Five Year Plan document) and include them in the DDP. It was in contrast to the concept of area specific solution.

### 7.2.2 Project identification

The identification of projects started at the ward level once the 'resource forecast' and 'guidelines' had been received from the national level to the district level and from district level to the village level (Chart 4.3). Due to the interface of several sets of actors in the struggle of scarce resources as discussed above, there was always a danger in clarifying the objectives. Moreover, the local elites, who were mostly represented in the VP expressed their interests, political or economic, through 'projects'. Therefore the VP leaders preferred 'informal consultation' in project identification (Section
5.3.2) rather than an open discussion. Open discussion might be detrimental in situations like the ILO project in the Ghumaune Irrigation Project (Section 5.4.1.2) and the 'rehabilitation project' of the Barbote Water Supply Project (Section 5.4.2.3), in which the hidden objectives were different from the formal ones.

At the district level, projects were used as political devices to strengthen the brokers' position of the district/village level leaders. All projects, 'shopping lists' in the Village Development Plans, were aggregated into the District Development Plan (DDP), with the condition "to be implemented on the basis of technical feasibility and resource availability" (Section 5.2.4.1). This 'planning game' gave an unlimited discretionary power to the DP in general and DP Chairman in particular, in the process of disaggregation of the DDP into approved projects that were to be designed. Here political considerations played a vital role. The political loyalty as the trade-off of the project was also seen clearly in individual cases of the two project level case studies. For example, the DP Chairman wrote the Dhuni VP formally to stop the on going project when the ILO project was brought in through the personal connection of the Pradhan Pancha (Section 5.4.1.2). It should be noted here that the Local Development Officer (LDO) had selected another VP for that project until the Pradhan Pancha persuaded the DP Chairman (Section 5.2.8). In the second example, the origin of the rehabilitation project of the Barbote Water Supply Project was to by-pass the 'communists' of the Bimire and Amale hamlets(Section 5.4.2.3). In both cases there were political alliances in selecting the project.

Finally, the 'resource forecast' of the National Planning Commission (NPC), which was the starting point of project identification at the local level, should be taken note of. The NPC required information, among others the updated status of the on going projects, requirements of resources to complete them, the resource requirements for the new projects and management and technical capability to handle them. The NPC also required information on availability of resources both current and potential. But due to the lack of a monitoring and evaluation mechanism the NPC had no idea what was happening at the district level. Similarly, the mobilization of resources, both domestic and foreign, was done by the Ministry of Finance. Consequently, the NPC simply disaggregated the figures from the Five Year Plan documents and sent them to the districts as the 'budget ceiling' for development activities for next year. At the local level it happened in many cases that the budget ceiling for the next year was half of that the current year's recurrent budget (Section 6.6).
7.2.3 Research and inventory

The Decentralization Scheme (DS) had envisaged the need for a data base at the village as well as at the district level. A number of data was specified for village and district profiles (Annex 1-g). The assumption was that those data were simple enough to collect and update periodically and to use them for planned development process. It was also thought that the knowledge base could be built from below, without having a corresponding data/knowledge base at the national level and without linking the local data/knowledge base with that of the national level.

It was found that an attempt was made to collect and publish the district profile. But due to the lack of research expertise at the local level, the methodology adopted was not correct and consequently the findings were not convincing and reliable. Nonetheless, had the profile periodically reviewed, that would have helped a great deal to the planners. In fact the main problem was the lack of correct ideas on how to process the data into information and knowledge and use the knowledge base for the planned development. But the knowledge base had never been the basis for project selection. On the contrary the local leaders were apprehensive that if data became the basis of planning, political considerations might lose their value. Therefore in one or two attempts to update the profile, the local leaders ridiculed this effort by saying the "DATA collection meant Daily Allowance and Travelling Allowance collection".

The collection and collation of the range of information (Annex 1-g) demanded expertise and experience which were not available in the district (Dunsmore 1987: 129). The contribution of the National Planning Commission (NPC) in providing research and training inputs to build and use the knowledge base in the planned development process, which was the assigned role of the NPC in the DS (Annex 1-a), was found minimal. Knall found from his study of Bhaktapur District that in the perception of the district and village people the contribution of the NPC was either very small or non-existent (Knall 1989: 63).

There was also a lack of a cumulative knowledge base in individual offices, both at the village as well as at the district level. First, the filing system was very weak. In most cases, the project files were kept only to be shown to the auditor, if explanations from project files were required for the expenditure incurred. Therefore, each year's files were wrapped in a piece of cloth and kept at the top of the almirahs, (the almirahs contained the current year's files) until the finalization of the audit. And second, after the completion of the audit the old files were sent to be stored, which, due to the
quality of storage, meant complete destruction of the documents. As a result, there was no cumulation of knowledge in an office. The lower clerical staff, who were mostly from the locality and remained for a longer period, were the only source of information of what had happened in the past.

7.2.4 Project design

Project design was the pre-requisite for approval of a project as well as for the disbursement of money for its implementation. A project design in the local development project contained a technical survey and drawing including cost estimate. In order to give sufficient time for project design, because a project could be designed only after it was included in the District Development Plan (DDP), the DS had made provision for a medium term plan, and based on that, annual plans for the subsequent years could be prepared. There was a Public Works Office in the district under the same Ministry as LDO, with engineers and several overseers (1 engineer and 5 overseers in the case study district) who would carry out the feasibility study and make project designs for local development projects. There was a provision of 10% contingency in the grant-in-aid budget which was supposed to be used for the feasibility study (Section 5.2.9-b).

It was found in the case study district that the District Assembly had approved a medium term plan for a period of five years in 1985. The medium term plan was quite specific and transparent, and spelt out the projects for five years. These projects were supposed to be studied and designed by the Public Works Office (PWO) and implemented from the subsequent years. But only in 1986 the projects from the medium term plan were included in the annual plan. From 1987 onwards more and more new projects, not mentioned in the medium term plan, were included in the annual District Development Plan (DDP) from which the DP Chairman 'short listed' projects for feasibility study (Section 5.2.4.1). The DP directly employed sub-overseers for the feasibility study and designing of local development projects using the same contingency budget, bypassing the PWO. It was understandable that the political leaders did not want to make the planned development process too transparent when they had to contest the election on the basis of their individual influence. Moreover, it was also not convenient for the DP Chairman to use senior technicians of PWO who were not easy to manipulate. This, among others, was the case in the selection of projects where political consideration more than technical justification were important.
Second, the District Panchayat (DP) was not held responsible for the project failure, provided the procedures were correctly followed. Therefore, the project design, an important guideline for the project implementation, was taken only as administrative formality to avoid audit objections. It was seen in the Ghumaune Irrigation Project that Phase 2 was designed by the DP technician before it was approved and the balance amount released. But when the canal had been completed by the whole-hearted contribution of the beneficiaries, the water did not flow due to the faulty slope of the canal in a number of sections (Section 5.4.1.3). But the DP was in no way held responsible for the project failure. Indeed! In the Ghumaune Irrigation Project no other implementing agencies were held responsible for the project failure. The property of seven poor farmers was being auctioned to recover the loan of the Agriculture Development Bank of Nepal (ADB/N), while the Department of Irrigation (DOI) spent 10 times more than the original amount of loan, for the 'rehabilitation' work in the same project. But the DOI, or any other implementing agency, was not held responsible as long as it maintained the procedures correctly in the file.

Finally there is an ambiguity on the concept of 'participation' in the local level planned development. People's participation was seen as a method of involving targeted beneficiaries in the development process. Therefore the literature, for example van Dusseldorp 1981, stressed the need of making the targeted beneficiaries aware of their situation and convinced about the approach adopted to change the situation (Section 2.4.4). As a matter of fact it was found true in the case study that the Users Committee, as well as the beneficiaries, were usually not aware of the mechanism of project preparation and their role thereafter on implementation, maintenance and operation. And, more fundamentally, coordination among implementing organizations was never appreciated as a process of participation to achieve successful and effective outcome through concerted efforts. As already said above the implementing agencies were not held responsible for the project failure. More arguments on this point will be made when project implementation is discussed. Here it is argued that the proper feasibility studies and project design could have bridged the gap in making the Users Committee as well as the implementing agencies effective and functional by making them aware of their role during project implementation and afterwards.
7.2.5 Approval of plans

The Decentralization Scheme (DS) had assumed that the preparation of the District Development Plan (DDP) was an annual planning exercise. But it was seen in Table 5.12 (Section 5.2.6) that one planning cycle required nearly three years to reach the implementation stage. One DDP required 3 times approval from the District Assembly as against the assumption of one final approval (Chapter 4 Table 4.2). Some of the reasons for this deviation were the following.

First the District Assembly was not capable to act as the policy making body at the local level, because it met only once a year for 3 to 5 days, of which 2 days were ceremonial. It was an unrealistic expectation of policy planners that the low educated village and district level leaders could give guidelines for a multi-sectoral District Development Plan (DDP) within such a short period of time. The policy makers might have thought that, like at the national level the legislative body (the District Assembly) can guide the executive body (the District Panchayat). But the mechanism to provide professional support for the policy decisions, like at the national level, was not properly functioning at the local level. Indeed! The mechanism that could force the District Panchayat to implement the projects approved by the District and Village Assemblies was very weak. Due to the low level of education of the local leaders, they were unable to critically examine the projects proposed by the DP, within a short period of time. At the same time the national level was not providing any backstopping support to make this mechanism functional. Consequently, the District Assembly was only approving projects proposed by the DP. As shown in Tables 5.6 to 5.10 (Section 5.2.4.1) not all projects approved by the District Assembly were implemented. On the contrary, in 1986 and 1987 13% and 17% projects implemented were 'other' projects, which were selected by the DP Chairman in the middle of the year.

Second, as already argued in Section 7.2.1 the composition as well as the decision making process in the local level political bodies were not democratic, as assumed in the DS. The District Assembly was the point of interface of various sets of actors to legitimize their own agendas. More importantly, the DP Chairman manoeuvred to approve, as many projects as possible, from which he could 'short list' projects for the feasibility study, and of course, for implementation. This process gave the real power to the DP, and the DP Chairman, rather than to the District Assembly as the DS stated.
Third, according to the DS the District Assembly was authorized to regularise its plan of work and budget. But when it came for the expenditure of money, general financial rules were also applied. For example, the District Assembly could not authorize a budget for a feasibility study of projects, before they were included in the DDP. As a result one full year was lost for the feasibility study and project design. Similarly, the 'designed' projects were included in the DDP and approved by the District Assembly. The DDP was then sent to the national level ministries and departments for incorporation into the national annual plan and budget. When the nationally approved projects had been received by the District Panchayat (DP) they had again to be approved by the District Assembly in order to incorporate the 'approved projects' into the current year's plan and budget. This third approval was required for budget release from the District Treasury (Table 5.12). Such long and unnecessary process of plan approval seriously undermined the 'autonomy' of the District Assembly and also the participatory process as envisaged by the DS.

Finally, at the national level, the ministries and departments concerned were supposed to collect the approved DDP from the district level and incorporate the district plan in their annual plan and budget. Thus it was assumed that the annual programme of the sectoral ministries in the centre, in relation to their activities in the districts, would be the aggregation of the sectoral programmes developed at the local level. It was found that it was not the aggregation of the district plans developed at the local level, but it was the disaggregation of the national targets developed at the national level. Sending of the local plans to the national level was in fact, used for the 'approval' of the local plans by the national level authorities, and their incorporation in the national plan and budget. This was in contrast to the whole concept of the DS.

Moreover, the allocation of resources, even at the national level, was influenced by the political objectives of those who controlled them. Influential personalities of the ministries diverted substantial amounts of resources to their own constituencies. The reason was understandable when the elections under the Panchayat System were held on an individual basis. The person in power tried to secure his/her political future using the development resources. This was seen in Ivang district, in the case of the roofing programme, which steadily increased during the study period, mainly due to the presence of a local politician at the ministry level (Section 5.2.4.1). It also shows an interesting example of suspension bridges, which were not received positively due to the conflict of objectives of national leaders and the local leaders. The roofing programme was chosen because
the DP had a role in locating the project thereby sharing the political influence with the local leaders as well. But in the case of suspension bridges, the construction materials were sent to projects picked up from an earlier list of projects selected by the District Assembly. This was resented because the projects did not allow a room for manoeuvre to the local leaders in project location thereby sharing the political influence.

7.2.6 Implementation

Implementation of the local development projects remained poor during the study period for the following reasons. First, all local level projects were supposed to be implemented through the Users Committee constituted by the project beneficiaries. The idea of the Users Committee was to involve from the beginning the beneficiaries who would have to maintain and use the project after completion, so that a sense of ownership as well as an opportunity to learn about the maintenance of the new technology could be gained.

The Decentralization Act 1982 had made a provision that the Users Committee would be elected by the beneficiaries themselves. But later on the national level political leaders became apprehensive that if the anti-Panchayat elements infiltrated the Users Committee, they could make the Panchayat System crumble from inside. In order to prevent such eventualities, the Act was amended in 1983, even before its implementation, and the Ward Chairman, or Pradhan Pancha/Upa Pradhan Pancha (VP Chairman/Vice-Chairman), depending on the size of the project, were made ex-officio chairman of the Users Committees (Section 6.4). When the concept of the Users Committee was politicalized, its development thrust was lost. It was no longer a receiving mechanism of the project beneficiaries. It was seen in the Barbote Water Supply Project (Section 5.4.2.5) that the beneficiaries did not trust the old Chairman nor the Users Committee, when the new Ward Chairman was elected in the next election. Instead of the feeling of 'ownership' of the project, the involvement of the Users Committee in the implementation process divided the beneficiaries into two political groups, when the VP as well as the DP took side of one group to suppress the other.

One of the stated reason for involving political leaders in the implementation of local development projects was to enhance people's participation. It was thought that local leaders could mobilize free labour contribution from the project beneficiaries, which would reduce the project cost. The findings of this study (Section 5.2.5) showed that the low cost per project was in fact, due to the low level of allocation and disbursement per
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project. As a result when the free labour component was enlarged, often without taking into consideration the project cost, the free labour, which was actually available, could not fill the gap between the allocated money and the actual cost of a project. It was seen in the Ghumaune Irrigation Project (Section 5.4.1) that a substantial contribution of free labour, without outside support, could hardly meet the actual requirement, resulting in frustration among the people.

Second, it was argued in Section 7.2.4 above that coordination among implementing organizations was never appreciated as a process of participation in which the government offices had to be involved in order to achieve a successful and effective outcome through concerted efforts. On the contrary, there was a reluctance to coordinate with other agencies because the coordination process somewhat threatened the autonomy and/or identity of the organizations involved. The case of the Ghumaune Irrigation Project (Section 5.4.1) illustrates that three organizations namely the District Panchayat (DP), the Department of Irrigation (DOI), and the Agriculture Development Bank of Nepal (ADB/N) were directly involved in the development process, in different stages. All three organizations worked through the Users Committee, but none of them tried to coordinate with (or even inform) the other agencies involved, in spite of the fact that all three organizations belonged to the same Agriculture and Irrigation Plan Formulation Committee (PFC) at the district level!

The widely cited reason for the lack of coordination among district level offices was the lack of deconcentration. These offices were vertically linked with their parent offices in Kathmandu. The head offices were mostly concerned with the achievement of targets, without bothering much on how to make effective use of the resources they had. And once the planned components of a project had been completed (or the disbursed amount had been spent) the project was handed over to the Users Committee. Thus, the implementing agencies were completely out of the follow-up tasks. The implementing agencies were in no way held responsible for the failure of a project. The poor transport system, shortage of construction material or natural calamities were blamed, even when the main reasons for project failures were bad planning, bad coordination and unnecessarily long bureaucratic formalities.

If the implementing agencies had also been held responsible for the failure of their projects there would have been an urgency for proper synchronization of activities among the relevant organizations at the lower level and their involvement in the maintenance. In this way one organization could have complemented the other. For example, if the District Panchayat
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had been held responsible for poor technical supervision of Ghumaune Irrigation Project (Section 5.4.1) and for not using the technical services of the Public Works Office, the District Panchayat would not have repeated the same mistakes in other projects. Similarly, if the Agriculture Development Bank of Nepal (ADB/N) had been held responsible for not properly assessing the project and the Department of Irrigation (DOI) for insufficient progress in the 'rehabilitation work', such failures could have been minimized. Such a system of making implementing agencies also responsible for project failure, would have created a demand for complementary services, which in turn would have led them to synchronize their activities with other organizations in order to avoid failures.

Third, there was a management problem due to the conceptual ambiguity of 'matrix of relationship' (Dunsmore 1988: 132) of the district level sectoral offices of having vertical accountability with horizontal coordination. The sectoral offices were supposed to maintain horizontal relationship with other 'sections' of the LDO. But the administrative responsibility and accountability were vertically designed. The district offices were responsible and accountable to their secretaries at the national level for the expenditure of money and the achievement of targets, who were in turn responsible to the National Planning Commission (NPC) for the achievement of targets and to the Auditor General for expenditures. Therefore even though the district level sectoral offices were named as a "section" of the District Panchayat Secretariat (DPS), the ministries wanted to separate their targets from DDP in order to show their own progress and expenditure.

The lack of proper sequencing and inter-connecting of various components of the programme implementation created serious gaps at the local level. Even after the introduction of the Decentralization Scheme (DS), the sectoral ministries and departments at the central level continued to plan and implement their programmes through their district offices, by-passing the Local Development Officer (LDO), thereby weakening the role of LDO to coordinate the District Development Plan (DDP). Similarly, there was no organic integration of plans at the district level as envisaged by the DS. The actual activities were confined only to collecting the list of projects from the various Village Panchayats.

One of the main reasons for the reluctance of the sectoral offices was (Section 5.2.8 and 5.2.9.a) that the DS was more inclined towards non-technical and political bodies such as the Ministry of Panchayat and Local Development (MPLD) and other political organizations at the centre and at the local level these were the LDO and other local political organizations. They always had a decisive voice. But the technical functionaries such as the
Ministry of Agriculture, Health, Forestry etc., which actually implemented projects and provided services to the people, always had a less influential voice. At some periods it also happened that (Annex-2-c) the LDO was, in fact, junior to the chiefs of some of the sectoral offices which were supposed to be the "sections" under him. In these circumstances, the sectoral offices were reluctant to be under the administrative command of LDO.

In fact the implementing agencies, particularly at the district level, had no capability to implement such multi-sectoral development programmes. Although a number of innovative policies was legislated to integrate the district administrative set-up, they were not implemented properly or allowed to function. Besides, none of the policies were thoroughly evaluated and the problems understood, or even officially acknowledged that they actually failed to deliver the intended results. As a result, they became ineffective due to the lack of the implementation of all the components of a policy package. Similar types of policies superseded earlier ones without learning from past experience. Table 4.1 (Chapter 4) summarized the measures taken for planned district development during the Panchayat period. It shows that time and again administrative solutions were sought such as changing responsibilities or replacing/creating positions to correct the failure of the earlier reforms, which however could not solve the problem of organizational inefficiency.

Fourth, the formal arrangements of the planned development process as envisaged by the DS, which at least on paper were quite participatory, institutionalized and rational, were not working in practice. The actual conduct was informal, based on individual networks and inconsistent. The same thing was found at the national level which will be discussed in Section 7.4. It was found at the local level (Table 5.12 Chapter 5) that the actual conduct was personalised rather than institutionalized. In some cases the informal methods were used when the formal methods become unrealistic. For example, according to the participatory method of the Department of Irrigation (DOI), the beneficiaries should contribute 2% of cash and 7% of free labour. But in larger projects it was not possible to obtain the required percentage of contribution from the beneficiaries through the formal method. Therefore, informal methods were used such as estimating the project cost with higher rate analysis and using the contractor to fulfil the DOI's criteria behind the screen (Section 5.4.1.5). While using the informal

1 'Inconsistent' is referred to the tendency of taking decisions heavily influenced by the need of the informal power brokers, but contrary to the professed objectives and, may be, contrary to the finding and/or recommendation of the formal structure.
methods there were also alliances for corruption which was seen in the Ghumaune Irrigation project. Such informal methods, whether it was to formalize the procedure or for economic or political gain, had serious implication on the confidence of the people. A teacher rightly commented that people do not believe that what is told will be actually done (Section 5.2.9-d).

Finally the disbursement of money had improved considerably after the opening of the District Treasury (DT) in 1981. But the disbursement procedures within the district i.e. from the District Treasury (DT) to the District Panchayat Secretariat (DPS), remained slow, because the District Treasury required a current year's approved plan and budget for budget release. As the so called autonomous body, the District Panchayat had to produce its approved plan and budget for budget release. In the DP's current year's plan and budget the money of the projects, approved at the national level and be implemented in the current financial year, were also included, therefore they had to be approved by the District Assembly. While doing so, during the study period, it took 3 to 6 months to release the budget from the District Treasury to the District Panchayat Secretariat.

The local development projects, which required people's participation in the form of the voluntary labour, should have been implemented during the slack period from the agriculture point of view (December to June in Nepal). But due to the late disbursement of money, the project implementation started after March. Therefore very little time was left to mobilize people for voluntary labour contribution. By the time a project was half completed, the rainy season started and people were occupied with their agricultural activities, and also the financial year was over and a new planning cycle was started (Section 5.2.6). In this process a considerable number of projects remained incomplete and a large sum of the annual budget remained unspent (in Table 5.3 the figure of 'last years balance' was steadily increasing over the years).

These findings are supported by a recent World Bank Report which states that Nepal has been a "below average performer" in externally funded project implementation. The average time overrun of the World Bank project completion is about 50 percent more than the planned duration in most of the developing countries, whereas in Nepal the average time overrun is between 100 to 230 percent more than the planned duration. Moreover, the aid disbursement ratio is extremely low and as a result the pipeline of unutilized aid commitments has continued to increase over the recent past (World Bank Report 1992: 124-143).
7.2.7 Handover operation and maintenance

Once a project had been completed, the Completion Certificate Committee certified and handed it over to the Users Committee for operation and maintenance. There was a procedural binding for handing over a project in order to clear the 'advance money', provided for project implementation. Due to the fact that the implementation of the project as well as the operation and maintenance were in the hands of the same Users Committee, the handover was only a formality to clear the account. In many cases there was not even a completed project. Even when a project had been completed, such as the Barbote Water Supply Project (Section 5.4.2), it was often technically of too low a standard to hand it over to the community for operation and maintenance. Moreover, there was no training given to the community about their role in project maintenance before the project had been handed over to them. It was assumed that when the Users Committee was involved in the project implementation they were trained automatically for their operation and maintenance tasks. But in the Barbote Water Supply Project the community did not even know that the project had been handed over to them. There were no rules for the water users, no project maintenance fund and above all no organization to look after the project.

In fact the extensive institutional arrangements of the Decentralization Scheme (DS) had seriously eroded the social system, in which the role of the senior members of the community was recognised, and effected negatively the mutual help system. This was illustrated in the case of the Barbote Water Supply (W/S) Project where Village Panchayat (VP) and District Panchayat (DP) replaced the role of the village elders, in settling disputes through mutually agreed justice and social pressure. As a result the feeling of interdependency and mutual cooperation among the inhabitants diminished. The 'development' project, in fact, divided the four hamlets into two uncompromising political groups. As a result the Users Committee became dysfunctional. The beneficiaries preferred to go to the same water spring they used before the project in stead of donating a small sum of money for the maintenance of the project. BK Shrestha goes on saying that it was the Panchayat System that destroyed the existing traditional mechanism of local resource mobilization and management of local infrastructure. He comments:

In their bid for cheap popularity among the poor rural voters in preparation for the next election, the Panchayat politicians
deployed government (and donors) resources, even for activities that the villagers traditionally performed on their own (Shrestha BK 1992: 13).

Furthermore, there was an assumption on the part of the implementing agency that a project would start giving results, as intended, immediately after its completion. This benefit would be the incentive for the community to maintain the project on their own. Therefore no provision was made for maintenance funds. But many local development projects such as drinking water supply, trails/bridges, school buildings, health posts were welfare oriented which gave only indirect benefit to the community. These projects did not increase directly the income of the people. Even in irrigation projects there were no supporting programmes to enhance the productivity of irrigated land. In fact, the so called 'completed projects', which were handed over to the community, were often not functioning properly. Therefore, there was no incentive for the community to maintain a project.

The Completion Certificate Committee was to be blamed for certifying poorly completed or even incomplete projects. In spite of its responsibility, stated in the DS (Annex 1-d), the Committee did not report the actual situation to the District Panchayat (DP) for necessary action. But it was an open secret that quality of work could not be expected from projects, to which only 1% - 44% of the estimated cost was given by the DP (Table 5.11 Chapter 5).

7.2.8 Monitoring and evaluation

For the monitoring of the implementation of the DDP there was a provision of a high level Supervision Committee at the district level. The Committee was also given power to recommend for necessary action if it found a project lagging behind due to the negligence or misconduct (Annex 1-d). But it was found that during the study period 1986-90, not a single meeting of the Supervision Committee was recorded. Because of political ambition, and possibly rivalry, the DP Chairman always took the precaution of involving local Rastriya Panchayat (RP) Members, who were the Chairmen in rotation of the Supervision Committee, only informally in the project supervision work (Section 5.2.7).

The monitoring of the progress of a project was also tied up with the disbursement procedure of project fund. The second and final instalments were advanced on the basis of the approval of the running bills of the earlier instalments by the technicians. The advance money was cleared after the completion certificate was signed by the Completion Certificate Committee.
It was found that in most cases the technicians approved the running bills right at the District Panchayat Secretariat (DPS), when the Chairman and the Secretary of the Users Committee visited the district headquarters, instead of checking at the project site what was actually done. Similarly the completion certificate was signed only to maintain an administrative formality (Section 5.2.7). Here again the technicians were not held responsible for the projects they supervised. Their signature was essential only to give the impression that the official procedures were followed.

There was another monitoring and evaluation (M&E) mechanism, enacted by the National Planning Commission (NPC) which was supposed to monitor the achievement of targets against the budget assigned to each activity (popularly known as the Weight System). The budget of each programme was divided into three trimesters, and the actual expenditure of each trimester was calculated against the approved budget. The district offices sent the progress reports to their ministries at the national level which however, did not contain any information on the progress of an individual project.

Institutional experience could have been accumulated through annual report writing, explaining all the details of individual projects and compiling them in well maintained files. But the annual reports which were sent to the central level were written in NPC format that gave very little specific information on the progress of programme activities and the reasons why they were successful or failed. Consequently, when new officers were posted to the district offices they did not find a good documentation on the on going projects and they had to rely mainly on the lower clerical staff for information on past experiences. Moreover, the effectiveness of 'monitoring and evaluation unit' as a part of the government office was constrained by the fact that it lacked any official status, thus effecting both its ability to intervene and to ensure that findings were used to improve implementation (Dunsmore 1987: 126).

There was a high level Decentralization Task Force at the national level, to support His Majesty's Government of Nepal (HMG/N) for implementation of the DS. The Task Force was supposed to monitor and evaluate the DS and provide feedback to HMG/N for necessary policy decisions (Section 4.5). A recent study on the DS shows that the Task Force, consisted of three members enjoying the status and facilities equivalent to an Assistant Minister, rarely visited the districts. But they did submit some reports to HMG/N based on suggestions solicited from local level officials through official correspondence. Later on with the appointment of one of them as the Communication Secretary, the Task Force had only two members. When
another member was appointed in the diplomatic service, only one was left in 1990. With the emergence of the multi-party system, the remaining member also resigned and subsequently, the Task Force itself was dissolved (Shrestha T.N. 1990: 34). Such negligence on the part of the HMG/N seriously undermined the backstopping support for the implementation of the DS.

7.3 Analysis of the Decentralization Scheme (DS) on the Basis of the Hypotheses and Research Questions

It was mentioned in Chapter 3 Section 3.2 that in order to analyze the local level planned development process during 1986-90 period, some hypotheses and research questions were formulated. A conceptual framework was developed in Chapter 2 to facilitate the analysis of the findings. The analysis of the findings on the basis of planned development stages was presented in Section 7.2. In this section the implementation of the DS will be analyzed on the basis of the hypotheses and the research questions. Table 7.2 presents summary of the findings on the basis of hypotheses and research questions.

Table 7.2: Summary of the major findings on the basis of hypotheses and research questions

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<thead>
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<th>HYPOTHESES</th>
<th>RESEARCH QUESTION</th>
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<td>Results far short of expectation</td>
<td>What were the achievements of the DS?</td>
<td>- low people's participation</td>
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<td>- incomplete projects</td>
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<td>Institutional incapacity</td>
<td>Why DS not fully implemented?</td>
<td>- no deconcentration</td>
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<td></td>
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<td>- limited capacity and capability at district level</td>
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<td>- lack of knowledge base</td>
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<td>- no backstopping support from national government</td>
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<td>Window dressing</td>
<td>Why was there a naive belief that local bodies were capable to implement DS?</td>
<td>- undemocratic local institutions</td>
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<td>- informal power structure</td>
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<td>- 'projects' used as a political tool</td>
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<td>- planned development stages used only as administrative formalities</td>
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Results far short of the expectations

The first hypothesis assumed that the results of the DS were far short of the expectations. This is clearly shown in the increasing amount of funds that were not used for the fiscal year in which they had to be spent as is shown in Table 5.3. The projects that were completed were often not functioning as was shown in the two project level case studies in Chapter 5. This evidence is rather thin but the same was observed in projects that were not studied in depth such as UNICEF funded water supply project in Naudanda Village Panchayat (Section 5.4.2.1) and ILO funded irrigation project in Dhuni Village Panchayat (Section 5.4.1.2).

Institutional incapacity

The second hypothesis was that the DS could not solve the institutional incapacity to implement a multi-sectoral programme like the District Development Plan (DDP). In fact the objectives of the DS were to adapt the development process to the area specific talents, potentialities and needs and enhancing the capability of the local Panchayat institutions (Section 4.6). In order to deal with the multi-faceted rural problems effectively, the DS envisaged an integrated local administration (Section 2.4.3) under the leadership of a centrally appointed Local Development Officer (LDO).

It means that the DS aimed at instituting a partnership between the national and the local plans and making the Users Committee the sole institutional medium for the management of local development projects. A reform of such scope and magnitude, in the context of Nepal, would have required close and continued monitoring from the national government, while making necessary changes and improvements along the way. But there was neither the commitment nor the capability at the national level to undertake this task. It was seen in Section 7.2 that no systematic effort was made, on the part of the national government, in the monitoring and evaluation of the implementation of the process laid down in the DS. No efforts were made to prepare a District Development Plan (DDP) that reflected the priorities and aspirations of the local people and could become the basis for the annual plan of the national government. As a result the local level planned development process was crippled due to the lack of backstopping support of the national government, both in terms of commitment and professional support.

On the contrary, the national government put a blind eye on the way things were happening at the local level. Due to the "power oriented attitude" (Shrestha, T.N. 1990: 47) of the central authorities, they were reluctant to delegate powers and functions to their local offices, while the district level sectoral offices were designated as the 'sections' of the Local Development
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Officer (LDO). The lack of deconcentration created two serious problems. First it made coordination of the LDO of all development activities in the district impossible. Conflicts began to arise over the control of the district level staff of the sectoral offices. Second, it made the approval process tedious. It took nearly three years for the project to reach the implementation stage (Table 5.12). This in turn affected the participation of the people negatively.

Moreover, the training needed for the development of technical skills and the generation of desired attitudinal changes among the professionals at all levels was lacking. The government was also unable to use the professionals who were trained abroad. Many of them returned back to their routine administrative job (Section 6.5) and often stayed in Kathmandu. On the one hand the implementation of the DS was handicapped due to the absence of qualified and trained personnel and on the other, the few trained personnel were largely un/under-utilized.

When it comes to participation it became clear that the people were only involved in project identification. But their influence was, even in this stage, very limited for the following reasons. First the local elites who dominated Village and District Panchayats expressed their own economic and political interest through development projects. The people were not involved in the project design. Second, even after the long approval process, the government funds were made available for only 1-44% of the total cost (which was often underestimated) and replaced by voluntary labour. The people had to contribute free labour more than there was available. Third, due to the poor timing of the approval process the funds often were made available at a time the people had to work in their fields. As a result the projects could not be finished in time. Finally, the backstopping support were lacking even in rather complicated projects, as was shown in the Ghumaune Irrigation Project and Barbote Drinking Water Supply Project. It created frustration among the people.

Window dressing
The third hypothesis was that the contemporary regime might have used the concept 'decentralization' only as a 'window dressing' in order to maintain the status quo. Therefore implementation of the DS was not given high priority. As argued above that the national government was not participating in an effective way. Even when the rules and procedures were wrongly used or misused at the local level the national government gave a blind eye. Indeed, one may ask "Was the national government interested at all in devolving power to the local level?"
While answering this question, one must consider the contemporary political context in which the Decentralization Scheme ( DS) was to function. It was argued in Section 6.2 that the Panchayat System was essentially a one-man-rule, having a power base in the coalition between the old and neo-urban elites and their rural counterparts. It was mentioned in Section 7.2.1 that the national level leaders were actively involved, through the field administration, to elect their local power brokers in the local political bodies. So the power, which was devolved to the local political bodies, actually strengthened the position of the local elites in those organizations. As a result the DS provided new avenues for them in the struggle for the scarce resources through the 'development projects'.

This was the main reason behind the high prevalence of corruption in the Panchayat System. Development resources were largely used, even at the national level, to create political brokers at the local level. Therefore 'mismanagement' was the price for the political support (Section 6.2). There were numerous examples of expulsion and harassment of good and dedicated political leaders on the slightest suspicion of their involvement with the banned political parties. But few, if any, were removed from office for misuse of financial resources. Expenditures of local development projects were rarely properly audited (Section 5.3.2).

Moreover, many of the rules and principles were only on paper. For example, the 'resource forecast' of the National Planning Commission (NPC) was not based on its resource assessment but disaggregated from the medium term planning document which, in many cases, was unrealistic for local situations (Section 7.2.2). Due to the low level of education, the local leaders were unable to offer guidelines for the project proposals (Section 5.2.4). Project designs were prepared only as an administrative requirement for project approval and fund disbursement, but the designs did not provide technical guidance for project implementation (Section 5.2.5). The 'annual' District Development Plan required nearly three years to reach the implementation stage, and, in fact, the District Development Plan (DDP) required the approval of the national level (Table 5.12). Similarly, the participatory approach of constructing irrigation canals of the Department of Irrigation (DOI) required a 'behind-the-screen' method such as estimating a project with higher rate analysis in order to fulfil the DOI's requirement as discussed in Section 5.4.1.5. Even when the methods and approaches were highly unrealistic and inapplicable at the local level, they were maintained, at least in the files, as prescribed in the DS regulations. This gives an indication that the extensive institutional arrangements and the procedural formalities of
the DS were no more than "window dressing" for the international community and aid donors in order to obtain their continued support.

7.4 Analysis of the Implementation of the District Development Plan (DDP) from a Broader Perspective

As stated in Section 1.3 the main focus of this study was at the local level. But it should be admitted that the Decentralization Scheme (DS) did not function at the local level in isolation. The national level political and administrative framework had a great influence on the implementation of policies. It was argued in Section 7.2 and 7.3 that the implementation of the DS at the local level was very poor. In this section some important factors at the national level which were responsible for the poor implementation of the DS will be discussed.

First, it was mentioned in Section 6.2 that the Panchayat Polity was essentially a one-man-rule system which was based on the support of the bureaucracy-military-coalition (BMC). The totalitarian nature of the Panchayat System perceived alternative modes of thinking as a threat to the System itself. Six Class Organizations, which were supposed to represent the class interest, were kept under the control of the Panchayat politics. At the same time the government had to show its 'democratic' inclination by giving an impression to the aid donors that it was doing its best to decentralize power to the local level. But in each measure the government was cautious enough not to go too far. For example, the Decentralization Act 1982 was amended in 1983, even before its implementation, when the national level political leaders apprehended that the Panchayat System might crumble if anti-Panchayat elements infiltrated into the Users Committee (Section 6.4). Similarly, while making the District Assembly as the 'policy making body' at the local level, it was not allowed to voice against the policy of the national government. One retired policy maker of the opinion survey commented:

'Decentralization' was an attractive catch-word just like 'democracy'. The Panchayat System of government was peddled as a democratic system and it had to invoke themes and symbols of democracy once in a while for the purpose of legitimacy. The Decentralization Act was the result of this process. During the 1970s the government tried to 'decentralize' power through administrative means. The District Administrative Plan or the Integrated Panchayat Development Design were the instruments
chosen for this purpose. But at that time too, the government's intention was transparent in the provision that gave more authority to the government appointed Chief District Officer (CDO) than to the elected district representatives.

Moreover, from the very beginning the Panchayat System had been dominated by the traditional elites and landowners. In the absence of organized political parties, with ideological principles and discipline, factionalism among the dominant rival groups characterized most district and village level politics. Struggle among factional groups centred around the access to government funds and materials. Once in power, group leaders used political positions to give favours to their following in addition to enrich themselves (Bienen et al. 1990: 63). A recent study of the National Planning Commission (NPC 1992b: 6) shows that the old Rana style of exploitation of the masses also emerged within the Panchayat structure. Many elected and appointed officials within the System began to recoup election campaign expenses from the system and to derive personal and family benefits beyond their salaries and other forms of legitimate compensation. This process had serious implications for development performance. The NPC(b) report commented:

Not only were the benefits intended for common people greatly reduced by this modernized form of Rana exploitation, but the demoralizing influence of corruption on both elected and appointed officials greatly reduced the effectiveness of the government. In addition, the tight, top-down, Rana style of administrative control from the centre ensured that the corruption could be managed effectively within the corrupt political framework (NPC 1992b: 6).

Furthermore, as Pandey (1989: 325-327) points out that the public administration also suffered from the traditional/social values inherited from the old Rana days, which formed a deeply rooted 'administrative culture'. They included, the domination of high level political and administrative positions by high caste/ethnic groups, the chakari system (an informal mechanism to express loyalty to the seniors to get important positions), collection of salami, najrana and darshan bhet, (the system of collecting material tributes from their clients).

Second, it was argued in Section 7.2.6 that the actual conduct of the development process at the local level was informal, based on personal network and inconsistent. The same tendency was seen at the national level.
The actual conduct of the national level policy formulation was done by the informal power structure centralized in the Royal Palace. The formal government institutions had only a marginal position in the actual power structure, which moved along the networks created by social and cultural traditions (Justice 1986: 22).

The Constitution, relevant Acts and By-laws defined the functions of the cabinet and the ministries concerned, but informally all major decisions were taken by the Royal Palace. Even the Cabinet Ministers and the Secretaries had to obtain the consent of the Royal Palace before taking any decisions, even when their authorities had been clearly spelt out on paper (Section 6.3.1.2). The ministries and departments functioned as the executing agencies rather than as policy makers. For example the Prime Minister was the formal head of the government, and therefore the civil service was supposed to be answerable to the Council of Ministers through their respective Ministers. But in practice, all major and many minor decisions relating to the personnel management were taken in the Royal Palace. The active involvement of the King in administrative affairs meant the concentration of power in the hands of the Royal Palace officials thus distorting the most elementary principle of the formal line of command in favour of informal channels of communications and personalized rules. T.N. Shrestha (1990: 49) quotes an Ex-Prime Minister saying publicly that his powers were not even equal to that of a section officer.

Third, major development programmes were "donor-driven". For example, during the 1986-88 period, 58.9 percent of the development expenditure was borne by foreign resources (World Bank Report 1992: 41). A considerable amount of recurrent expenditure on government personnel carrying out development activities was usually funded by foreign projects. This implicit saving of the government recurrent cost, was utilized to expand the bureaucracy of the district headquarters. Pandey (1989: 320-321) demonstrates that since 1951 the public administration cadres had expanded from about 7000 personnel in 1951 to over 90,000 in 1987/88. Of the total 4604 government offices opened up to 1987/88, about 98 percent (or 4516) were in the field in the form of regional, zonal and district offices. Similarly, about 80 percent of the civil service positions were for field offices. However, in spite of such impressive progress, the performance of the public administration in development in general, and the decentralized development administration in particular was very poor.

Pandey (1989) argued that the party-less character of Panchayat politics also meant that the bureaucracy could not expect to receive firm policy guidelines from the minister to help formulate and execute
departmental policies and programmes. Without a party platform, the ministers themselves had no collective programme to guide them. The departmental policies might have changed, not as a result of considered shifts in "party policy" but due to change of incumbents in the respective ministerial post. He further argued that the lack of strong political leadership and supporting administrative institutions originated from the Nepal's post 1951 role of "semi-dependency", in which the country lost its autonomy to make its own decisions by virtue of its parasitic dependence upon other states for resources. Therefore, most reform attempts were guided by the imperatives of this dependency role rather than meeting the requirements of the professed objectives of national interest. Consequently, reforms such as the administrative reforms of Prime Minister Tanka Prasad Acharya (1956) and Prime Minister B.P.Koirala (1959), which originated from the urges of bona-fide national governments, were sustained over a longer period of time than those prescribed by the foreign consultants. He argued:

It does not necessarily follow that the proposed reforms could not take root because "Indian" or "Western" models were transplanted, or that the experts did not show sensitivity to Nepali conditions, though they might very well be guilty to some extent of such oversight. It is not the weakness of the "alien" structure but the alien stimulus for change, which the semi-dependency had to accept from time to time for legitimacy and support, that is responsible for not producing the intended results (Pandey 1989: 324).

Other writers argued that the Nepalese administration evolved for centuries in a highly centralized feudalistic tradition. Therefore it had yet to internalize the modern administrative management into its way of life. Nickson (1992: 48-51) argued that development was understood by the public administration of Nepal as a simple top-down service delivery system. This approach, characterized by paternalism in its mildest or as authoritarianism in its hardest interpretation, assumed that the government officers should decide what was in the best interest of the clients at the village level. Such an approach to development contrasted sharply with the emphasis on the empowerment of oppressed people to enable them to take control over their destiny. Moreover, despite the emphasis on service delivery, the effective capacity of the administrative system to deliver primary health, agricultural extension and other government services was limited. The district level line agencies usually lacked the resources and commitment to provide
logistic and moral support to the field-based staff at the sub-district level. Nickson (Ibid: p-61) goes to the extent to state that "It would not be an exaggeration to say that HMG/N and its officers are regarded as an obstacle to development, and should therefore be treated with extreme caution". Therefore without a massive reform, not only administratively and procedurally but also mentally, of the bureaucracy, both at the national as well as the local level, the implementation of the DS was not possible.

Fourth, the government was too ambitious by trying to achieve too many things by itself (Section 6.3.1.1). But due to the lack of data/knowledge base both at macro and micro level, there was no clear direction given to the macro level policy formulation. There was no way for the national level to know what was actually happening at the district level, even though the national level wanted to maintain its control over the districts (Section 6.5). Due to the absence of a monitoring and evaluation (M&E) mechanism, there was no way at the national level to understand how the macro policies were translated at the DP and the VP level.

Moreover, there was a lack of public debate and intellectual discourse on policy issues like the Decentralization Scheme (DS). Although numerous seminars and workshops were organized in which the planners and politicians repeated the rhetoric of the party-less Panchayat System. The differential access to knowledge and the exposer to the outer world had created a class barrier between Kathmandu based policy planners as Thulo Manchhe (Wise Man) and the field staff as Sanu Manchhe or Pakhe (Ignorant Man). The senior policy planners always perceived the policy package as something they had "created" from the knowledge they possessed. Consequently, the development process never became a cooperative learning process, an essential element of partnership, between the field level staff and the senior policy planners at the national level. Referring to the health sector of Nepal Justice comments:

"Conferences and seminars, which the high officials place great importance as a visible activity that extends legitimacy to programmes, are usually dominated by senior officials to tell what to do rather than to listen to the practical experiences of the district and village level participants. Many of the discussions reflected a lack of understanding on the part of the senior Nepali officials about rural resources and the realities of local health services, and especially about what responsibilities would be appropriate for a community health volunteer (Justice 1986: 79)."
Consequently, the senior policy planners were unable to appraise their own performance from time to time and visualize the future direction. Because, very few intellectual journals were published in Nepal, and even in those journals very few articles were contributed by Nepali professionals. Therefore, the policy planners very much depended on the outside knowledge base.

One of the main reasons for the lack of public debate was that during the Panchayat period one could not speak against the party-less Panchayat political system. Therefore those issues which were related to the political system and the power structure e.g. decentralization policy, were avoided. Those intellectuals who had a critical bend of mind remained in the shadow. One interesting initiative was taken by a Rastriya Panchayat Member who, in the early 1980s, strived for "Thaha" (knowledge) as his political campaign. He pasted the word "Thaha" almost everywhere: houses, vehicles and even offices. His argument was that knowledge was the right of every citizen. However, not much political and intellectual attention was given to his campaign.

Of course, numerous studies were conducted on various policy issues by, among others, ministries, research institutions and donors. However, many, if not most, of them were written in English and were mainly meant for the consumption of the expatriate experts. Those who had to plan and implement the development programmes and projects did not profit from the body of knowledge related to planned development process either because the information did not reach them or because they could not understand the jargon. It was logical, then, that the implementing agencies followed the procedures without bothering too much about the affectivity or efficiency of their programme and projects. More importantly, many of the reports were not available in Kathmandu. As Justice put it:

The government does not have a central library of documents. Some reports are kept by government departments and/or by donor agencies in Kathmandu, but many older reports are available only in donor agency headquarters in Washington, Geneva or elsewhere. One learns about such reports either by chance or through extensive searching. As a result, there were times when I had copies of relevant reports that were unknown or inaccessible to planners and administrators (Justice 1986: 115).

Lastly, despite the rhetoric of 'basic needs' and 'targeting the poor', in practice the government delivery system had failed to give effective priority
Assessment of the strategy of local level planned development

to the poor, lower castes, and vulnerable groups at the village level. People looked at the public servants as an alien class. A World Bank Report comments:

Across all ethnic groups and regions there has been a tendency on the part of the poor to see the constellation of civil servants, local political leaders, and landlords as being the homogeneous group, who have at best little in common with the rural poor. These perceptions, the poor reach of public services to rural areas, and the difficulty in communicating between officials and illiterate peasants, have often resulted in a wide gulf between the rural poor, on the one hand, and the local political process and government services on the other (World Bank 1991: 33).

Bista (1991) examined the development issue from the prevailing social value system of mainly centre based high caste Hindu groups vis-a-vis the widely dispersed various ethnic groups. He found that fatalism and hierarchy, which were the hallmarks of caste principles, opposed social development. On the other hand, the value system of the traditional ethnic groups who were not divided into a vertical hierarchic order, inculcated hard work with conscientious discipline. He concluded:

Nepal must now learn to live with change and uncertainty. Social health can only be ensured by flexibility. The very simplicity of most of the ethnic cultures allows a greater flexibility than does the cumbersome and ossified structure of urbane upper caste-class society in the Kathmandu valley. Nepal's future hopes lie with them. But they are fragile resources as well, and need support and direction from some dependable source. Nepali youths have to be encouraged to ask questions about the future direction of the society. Confidence in themselves and pride in the nation, currently crippled by fatalism, will have to be carefully cultivated. It is difficult but not impossible as there are quite a few examples in the history of the world around us (Bista 1991: 163).

7.5 Conclusions

The Panchayat System was introduced in 1960 to establish a political system which while having an indigenous and democratic outlook, would at the same
time maintain the absolute leadership of the King. The Panchayat System served that purpose. The System moved around the will of the King and therefore all programmes started and also terminated at his desire. The Decentralization Scheme (DS) was one of such a programme which was designed on the basis of the directives of the King. Therefore change or innovation within the Panchayat System was possible only to the extent that it did not alter the existing power structure. But such a change was not possible in the Decentralization Scheme (DS) which envisaged a substantial delegation of decision making authority to the local level. Therefore contradictions were manifested during the implementation of the DS. Moreover, since most of the innovative schemes or programmes originated from the speeches and directives of the King himself there was no scope for discussion, debate or even for acknowledgement of their failures. In order to maintain the credibility of the King, and also the Panchayat System (being his programme), the programmes that failed were quietly put aside and replaced by other ones and could not act as catalysts for change.

Second, the concept of local level planned development, which should be consistent with the local situation, talent and resources, contradicted with the extensive institutional and procedural arrangements developed by the centre. In rural development where the methods are area and situation specific and the effects are weak and less identifiable, one cannot aspect the high degree of specificity as envisaged by the DS. In fact the large number of institutions and institutional procedures created under the DS masked the actual effect. It looked as if people were really participating in the local level planned development process. But in reality, at least in the local development sector, the people were included only in maintaining the procedures in order to legitimize the ‘development resources’ mostly used by the local elites through various implementing agencies. Therefore, the DS was unable to generate participatory and sustainable development at the local level.

Finally, the Panchayat System used the bureaucracy to maintain the status quo which seriously undermined the neutrality of the state apparatus. The result of using the bureaucracy for the political purpose was the total absence of quality control mechanisms of the development expenditure, materials and services. The bureaucracy played the role of the collaborator with political leaders and power brokers rather than the quality control authority.
SCOPE FOR THE FUTURE RESEARCH

It was stated in Chapter 1 that Nepal started modernization in 1951 after centuries of feudal exploitation and isolation. A number of major and minor efforts were made thereafter to modernize the country. However, the left-over feudal power structure, the remaining (but still visible) old values and norms of the public administration and traditional social outlook have been, among others, the principal impediments of the modernization process. It must be admitted that they cannot be changed overnight. In fact, given this background one may argue, perhaps rightly, that the problems discussed throughout the book were logical results of this historic background.

In every modernization effort, the contradiction started when a few enlightened egalitarians tried to push things a little faster than the society could hold. Such unrealistic assumptions were echoed by many enlightened Royal Speech writers that Nepal should do things 10 times faster than the other countries did. The Decentralization Scheme (DS) was such an episode, which was the result of some enlightened egalitarians within the bureaucracy. It contained many unrealistic assumptions, like its predecessors and had the same fate.

One important element, which was missing during the whole Panchayat era, was the art of learning from the past mistakes. There was a tendency to mask a failure by initiating a so called new but in fact similar successive policy, rather than admitting and learning from it. One explanation of such tendency was political. Nobody wanted to discredit the King, when policies originated from his speeches. But the result was that no policies were thoroughly evaluated and documented.

This situation was changed in 1990, when the mass uprising dismantled the Panchayat System and restored the multi-party democracy. A new constitution was promulgated in 1991 recognising four basic principles: multi-party democracy, fundamental rights, sovereign parliament and constitutional monarchy. In this changing context, the policies originate from the sovereign parliament, represented by the elected leaders. So there
should be enough scope for debate and discussion during the policy formulation process. But at the same time the same problems discussed before have to be faced. Therefore learning from the past experience should be an important element of this debate, in which, this study, hopefully, can make a contribution.
Bibliography


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Bibliography


Bibliography


Bibliography


Annex 1(a): Responsibilities of various levels of government agencies in DDP formulation and implementation
(Rules 79, 80, 81, 82 and 83 of the Decentralization By-Laws 1984)

<table>
<thead>
<tr>
<th>NATIONAL PLANNING COMMISSION (NPC)</th>
<th>MINISTRIES/DEPARTMENTS/REGIONAL DIRECTORATE</th>
<th>ZONAL COMMISSIONER</th>
<th>CHIEF DISTRICT OFFICER (CDO)</th>
<th>CHIEF OF SECTORAL OFFICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>- design guidelines for DDP formulation</td>
<td>- designate district office as section of LDO</td>
<td>- provide necessary support as requested by DP</td>
<td>- participate in committee meetings</td>
<td>- formulate and implement sectoral plan in DDP</td>
</tr>
<tr>
<td>- technical manpower support</td>
<td>- copy all correspondence with district office to LDO</td>
<td>- send comments on DDP to HMG/N</td>
<td>- provide necessary support for implementation of DDP</td>
<td>- provide necessary technical support for village plan formulation</td>
</tr>
<tr>
<td>- assist LDO for coordination and integration</td>
<td>- send guidelines and budget ceiling for sectoral programme to DP</td>
<td>- punitive actions for negligence in DDP implementation</td>
<td></td>
<td>- provide necessary technical support for DDP formulation and implementation</td>
</tr>
<tr>
<td>- arrange training and seminars</td>
<td>- provide necessary manpower to district office and service centres</td>
<td>- ensure supply of construction materials for project implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- assist in resource identification and mobilization</td>
<td>- arrange training programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- supply research inputs to DP on physical and human resources</td>
<td>- incorporate sectoral programme of DDP in annual plan and budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- coordinate DDP with regional and national development</td>
<td>- monitor implementation of DDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- provide technical support to planning cell of DP</td>
<td>- ensure accountability of project expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- approve only those projects which are included in DDP, unless</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- local Panchayats could not formulate projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- projects in DDP were insufficient for district development</td>
<td></td>
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</tr>
</tbody>
</table>

Legend:

DDP = District Development Plan  
DP = District Panchayat  
HMG/N = His Majesty’s Government of Nepal  
LDO = Local Development Officer
Annex 1(b): **Power and responsibilities of District and Village Assemblies and Panchayats**

(Section 3 and 4 of the Decentralization Act 1982 and Rules 3,4,21,22 and 25 of Decentralization By-laws, 1984)

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>ASSEMBLY</th>
<th>PANCHAYAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>District level (District Assembly/ Panchayat)</td>
<td>- discuss &amp; approve DDP activities</td>
<td>(a) development of education and culture: adult education, school education, sports, library and cultural development</td>
</tr>
<tr>
<td></td>
<td>- review progress of DDP activities</td>
<td>(b) health and population: hospital, health post, family planning, population monitoring, registration (of marriage, death etc.)</td>
</tr>
<tr>
<td></td>
<td>- approve bills for local tax or fee collection or any other forms of local resource mobilization</td>
<td>(c) agriculture, irrigation and land reform: food production, inputs credit &amp; godown, livestock &amp; horticulture, soil survey, pasture development, irrigation and cooperative development</td>
</tr>
<tr>
<td></td>
<td>- discuss audit report of DP and local panchayats</td>
<td>(d) physical construction and communication: road, trail, bridge, culverts, guest house, auditorium and stadium maintenance, fixation of transport fairs</td>
</tr>
<tr>
<td></td>
<td>- evaluate administrative efficiency of DP and other sectoral offices, and recommend for action, if necessary</td>
<td>(e) drinking water and hydro electricity: village drinking water supply, and micro hydro projects</td>
</tr>
<tr>
<td></td>
<td>- amend any working rules of DP and forward to HMG/N for approval</td>
<td>(f) forest, erosion and environmental control: reforestation, panchayat forest and panchayat protected forest management, erosion control, waste disposal and land use mapping</td>
</tr>
<tr>
<td></td>
<td>- monitor development activities at district level</td>
<td>(g) industry, commerce and tourism: cottage industry, raw materials &amp; capital arrangements, tourist resort development</td>
</tr>
<tr>
<td></td>
<td>- formulate committees, from among the members, for any particular purpose</td>
<td>(h) women development: motivation, training etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(h) Panchayat development: Panchayat boundaries, monitoring VP and class organization's activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(i) administrative:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- design DDP and submit to District Assembly for approval</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- prepare audit report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- administrative control of all district level sectoral agencies including asking for explanation regarding preparation and implementation of DDP, recommend the parent office for punitive action if unsatisfied.</td>
</tr>
</tbody>
</table>
## Annex 1(b) contd.: Power and responsibilities of District and Village Assemblies and Panchayats

| Village level (Village Assembly/ Panchayat) | (a) education and cultural development: adult education, literacy, primary education, library, sports, scout and cultural activities  
(b) health and population: waste disposal, child immunization, health post, cleaning, population monitoring and registration of marriage, death etc.  
(c) agriculture, irrigation and land reform: food production, livestock & horticulture development, sapling distribution, recommend for agri. inputs & credit, cooperative & agri. market development, update livestock statistics, irrigation, update land record, veterinary services, storage for seeds, grain cooperative storage  
(d) Physical construction and communication: maintenance of village road, trail, bridge, culverts, park, gymnasiunm etc., registration of bicycle, rickshaw etc.  
(e) water supply and electricity: village water supply, water wells & ponds for animals, electric poles in village roads  
(f) forest, soil and environmental conservation: reforestation, Panchayat forest & Panchayat protected forest management, protection of river beds & eroding land  
(g) industry, commerce and tourism: cottage industry, consumer cooperatives, maintenance of tourist resorts & guest houses  
(h) fuel supply: bio-gas development, fuel requirement assessment  
(i) village welfare: protect destitute, patients & disables, help disaster victims  
(j) Panchayat development: prepare land use map, prepare village development plan & budget to submit Village Assembly, monitor activities of ward level & class organization and report progress to Village Assembly, mobilize, if necessary enforce, beneficiaries for free labor contribution in development projects, check illegal timber export, celebrate national days. |
|----------------------------------|---------------------------------------------------------------------------------|
| - discuss and approve village plan  
- discuss and approve bills relating to local tax collection or any other forms of local resource mobilization  
- discuss and approve bill authorizing VP to enforce beneficiaries to contribute their free labor for any particular project. It may also fix an equivalent amount for those who wish to contribute money instead.  
- discuss audit report of VP  
- review progress report of VP  
- amend working rules of VP and send to DP for approval  
- formulate committees for any particular purpose |
Annex 1(b) contd.: Power and responsibilities of District and Village Assemblies and Panchayats

| Ward level (Ward Committee) | - clean road, culvert, bridge & sewerage  
- waste disposal  
- population monitoring  
- keep record of public properties  
- develop ward level plan involving people  
- keep record of completed projects  
- control astray animals  
- electricity distribution  
- library facility  
- monitor user’s committee  
- maintain completed projects  
- reforest in fallow land  
- help VP to implement projects |

Note: DP = District Panchayat, VP = Village Panchayat, DDP = District Development Plan, HMG/N = His Majesty’s Government of Nepal
### Annex 1(c): Description of Plan Formulation Committees (PFC) at the district level (Section 10 of the Act and Rule 29 & 30 of the By-laws)

<table>
<thead>
<tr>
<th>NAME OF COMMITTEE</th>
<th>COMPOSITION</th>
<th>AREA OF INTEREST</th>
<th>SCREENING CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agriculture &amp; Irrigation Committee</td>
<td>DP members (E)</td>
<td>- livestock development &amp; extension</td>
<td>- technically feasible &amp; cost effective</td>
</tr>
<tr>
<td></td>
<td>CO Dist. Chairmen (E)</td>
<td>- veterinary services, disease control &amp; pasture development</td>
<td>- can be maintained &amp; operated after completion</td>
</tr>
<tr>
<td></td>
<td>ADB/N Chief</td>
<td>- agriculture inputs &amp; credit</td>
<td>- within the available resources</td>
</tr>
<tr>
<td></td>
<td>Land Reform Chief</td>
<td>- irrigation development</td>
<td>- having the following features</td>
</tr>
<tr>
<td></td>
<td>AIC Chief</td>
<td>- cooperative development</td>
<td>- directly beneficial to poorer groups</td>
</tr>
<tr>
<td></td>
<td>Livestock Chief</td>
<td></td>
<td>- basic needs oriented</td>
</tr>
<tr>
<td></td>
<td>Irrigation Engineer</td>
<td></td>
<td>- which may help to increase agriculture production</td>
</tr>
<tr>
<td></td>
<td>Cooperative Chief</td>
<td></td>
<td>- which can be managed &amp; operated by local resources &amp; skills</td>
</tr>
<tr>
<td></td>
<td>Agriculture Chief (MS)</td>
<td></td>
<td>- which may help to increase productivity &amp; employment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- which falls under national priority areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- which may help to protect environment</td>
</tr>
<tr>
<td>2. Physical Construction &amp; Maintenance Committee</td>
<td>DP members (E)</td>
<td>Construction &amp; maintenance of:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CO Dist. Chairmen (E)</td>
<td>- office building, staff quarters, dams, river control beds etc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>District Engineer (MS)</td>
<td>- drinking water supply projects</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- road, trials, culvert &amp; bridges</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- VP office building</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- guest houses</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- water mills</td>
<td></td>
</tr>
</tbody>
</table>
**Annex 1(c) contd.: Description of Plan Formulation Committees (PFC) at the district level**

| 3. Industry, Forest & Erosion Control Committee | DP members (E) | 2 | - rural & cottage industry development
| | CO Dist. Chairman (E) | 2 | - encourage private entrepreneurs in rural development
| | Chairman of Chambers of Commerce (E) | 1 | - development of skilled & semi-skilled labour force
| | Industry Chief | 1 | - reforestation & development of Panchayat and Panchayat protected forest
| | Forest Chief (MS) | 1 | - conservation of wild-life
| | Cottage Industry Chief | 1 | - conservation of fallow land
| | | | - soil & water conservation
| | | | - protection of mineral deposits
| | | | - environmental conservation
| | | | - development of bio-gas

| 4. Health & Population Committee | DP members (E) | 2 | - extension of health education
| | CO Dist Chairman (E) | 5 | - management of health post, health centre, Ayurvedic & Homeopathic centres, and district hospital
| | Family plan. Chief | 1 | - control & prevention of transmitted diseases
| | Public Health Chief (MS) | 1 | - family planning and mother & child care
| | | | - training & seminar of health workers
| | | | - population control
Annex 1(c) contd.: Description of Plan Formulation Committees (PFC) at the district level

<table>
<thead>
<tr>
<th>5. Education Committee</th>
<th>DP members (E)</th>
<th>2</th>
<th>development of primary, lower secondary &amp; secondary education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CO Dist. Chairman (E)</td>
<td>1</td>
<td>- development of technical &amp; vocational education and adult literacy</td>
</tr>
<tr>
<td></td>
<td>From Guardian</td>
<td>1</td>
<td>- protection of folk culture &amp; archaeology</td>
</tr>
<tr>
<td></td>
<td>Collège Principal</td>
<td>1</td>
<td>- development of women's education &amp; skills</td>
</tr>
<tr>
<td></td>
<td>Headmaster</td>
<td>1</td>
<td>- development of scouting, kindergarten, sports &amp; library</td>
</tr>
<tr>
<td></td>
<td>From Student</td>
<td>1</td>
<td>- social welfare</td>
</tr>
<tr>
<td></td>
<td>Education Officer (MS)</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Legend:
(E) = elected
DP = District Panchayat
CO = class organization
MS = Member Secretary
CDO = Chief District Officer
LDO = Local Development Officer
ADBN = Agriculture Development Bank of Nepal
AIC = Agriculture Inputs corporation

Note:
1) DP Chairman, DP Vice Chairman, CDO and LDO were ex-officio members of all the Committees
2) DP nominated members of the Committees
3) One person could be a member of more than one committees, as decided by DP
4) DP Member would chair the committee by rotation.
5) Any subject, not included in any committee, would be taken care by DP
### Annex 1(d): Composition and job description of other Committees

<table>
<thead>
<tr>
<th>Name</th>
<th>Level</th>
<th>Composition</th>
<th>Job Description</th>
</tr>
</thead>
</table>
| (1) Supervision Committee  
(Section 16 of Act & Rule 31 of By-laws) | district | Members of Rastriya Panchayat, DP Chairman, DP Vice Chairman, CDO, LDO & District Engineer | - supervise the implementation of project under DDP  
- use format of National Planning Commission to assess the performance  
- give necessary instruction to concerned bodies if problem arises during implementation  
- write to the concerned Ministry to solve problems; if so required  
- visit project site during implementation  
- recommend for necessary action if a project is lagging behind and if the implementing agency ignores reminders/instructions of the Committee  
- LDO will call meeting of the Committee at least 4 times a year  
- meeting will take place either in DP Secretariat or in project site  
- the Committee may call the project manager to participate in meeting  
- the Committee will also take the project manager during project site inspection. |
| (2) Completion Certifying Committee  
(Section 15 of Act & rule 36 of By-laws) | district | DP Member, DP nominated technician, LDO nominated staff (not related to the project) | - certify the completion of a project  
- the Committee may also do performance audit  
- to certify the completion of a project, the project manager/contractor/user’s committee should inform DP within 15 days of its completion  
- DP than requests the Committee to examine it  
- the Committee should examine & give its report to DP within three month of project completion  
- if the concerned parties do not agree with the report of the Committee, they can appeal to DP, in case of VP level projects, or to Supervision Committee, in case of DP level projects. |
### Annex 1(d) contd.:

**Composition and job description of other Committees**

| (3) User’s Committee  | village | If a project covers only one ward, VP forms the Committee of 7 beneficiaries under the chairmanship of ward chairman. If a project covers more than one ward, the number of members will be 9 & chairman will be one of ward chairman. If however, a project covers more than one VP, than the DP for the committee and members will be 11, under the chairmanship of one of the Pradhan Pancha. | - implement the project for which it is responsible  
- operate & maintain completed project  
- call meeting of beneficiaries and decide the fee of project services to be charged to the beneficiaries & as per their decision collect the fee regularly  
- call meeting of beneficiaries at least once a year, submit the income & expenditure report of the project  
- implement the suggestions of the beneficiaries in project operation |

**Note:**

1. The Supervision Committee would be chaired by a Member of Rastriya Panchayat (RP). In case more than one RP Member from a district, the chairperson would be rotated.
2. Legend of Annex 1(c) and 1(e) may be referred to for the acronyms used here.
**Annex 1(e): Job description of elected political officials at district and village level** (Section 4 of Decentralization Act & Rule 9,10,11,26,27 & 28 of By-laws)

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>CHAIRMAN</th>
<th>VICE-CHAIRMAN</th>
<th>MEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Level</td>
<td>- call District Assembly meeting</td>
<td>- collect data for medium term &amp; annual planning</td>
<td>- monitor performance of VPs of his/her <em>Ilaka</em></td>
</tr>
<tr>
<td></td>
<td>- conduct meeting, table bills, allow members for discussion etc.</td>
<td>- monitor VP in exercising judicial authority &amp; report to DP</td>
<td>- help to prepare village plan of his/her <em>Ilaka</em> and submit to DP</td>
</tr>
<tr>
<td></td>
<td>- decisive vote, in case of equal division</td>
<td>- evaluate physical facility of administrative staffs &amp; report to DP</td>
<td>- help to obtain construction materials through SC on time</td>
</tr>
<tr>
<td></td>
<td>- arrangement, supervision for drafting DDP and annual plan &amp; budget</td>
<td>- act as chairman in his/her absence</td>
<td>- help HMG/N to establish SC in his/her <em>Ilaka</em></td>
</tr>
<tr>
<td></td>
<td>- keep DP record updated</td>
<td>- monitor VP's performance</td>
<td>- coordinate activities between VPs and DP</td>
</tr>
<tr>
<td></td>
<td>- send reports, as desired by HMG/N</td>
<td>- participate programme to uplift Panchayat System</td>
<td>- report to DP about progress of development projects of his/her <em>Ilaka</em>, at least once a month</td>
</tr>
<tr>
<td></td>
<td>- implement decisions of DP &amp; Assembly</td>
<td>- implement HMG/N’s directives</td>
<td>- participate on activities to uplift Panchayat System</td>
</tr>
<tr>
<td></td>
<td>- supervision of work performance of administrative staffs</td>
<td></td>
<td>- implement HMG/N’s directives</td>
</tr>
<tr>
<td></td>
<td>- recommend, on matters as necessary, on behalf of DP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- financial authority</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- administrative responsibilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- delegate authority to vice-chairman, in case of absence</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- participate/organize programme to uplift the Panchayat System</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- depute officials to supervise project implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- visit project site to monitor progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- monitor VP’s performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- call progress reports from VPs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- other duties as assigned by HMG/N</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Ilaka* refers to the village or administrative unit within the district.
Annex 1(e) contd.: *Job description of elected political officials at district and village level*

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>PRADHAN PANCHE</th>
<th>UPA PRADHAN PANCHE</th>
<th>MEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village level</td>
<td>- call VP and Village Assembly meeting</td>
<td>- evaluate physical facilities of administrative staff and report to VP</td>
<td>- call Ward Committee meeting</td>
</tr>
<tr>
<td></td>
<td>- conduct meeting, table bills, allow members for discussion etc.</td>
<td>- act as <em>Pradhan Pancha</em> in absence</td>
<td>- table any bills/resolutions etc.</td>
</tr>
<tr>
<td></td>
<td>- arrangements &amp; supervision for drafting village plan, budget and other bills</td>
<td>- implement HMG/N's directives</td>
<td>- decisive vote in case of equal division</td>
</tr>
<tr>
<td></td>
<td>- keep VP record updated</td>
<td>- participate in Panchayat activities</td>
<td>- act as member-secretary of Ward Committee</td>
</tr>
<tr>
<td></td>
<td>- send reports as assigned by DP and HMG/N</td>
<td></td>
<td>- up-date ward level records</td>
</tr>
<tr>
<td></td>
<td>- implement decisions of VP and Assembly</td>
<td></td>
<td>- open account of Ward Committee, with approval of VP</td>
</tr>
<tr>
<td></td>
<td>- monitor work of VP’s administrative staff</td>
<td></td>
<td>- report progress of ward activities to VP</td>
</tr>
<tr>
<td></td>
<td>- make recommendation, as necessary, on behalf of VP</td>
<td></td>
<td>- implement decisions of Ward Committee</td>
</tr>
<tr>
<td></td>
<td>- financial authority</td>
<td></td>
<td>- send report as requested by VP</td>
</tr>
<tr>
<td></td>
<td>- depute village officials to monitor projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- take approval of VP to travel outside of VP area and to authorize MVW more</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>than three days</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- delegate power to <em>Upa Pradhan Pancha</em> in absence</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- participate in Panchayat activities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: In case of trial in the Court for those actions pertaining to the office responsibilities, all political officials are privileged not to present themselves in the Court, if so desired. They may explain the Court, about the actions, in writing.

Legend:

- **VP** = Village Panchayat
- **MVW** = Multi-purpose Village Worker (Village Secretary)
- **DP** = District Panchayat
- **HMG/N** = His Majesty's Government Nepal
- **SC** = Service Centre
Annex 1(f): Job description of some important administrative officials

<table>
<thead>
<tr>
<th>LOCAL DEVELOPMENT OFFICER (LDO) (RULE 37 OF DECENTRALIZATION BY-LAWS)</th>
<th>SERVICE CENTRE (SC) (SECTION 17 OF DECENTRALIZATION ACT)</th>
<th>MULTI-PURPOSE VILLAGE WORKER (VILLAGE SECRETARY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) development:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- participate in all Plan Formulation Committee (PFC) meetings</td>
<td>- provide necessary technical support to VPs for</td>
<td>- implement village plan</td>
</tr>
<tr>
<td>- call meetings of Joint PFC</td>
<td>preparation, implementation, &amp; evaluation of development</td>
<td>- certify completed projects and</td>
</tr>
<tr>
<td>- monitor project implementation &amp; resolve problems as required</td>
<td>projects</td>
<td>arrange to pay dues</td>
</tr>
<tr>
<td>- call meeting of Supervision Committee &amp; implement decisions</td>
<td>- help User’s Committee to organize &amp; function</td>
<td>- update list of completed projects</td>
</tr>
<tr>
<td>- certify completed projects &amp; pay all dues</td>
<td>- provide technical support to VPs for operation of</td>
<td>- keep income &amp; expenditure record of VP</td>
</tr>
<tr>
<td>- arrange construction materials</td>
<td>completed projects</td>
<td>updated</td>
</tr>
<tr>
<td>- implement DDP after its approval from District Assembly</td>
<td>- help VPs to get financial &amp; other resources</td>
<td>- financial authority as delegated by</td>
</tr>
<tr>
<td>- keep record of the user’s committees &amp; monitor their activities</td>
<td>- periodic review of village level development activities</td>
<td>LDO</td>
</tr>
<tr>
<td>- update DP’s project list</td>
<td>- help VPs to communicate their grievances</td>
<td>- help to clear financial discrepancies</td>
</tr>
<tr>
<td>(b) administrative</td>
<td></td>
<td>in project expenditure &amp; inform</td>
</tr>
<tr>
<td>- implement DP &amp; Assembly’s decision</td>
<td></td>
<td>CDO in case of financial mismanage-</td>
</tr>
<tr>
<td>- keep record updated of</td>
<td></td>
<td>ment</td>
</tr>
<tr>
<td>- DP properties</td>
<td></td>
<td>- implement decisions of VP &amp;</td>
</tr>
<tr>
<td>- VP properties</td>
<td></td>
<td>Village Assembly</td>
</tr>
<tr>
<td>- DP &amp; VP files</td>
<td></td>
<td>- keep records systematic &amp; updated</td>
</tr>
<tr>
<td>- keep DP &amp; other office buildings &amp; compound clean</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- send minute of meetings to all officials concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- delegate necessary authority to lower level officials with close</td>
<td></td>
<td></td>
</tr>
<tr>
<td>supervision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- inform the Ministry, if bi-election of some political posts is</td>
<td></td>
<td></td>
</tr>
<tr>
<td>necessary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- implement authorities and directives of HMG/N</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) financial authority (Section 4.10)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Legend as given in Annex 1(e)
### Annex 1(g): Data required for District/Village Profile

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>DATA REQUIRED</th>
<th>UNIT OF MEASUREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Land use</td>
<td>agricultural, forest, pastures, fallow, residential land</td>
<td>area covered</td>
</tr>
<tr>
<td>2. Agricultural land</td>
<td>total cultivated, irrigated, non-irrigated land</td>
<td>area covered</td>
</tr>
<tr>
<td>3. Land ownership</td>
<td>landless, ownership under various categories</td>
<td>- number of families</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- number of landowners</td>
</tr>
<tr>
<td>4. Food availability</td>
<td>food available for whole year, less than 10, 8 and 6 months</td>
<td>% of families in each category</td>
</tr>
<tr>
<td>5. Use of improved technology in agriculture</td>
<td>use of improved seed in food, fruit and horticulture production</td>
<td>- covered area</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- number of household</td>
</tr>
<tr>
<td>6. Agricultural credit</td>
<td>type and source of credit</td>
<td>- number of farmers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- average credit size</td>
</tr>
<tr>
<td>7. Livestock</td>
<td>local and improved variety of livestock</td>
<td>- type/number</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- average per household</td>
</tr>
<tr>
<td>8. Livestock productivity</td>
<td>production per animal and in various categories of household</td>
<td>quantity per annum</td>
</tr>
<tr>
<td>9. Veterinary services</td>
<td>vaccinated animals and types of diseases</td>
<td>numbers</td>
</tr>
<tr>
<td>10. Use of animals</td>
<td>for sale, consumption, sacrifice etc.</td>
<td>numbers</td>
</tr>
<tr>
<td>11. Livestock feed and pastures</td>
<td>livestock feed from farm, forest, pastures etc.</td>
<td>percentage</td>
</tr>
<tr>
<td>12. Market and godown facility</td>
<td>nearest market, export/import and godown facility</td>
<td>size and capacity</td>
</tr>
<tr>
<td>13. Cooperatives</td>
<td>agriculture, marketing and consumer cooperatives</td>
<td>number of members and present status</td>
</tr>
<tr>
<td>14. Forest</td>
<td>nursery, forest, spices</td>
<td>name, covered area</td>
</tr>
<tr>
<td>15. Water resources</td>
<td>river, source, present use</td>
<td>name</td>
</tr>
<tr>
<td>16. Irrigation</td>
<td>source, coverage, length of canal</td>
<td>project</td>
</tr>
<tr>
<td>17. Drinking water</td>
<td>source, length, number of taps</td>
<td>project</td>
</tr>
<tr>
<td>18. Literacy</td>
<td>literate and illiterate</td>
<td>number</td>
</tr>
</tbody>
</table>
Annex 1(g) contd.:  \textit{Data required for District/Village Profile}

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>19. School</td>
<td>number of teachers, number of student, dropouts</td>
<td>class wise and school wise</td>
<td></td>
</tr>
<tr>
<td>20. Health</td>
<td>Doctors, nurses, coverage</td>
<td>number</td>
<td></td>
</tr>
<tr>
<td>21. Cottage industry</td>
<td>capacity, production status, raw materials</td>
<td>number, items, prices etc.</td>
<td></td>
</tr>
<tr>
<td>22. Minerals</td>
<td>location, present use, stock</td>
<td>name</td>
<td></td>
</tr>
<tr>
<td>23. Population</td>
<td>male, female and total number</td>
<td>village wise, ward wise, age wise, ethnic group wise</td>
<td></td>
</tr>
<tr>
<td>24. Population control</td>
<td>user of permanent and temporary method</td>
<td>number</td>
<td></td>
</tr>
<tr>
<td>25. Migration</td>
<td>duration and season</td>
<td>number of population</td>
<td></td>
</tr>
<tr>
<td>26. Class activities</td>
<td>organizations and activities</td>
<td>name, type of activities etc.</td>
<td></td>
</tr>
<tr>
<td>27. Communication</td>
<td>postal services, radio, others</td>
<td>number</td>
<td></td>
</tr>
<tr>
<td>28. Labour</td>
<td>type of labours</td>
<td>skill wise in number</td>
<td></td>
</tr>
<tr>
<td>29. Others</td>
<td>village property, village roads etc.</td>
<td>number, type, status etc.</td>
<td></td>
</tr>
</tbody>
</table>
Annex 2(a):  

**Background of District and Village Level Political Leaders**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>IVANG DP</th>
<th>MAJUWA VP</th>
<th>NAUDANDA VP</th>
<th>PYAULI VP</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land holding</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small</td>
<td>-</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Medium</td>
<td>9</td>
<td>24</td>
<td>21</td>
<td>26</td>
<td>80</td>
</tr>
<tr>
<td>Large</td>
<td>22</td>
<td></td>
<td></td>
<td></td>
<td>22</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Middle</td>
<td>8</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>Low</td>
<td>15</td>
<td>20</td>
<td>23</td>
<td>25(^1)</td>
<td>83</td>
</tr>
<tr>
<td><strong>Caste</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>19</td>
<td>19</td>
<td>7</td>
<td>15</td>
<td>60</td>
</tr>
<tr>
<td>Ethnic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>47</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Occupation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non farm</td>
<td>4</td>
<td>1</td>
<td></td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Farm</td>
<td>27</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>99</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

1. 3 illiterates included

**Legend:**

(a) Education  
High = B.A. and above  
Middle = S.L.C. to B.A.  
Low = below S.L.C.

(b) Land holding is classified in terms of small, medium and large land owners as expressed by the informants.

(c) Caste  
High = Bahun, Chhetri and Newar  
Low = Occupational Castes  
Ethnic = Other than above

(d) Occupation  
Non farm = Commerce, Industry, service etc.  
Farm = Agriculture (occupational included)  
Others = Professionals, pensioners etc.

**Note:** The data covers 1982 and 1987 election of local panchayets. Only one count is made in case of repetition of the same person is the subsequent election.
## Annex 2(b): Composition of staffs of District Panchayet Secretariat 1986-90

<table>
<thead>
<tr>
<th>NAME OF THE POST</th>
<th>T/NT</th>
<th>GENERAL BUDGET</th>
<th>GRANT-IN-AID</th>
<th>ADMINISTRATIVE GRANT</th>
<th>DISTRICT DEVELOPMENT FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>86  87  88  89 90</td>
<td>86  87  88  89 90</td>
<td>86  87  88  89 90</td>
<td>86  87  88  89 90</td>
</tr>
<tr>
<td>(1) LDO</td>
<td>NT</td>
<td>1    1    1    1 1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(2) Planning Officer</td>
<td>NT</td>
<td>1    1    1    1 1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(3) Head Clerk</td>
<td>NT</td>
<td>1    1    1    1 1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(4) Accountant</td>
<td>NT</td>
<td>1    1    1    1 1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(5) Village Secretary</td>
<td>NT</td>
<td>47   47   47   47 47</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(6) Clerk</td>
<td>NT</td>
<td>-    -    -    - -</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(7) Junior Clerk</td>
<td>NT</td>
<td>-    -    -    - -</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(8) Peon</td>
<td>NT</td>
<td>-    -    -    - -</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(9) Sub Overseers</td>
<td>T</td>
<td>-    -    -    - -</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>(10) W/S Technician</td>
<td>T</td>
<td>-    -    -    - -</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>(11) Mechanic</td>
<td>T</td>
<td>-    -    -    - -</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>(12) Editor</td>
<td>NT</td>
<td>-    -    -    - -</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>51   51   51   51 51</td>
<td>14</td>
<td>14</td>
<td>13</td>
</tr>
</tbody>
</table>

**Legend:** T = Technical / NT = Non Technical / LDO = Local Development Officer / W/S = Water Supply Technicians

**Source:** File records, DDC, Ivang
Annex 2(c): Rank of Office Chiefs deployed in Various Components under DDP during 1986-90

<table>
<thead>
<tr>
<th>Office</th>
<th>Name of the Post</th>
<th>Rank of the Deployed Officers During</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. District Panchayat</td>
<td>LDO</td>
<td>II</td>
</tr>
<tr>
<td>2. Public Works Office</td>
<td>Engineer</td>
<td>III</td>
</tr>
<tr>
<td>3. Education Office</td>
<td>DEO</td>
<td>II</td>
</tr>
<tr>
<td>4. Public Health Office</td>
<td>Officer</td>
<td>II</td>
</tr>
<tr>
<td>5. Forest Office</td>
<td>DFO</td>
<td>II</td>
</tr>
<tr>
<td>6. Water Supply Office</td>
<td>DE</td>
<td>II</td>
</tr>
<tr>
<td>7. Cooperative Development</td>
<td>Officer</td>
<td>III</td>
</tr>
<tr>
<td>8. Irrigation Office</td>
<td>DE</td>
<td>-</td>
</tr>
<tr>
<td>9. Cottage Industry</td>
<td>Officer</td>
<td>III</td>
</tr>
<tr>
<td>10. Women Development</td>
<td>Officer</td>
<td>III</td>
</tr>
<tr>
<td>11. Road Development</td>
<td>DE</td>
<td>II</td>
</tr>
<tr>
<td>12. ADB/N</td>
<td>Manager</td>
<td>II</td>
</tr>
<tr>
<td>13. Town Panchayat</td>
<td>Chief Officer</td>
<td>III</td>
</tr>
<tr>
<td>14. Veterinary Office</td>
<td>Vet. Doctor</td>
<td>II</td>
</tr>
</tbody>
</table>

Note: The ranks of the Gazetted Officers in public service of Nepal are divided into five classes starting from Class III Section Officer, Class II (a) Asst. Secretary, Class II (b) Under Secretary, Class I Joint Secretary and Additional Secretary and special classes for Secretary and Chief Secretary. The promotion up to the Joint Secretary Level is done separately under different job discipline. But at the Additional Secretary, Secretary, and Chief Secretary Level the disciplinary line normally cuts across the discipline.
Annex 3: Questionnaire of the Opinion Survey

The Context

As You are aware that after the introduction of the Panchayat system in 1960, the administrative and political structure of the country was reorganized and attempts were made to develop local organizations to undertake local level development activities. Since then different measures such as the Local Administration Act (1971), the District Administration Plan (1974), the Integrated Panchayat Development Design (1978) and the Decentralization Act (1982) were initiated.

To summarise the planning process developed during the Panchayat period (1960-1990), a unified district development planning approach had been gradually developed, which was legislated by the Decentralization Act (1982). The Act stipulated that all sectoral activities were to be initiated at the village level, with the technical support from the Service Centres located at sub-district levels. Different committees at the district level consisting of District Panchayat members and subject matter specialist of the line Ministries, examined the technical aspects of a proposals and placed, first before the District Panchayat, and then the District Assembly for approval. They were then submitted to the national ministries for inclusion in the following year's programme and budget.

As you also know the fact that in spite of the several measures mentioned above, the implementation of those development policies during the Panchayat period remained poor. People have different views on the problems of policy implementation during that period. Some of them blame the Panchayat System itself, while others feel that the lack of competence in the contemporary public administration was the main problem.

In 1990, when the Panchayat System itself was overthrown by a popular uprising it was alleged that the System benefitted only a certain group of people. The bottlenecks and constraints in the Nepalese administrative system were also reported as important causes of the country's weak development performance. In spite of the facts outlined above, planners can not but give due consideration on how best the institutional and physical infrastructure, developed over the past three decades could be utilized. There is however, a lack of clear thinking on how the district level could be strengthened to make it the focal point of the local level planned development.

The present study, which is expected to lead to the conferment of a Ph.D. degree from the Wageningen Agricultural University, The Netherlands, has tried to focus on the local level planned development strategy
Annex 3 contd.: Queluestionnaire of the Opinion Survey

stipulated under the Decentralization Act 1982 and the Decentralization By-Laws 1984. Efforts will be made to analyze how the local level planned development mechanism, should have been developed to achieve the desired result. It is hoped that the findings of this study would help the planners to pinpoint the weakness of the past system and offer guidelines to correct them to the extent possible in future.

In this context, I would like to request you to give your opinion on the following questions. Your explicit and frank opinion will greatly help me to understand the spirit/assumption of the policy makers on various aspects of the decentralization policy, in the contemporary political set-up. You are free to answer the questions either in English or in Nepali, as you feel convenient. You are also requested to mention whether you want to be quoted in the analysis or want to remain anonymous. The idea of this short background is to make you aware of the context of the following questions, so that I can get your full cooperation.

1. Name

2. Presently working as:

3. Do you want to be quoted in the text?

   Yes  No


4. "During the Panchayat system the development resources were largely used to perpetuate the power base at the local level". How would you comment on this?

5. Do you believe that the district level institutional mechanism, which was stipulated under the Decentralization Act, could have actually generated self-sustained development impulses at the local level, had it been allowed to function for some period? If so, how? If not so, why? Please elaborate.
Annex 3 contd.: Questionnaire of the Opinion Survey

6. Do you think that the district and village panchayats were technically capable to use the power and responsibilities devolved to them? Did they really understand what they were suppose to do?

7. It has been alleged that the Decentralization Act and By-laws were not properly implemented. For example, institutions like Service Centre were not opened and functional; district and village profiles were not made; the planning stages stipulated by the Act were not followed etc. What do you think the main reasons?

8. Were the policy making bodies of that period aware that the local level projects were not properly maintained and operated by the beneficiaries? Were any remedial measures taken?

9. Why did the executing agencies believe that by relating to the local leadership such as village and District Panchayat leaders, they were at the same time relating to the people of that community? For example the chairman of the 'users' committee' used to be the local political leader, even when he was not the beneficiary of the project, who, on behalf of the users' group, used to negotiate with district panchayat, for project implementation.

10. Did the local level leaders actually represented the interests of the people they were supposed to represent in the local level planned development process?

11. Apart from the political consideration, what was the idea behind the continued flow of grant-in-aid to the local political bodies, when there was no more matching local resources available?

12. Were the contemporary policy making bodies aware that there was a large mismanagement of development resources at the local level? If so/not so, what were the reasons?

13. Was there any policy level discussion/evaluation or any sorts of awareness at the policy making level that the people's participation in local level projects (mostly calculated in terms of voluntary labour) is only on paper? In reality the people's contribution was not available.
Annex 3 contd.: Questionnaire of the Opinion Survey

Even when the so called 'people's participation' was available, it was mostly the free labour of the poorer section of the community, who were forced by the village/district level leaders. Do you think it was true? Please elaborate your comment.

14. What was the method of two-way communication between the centre and the local level? For example, what was the method the central government used to communicate the spirit/assumptions and contents of new development strategies to the local level planning bodies? How the centre understood the difficulties/contradictions of decentralization policy at the local level?

15. It is argued that the local level planning bodies such as district and village Panchayat were unable to communicate the spirit behind the local development programme to the local community, because they were not clear themselves, what the decentralization plan is all about. What is your comment?

16. Do you think that the implementation of most of the development programmes, during the Panchayat period was poor? If so/not so why?

17. Do you think that in spite of several incentives and reforms the management capacity of the government bureaucracy especially in rural development sector, remained poor? If so/not so why?

18. Do you think the political aspect of the local level planning were often seen as the main reason behind the failure of the local development programme, whereas the important authorities, technical and professional expertise were controlled by the bureaucracy?

19. What is your suggestion to make the local level bureaucracy more capable, responsible, and committed for the implementation of DDP?

20. What is your idea for the future strategy of local level planning? Which aspects of the past strategy should be/should not be repeated in future? Why?
Annex 3 contd.:  Questionnaire of the Opinion Survey

21. Do you think that the decentralization policies of the democratically elected government under the multi-party system will drastically depart from the old policy under the Panchayat system? How do you view the party politics in local level planned development process?

22. If there is a drastic departure from the past, how would you assess the cost in terms of the loss in efforts/investments already made?

23. Would you like to elaborate your suggestions (apart from the suggestions made in Question No. 20 and 21 above) for the future governments for the development of local level planning process in a more effective and meaningful manner?
Annex 4: Definition of the year examined

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Nepali Calendar</th>
<th>English Calendar</th>
<th>Assumed Year for the Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>2042/43</td>
<td>1985/86</td>
<td>1986</td>
<td></td>
</tr>
<tr>
<td>2043/44</td>
<td>1986/87</td>
<td>1987</td>
<td></td>
</tr>
<tr>
<td>2044/45</td>
<td>1987/88</td>
<td>1988</td>
<td></td>
</tr>
<tr>
<td>2045/46</td>
<td>1988/89</td>
<td>1989</td>
<td></td>
</tr>
<tr>
<td>2046/47</td>
<td>1989/90</td>
<td>1990</td>
<td></td>
</tr>
</tbody>
</table>

Conversion of months of Nepali calendar into English calendar (Nepali financial year starts from first of Srawan while the Nepali new year starts from first of Baisakh)

<table>
<thead>
<tr>
<th>Nepali Month</th>
<th>Equivalent English Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Srawan</td>
<td>Mid July to Mid August</td>
</tr>
<tr>
<td>Bhadra</td>
<td>Mid August to Mid September</td>
</tr>
<tr>
<td>Ashwin</td>
<td>Mid September to Mid October</td>
</tr>
<tr>
<td>Kartik</td>
<td>Mid October to Mid November</td>
</tr>
<tr>
<td>Manshir</td>
<td>Mid November to Mid December</td>
</tr>
<tr>
<td>Paush</td>
<td>Mid December to Mid January</td>
</tr>
<tr>
<td>Magh</td>
<td>Mid January to Mid February</td>
</tr>
<tr>
<td>Falgun</td>
<td>Mid February to Mid March</td>
</tr>
<tr>
<td>Chaitra</td>
<td>Mid March to Mid April</td>
</tr>
<tr>
<td>Baisakah</td>
<td>Mid April to Mid May</td>
</tr>
<tr>
<td>Jestha</td>
<td>Mid May to Mid June</td>
</tr>
<tr>
<td>Ashadh</td>
<td>Mid June to Mid July</td>
</tr>
</tbody>
</table>
Curriculum Vitae

Durga Prasad Paudyal was born on 16 August 1955 in Ilam, Nepal. He got a Diploma in Economics from Tribhuvan University, Nepal in 1976. He worked in the Institute of Humanities and Social Science of the Tribhuvan University (1976-78) before he joined the public service of His Majesty's Government of Nepal (HMG/N) in 1978. He served as a Section Officer of the Ministry of Home and Panchayat (1978-79) and the Planning Officer of the Koshi Hill Area Rural Development Programme (KHarDEP) (1979-85). In the meantime (1981-82) he obtained his M.Sc. in Social Planning from the University College of Swansea, UK.

In 1985 he worked with the CARE/Nepal as the Socio Economic Consultant, where he conducted a socio-economic baseline survey of Begnas/Rupa Tal watershed area. Since 1986 he is working with the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) as an Assistant Programme Officer (Research), where he is involved in formulating research proposals on different aspects of rural development, conducting them through CIRDAP Link Institutions in the member countries and disseminate the research results through consultations, seminars and workshops. He has published a number of research articles in national and international journals.