

Dailekh Mapping Study: Governance and Coherence in one District

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Acronyms

ACDO	Assistant Chief Development Officer
APF	Armed Police Force
APM	All Party Mechanism
AWPB	Annual Work Plan and Budget
CAC	Citizen Awareness Centre
CBO	Community Based Organisation
CDO	Chief District Officer
CD	Community Development Approach
CDP	Community Development Programme (DFID funded project under LGCDP2)
CDP	Community Development Programme (Dailekh NGO)
CFUG	Community Forestry User Group
CIAA	Commission for the Investigation of Abuse of Authority
CS	Civil Society
DADO	District Agriculture Development Office
DAG	Disadvantaged Group
DDC	District Development Committee
DDRC	District Disaster Reduction Committee
DDRMP	Disaster Risk Reduction Management Plan
DEC	District Education Committee
DEO	District Education Office
DEOC	District Emergencies Operation Centre
DEP	District Education Plan
DFIDN	Department for International Development Nepal
DFO	District Forest Office
DHO	District Health Office
DLGSP	District Local Governance Support Project
DLSO	District Livelihood Support Office
DMS	Dailekh Mapping Study
DOE	Department of Education
DP	Development partner
DPMAS	District Poverty Monitoring and Analysis System
DSS	Dalit Swabalambi Samaj (Dailekh)
DTO	District Technical Office
FHVW	Female Health Volunteer Worker
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
GBJSK	Grameen Bikas and Janasewa Kendra (Dailekh)
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit
GON	Government of Nepal
HMC	Health Management Committee
IGA	Income-generating Activities
IPFC	Integrated Plan Formulation Committee
LAPA	Local Adaptation Programmes of Action
LBs	Local bodies
LDF	Local Development Fund
LDO	Local Development Officer
LG	Local Governance Approach
LGCDP2	Local Governance and Community Development Programme 2
LIP	Livelihood Improvement Programme
LPGA	Local Self Governance Act, 1999
MCPMG	Minimum Conditions Performance Management Grants
MoCPA	Ministry of Cooperatives and Poverty Alleviation
MoE	Ministry of Education

MoF	Ministry of Finance
MoFALD	Ministry of Federal Affairs and Local Development
MoGA	Ministry of General Administration
MoHA	Ministry of Home Affairs
MoHP	Ministry of Health and Population
MoLIPA	Ministry of Law, Justice and Parliamentary Affairs
MoUD	Ministry of Urban Development
MoWCSW	Ministry of Women, Children and Social Welfare
MSFP	Multi-Stakeholder Forestry Programme
MTR	Mid-term Review
NCCSP	Nepal Climate Change Support Project
NGO	Non-governmental Organisation
NPC	National Planning Commission
NRCS	Nepal Red Cross Society
PAF	Poverty Alleviation Fund
PASRA	Poverty Alleviation of Selected Rural Areas of Nepal
PSC	Public Service Commission
PTA	Parent Teacher Association
RAP3	Rural Access Project 3
RCIW	Rural Community Infrastructure Works
RED	Regional Education Directorate
SAEWCC	Sustainable Agriculture, Environment & Water Resource Conservation Centre
SALG	Strengthening the Accountability of Local Governments
SDC	Swiss Development Cooperation
SIP	Strategic Implementation Plan
SMC	School Management Committee
SOSEC	Social Service Centre, Dailekh
UKG	United Kingdom Government
VDC	Village Development Committee
VDPP	Village Development Periodic Plan
VEC	Village Education Committee
WBRS	Web Based Reporting System
WCF	Ward Citizen Forum
WCO	Women Child Office
WFP	World Food Programme
WUPAP	Western Uplands Poverty Alleviation Programme

Executive summary

Study background

This study focuses on a number of concerns about the perceived lack of coherence, fragmentation and duplication in the governance and delivery of services in Nepal, recognised by both the Ministry of Federal Affairs and Local Development (MoFALD) and the UK's Department for International Development in Nepal (DFIDN). To understand the implications of this, MoFALD and DFIDN identified the need for a mapping of planning, funding and decision-making processes in one district – Dailekh.

The focus of this study is on the “institutional aspects of coherence and core governance arrangements - who decides and how are decisions made on the allocation of resources and choice of beneficiaries”. The study recommends ways to ensure programmes ‘do no harm’ (i.e. ensure programmes and modalities do not undermine local voice or reinforce exclusion) and proposes practical ways to strengthen political inclusion.

Study framework

The study has focused on the nature of state-society relations. The current approach of GON and its development partners, including DFIDN, with its focus on “user-ship” and service delivery rather than “citizenship” and collective empowerment almost completely defines the nature of the relationship between the citizen and society. This is not to argue that service delivery is not important but to emphasise that the ideas behind “user-ship” and “citizenship” characterise very different forms of state-society relationship and give rise to different understandings of poverty. This approach creates relationships based on people as “users” of services delivered by a “benevolent state”, an outcome of which is to reinforce cleavages in society and promote corruption. This is based on two observations.

- a) The current constitutional impasse over the nature of the structure of the country and the politicisation of all sections of society, including communities, civil society organisations and the administration, has resulted in an institutional and political vacuum where public decisions are taken in (nominally) multi-stakeholder forums located in technical sectors or programme structures. As a result, there is no meaningful coherence to public decision-making and citizens are not (and cannot be) involved in making legal, legitimate and transparent collective choices; and
- b) The focus of most development interventions is on the users of services - organised into user groups and selected through a process of targeting of specific classes and categories of society. There was an expansion of focus on user groups during the armed conflict when users groups were often the dominant social organisation. These community structures were identified as one of the means of promoting community development and amenable to participatory approaches and social accountability mechanisms. These modalities have been supported and incentivised by development partners.

The concept of a “user” can be contrasted with that of a “citizen”. Users are essentially individual in nature and come together in a group around a common ‘personal’ interest in a particular service or project. This contrasts with citizen-based institutions and mechanisms in which different types of often contested interest groups are required to reach joint decisions for the common good, over matters of collective choice, through a process of deliberation, negotiation, either directly or through representatives. The nature of citizenship brings the

sense of being part of a collective, with a collective, but impersonal, interest in the wellbeing of a particular territory or society.

The idea of user-ship and citizenship are often associated with different understandings of poverty. User-ship is based on the idea that individuals (or groups of individuals) lack services and resources while citizenship focuses on the lack of collective empowerment and functioning institutions that would enable citizens to make and enforce collective decisions, in an equitable and fair manner.

This mapping study assesses the functioning of the “user-ship” relationship between society and state and questions the effectiveness of the current modalities in delivering services to targeted users. The nature of this relationship is particularly important in post-conflict societies especially where, as in Nepal, the political settlement is fragile and the establishment of a social contract (constitutional agreement) is log-jammed and unlikely to be resolved without a major (external) crisis or shock. Although most commentators assess the likelihood of a return to violence as low, the danger of the present situation is that the potential for conflict remains, with the danger that sporadic ad-hoc violence escalates into more serious conflict. Further, the continuation of the present situation allows bad practices to become entrenched throughout society as politicians and others, eschew the public good and seek ways to capture benefits for themselves and their interests.

The DMS reviewed all the interventions currently taking place in one district of Nepal and tracked these down to one VDC, holding detailed interviews with key informants from DDC, VDC, line agencies, projects, NGOs, community groups and households. Two sorts of intervention modalities were observed; the first type of intervention related to service delivery, the second to social protection entitlements. Both modalities involved the District Development Committee (DDC) and Village Development Committee (VDC).

Service delivery findings

The main findings of DMS with regard to service delivery in Dailekh are:

- The current delivery modality is characterised by fragmented delivery of services. Services are delivered through a series of parallel silos which flow from the national level through or under the auspices of local government, generally supported by social mobilisers and implemented by user groups.
- A key feature of this approach is the use of social mobilisers as the means to form user committees to articulate demand and user groups to implement projects. Each programme or project has its own delivery ‘pipe’, with separate social mobilisers.
- Targeting is a major issue for each delivery pipe, with its own targeting approach, databases and criteria. Concerns have been raised about the effectiveness of the process in terms of targeting the poorest and most excluded. Considerable effort has gone into improving the targeting process.
- The coordination of the plans of the different government line agencies and NGO programmes is the responsibility of the DDC and VDC. In the absence of elected representatives and political forums, coordination is attempted through the Integrated Plan Formulation Committee. In practice, this is an impossible task and, as a result, project managers and government officials can make their decisions in sector or

project structures, while claiming legitimacy from being approved by the councils of the DDC/VDCs.

- Each sector and programme has its own coordination processes. As a result, local politicians engage directly in these processes and with the staff in line agencies and projects in order to capture benefits for their interest groups and themselves
- Finally, the net impact of many of the programmes flowing through or out of the DDC/VDCs to user groups is relatively small, mostly in the form of Income Generating Activities (IGAs) and cash for work programmes. Nonetheless, the main source of funding for development activities is delivered through a vertical alignment between the policy goals and priorities set by national ministries and supported by external agencies down to user groups.

The rationale underlying the use of this modality lies in practices that emerged during the armed-conflict period when user groups were the main or only form of social (community or state) organisation to continue to function. Effectively, the modality has continued into the post-conflict period, where the focus has been to improve its effectiveness, rather than challenge its appropriateness in different circumstances.

Social protection and entitlements findings

The second modality observed in Dailekh relates to the social protection programme which is based on nationally-determined 'entitlements'. These are targeted to individuals – older people, disabled, single mothers and children (of particular castes) – who are entitled to trimester cash payments on the basis of their age, status, caste or disablement.

Unlike the service delivery approach which tends to fragment groups of people, the social protection system appears to promote a sense of national belonging in recipients. Social protection is associated with a right, available to all citizens meeting the criteria i.e. without the need for a beneficiary to beg for the service or seek patronage. Further, since social protection benefits are not discretionary or personalised, village secretaries consider the funds to belong to the individual and, therefore, appear to be particularly diligent in ensuring the funds reach the owner). As a result, there is little scope for political interference or a requirement for social mobilisers to obtain these benefits on behalf of others. Nonetheless, these welfare payments are essentially individual and targeted and, therefore, do not engender a sense of belonging to a greater 'collectivity'.

In summary, the current service delivery modality, including the social protection system, can be characterised as a system comprising many vertical pipes or silos with many valves and taps, delivering a sprinkle of small benefits to relatively few people. Benefits are limited to specific individuals (or groups of individuals) as users of services. The social protection delivery modality is also focused on individuals, but based on individual entitlements with clear criteria and no discretion and, as a result, does not contribute to social fragmentation in the same way.

Local government system findings

The DMS report highlights the positive attributes of many of the systems and processes introduced by MoFALD and supported under the second phase of the Local Governance and Community Development Programme (LGCDP2). These include:

- The Minimum Conditions Performance Management Grant system (MCPMG) through which Local Bodies (LB) are funded. The MCPMG system rewards LBs that follow good

practice in terms of process and promotes discretion and, in theory, enables collective choices regarding the allocation of those funds to particular services or functions. There are also problems associated with audit arrangements which need to be resolved. These include problems of effective self-audit of VDCs by DDCs, and the private sector auditing of IGAs, and user committees which is not well regulated or supervised.

- The one-window, consolidated treasury system has many potential benefits, although in practice, control remains highly centralised, as approval is not automatically provided to budget holders at the time the budget is approved.
- The movement to decentralised planning and budgeting for some ministries provides a means for LBs to prioritise activities in their areas, within national guidelines. In practice, this is not happening as yet, because the decentralised sectors retain previous centralised planning systems and structures and so avoid (local) control. For sectors that remain centralised, the mechanisms for LBs to influence decision-making are broadly in place but subject to political interference.
- The movement towards consolidating VDCs into larger 'rural municipalities' which will enable them to develop greater capacity with greater resources and therefore enable them to engage better with sectors and service delivery agencies.
- The high calibre of human resources appointed to some (but not all) districts. In Dailekh, many of the DDC/VDC staff were drawn from the local area and personally committed to the advancement of their district. Clearly, there are problems with political interference in the posting of staff, reflected in high turnover rates.

In summary, the individual mechanisms and processes, supported by MoFALD under LGCDP2, could, in theory, support the emergence of a local governance system that facilitates collective choices and promotes local empowerment. However, in practice, these systems do not come together into a joined up and functioning system. This is essentially a problem of governance (i.e. collective decision-making) rather than due to particular deficiencies in the instruments (particular systems or processes). Without addressing the governance issues, the system essentially privileges specific users (communities or individuals) and incentivises capture and corruption. A lesson from other post-conflict situations with complex underlying social structures and deeply embedded inequalities is that the potential for conflict remains unless new governance and institutional arrangements are put in place that allow people and interests groups to deliberate around their common good.

The danger in Nepal is that LGCDP2, as presently functioning, does not address the need for collective deliberative mechanisms at the local level and offer options to manage conflict over access to resources or services.

Governance arrangements findings

The role of LBs is set out formally in the Local Self Governance Act, 1999 (LSGA). However, it is still unclear, in practice, as to the function of LBs and the balance between their roles as bodies:

- responsible for 'local development' i.e. as autonomous bodies promoting local development using locally resources; and

- representing local interests as agents of (or influences on) 'national development' i.e. local provision of services mandated by national ministries providing services.

The absence of elected local representatives and the breakdown of the All-Party Mechanism (APM) through which elected representatives could debate local issues have created a free-for-all for political interference in the administration and implementation of programmes. This reality is universally recognised at the local level as well as national level but has not yet become an issue of priority in the national debate. As was noted earlier, without such formal mechanisms, public decisions are taken in many different, often sectoral forums.

The response to this problem at LB level has been to introduce quasi-technical bodies, such as the Integrated Plan Formulation Committee (IPFC). Effectively, this is an attempt to fill the vacuum caused by the absence of a proper political process that 'resolves' contestation and conflicts between interests and groups with a technical process that attempts to 'solve' planning and coordination problems. Further, since the programmes being coordinated originate outside the DDC/VDC and have their own accountabilities, the ability of the IPFC, meeting infrequently, to even perform its technical coordination function is necessarily limited.

Ideally, this problem would be solved through properly-elected and representative decision-makers that would ensure more inclusive voice, greater accountability, and ensure overall legitimacy to decision-making. However, democratic functioning is not solely – or even - a matter of elections; the means (process) through which decisions are made is as important as who makes the decisions.

The issue of how LBs will reach collective decisions (i.e. how deliberation might work) has not featured significantly in the constitutional debate. The residual assumption and understanding is that the well-developed ideas of 'community participation', applicable to relatively homogeneous groups with a common interest, can be applied to the political forums where debate and negotiation takes place between stakeholders, with different and competing interests. However, this is not the case – the arrangements, processes and skills required for 'participation in the implementation of a scheme' are very different to those required for 'deliberative engagement in reaching collective choices over the general public good'.

Irrespective of the form of state structure that emerges from the constitutional debate there will be a need for deliberative space and processes at the state, province and local levels. These mechanisms and capacities can be developed prior to final resolution of state structures, ready for implementation.

Finally, it is important to note that even with properly elected representatives and systems for deliberation, local government bodies would not be able to make collective decisions under the present system of parallel pipes and silos, decided and mandated by central ministries and supported by donors. Essentially, under these arrangements, the likelihood of LBs emerging as drivers of local development and empowerment is negligible.

Outcomes of the current approach

The modalities outlined above facilitate fragmented and atomistic service provision. This, in turn, reinforces the fragmentation and social cleavages that already exist in Nepali society and incentivises both the capture of benefits for particular groups and the corruption at an individual level. Instead of bringing disadvantaged groups into a wider collective society, the modality builds on and reinforces the deeply embedded traditional and cultural fractures in Nepali society.

The major factors contributing to this outcome are: (1) personalised politicisation (2) paternalistic targeting; (3) inefficient delivery of services; and (4) projectised provision of services, which in turn have induced (5) self-defeating responses.

Personalised politicisation of implementation

The personalisation of politics throughout the administration, civil society and private sector and the distribution of political influence at all stages in the delivery of services mean that there is no overall **accountability** for results, from the administration or NGO implementers, to either users or citizens. Political interference allows benefits to be captured through, for example, the selection of NGOs (at national and local level), recruitment of social mobilisers and other agents, the appointment of staff within government offices and the selection of beneficiaries.

Paternalistic targeting of beneficiaries

One of the functions often assigned to communities and local bodies is that of identifying local beneficiaries, as such entities are expected to have better local information regarding the individuals who meet the targeting criteria of particular programmes. This assumption may or may not be valid in practice. However, the more significant consequence of local selection of beneficiaries is that it promotes an unhealthy relationship between state, social institutions and individuals and communities that is, essentially, one of patronage rather than entitlement.

Such state-society relationships do not foster growth and development, as was argued by North, in his historic review of the rise of countries (North, D., 2006, A Conceptual Framework for Interpreting Recorded Human History). The same principles of open-access ‘impersonal institutions’, where decisions are made through mechanisms in which the individuals involved have a general (but not a personal) stake in the outcome of those decision should apply at local as well as national level.

A further consequence of paternalistic targeting is the effect it has on those who do not receive benefits, especially if there is concern as to how a particular individual or community were selected. These feelings of jealousy, especially where they reinforce existing social fractures, lead to bitterness and, increased social fragmentation and alienation.

Inefficient delivery

The range of different modalities, schemes and programmes lead to duplication and other inefficiencies. The net result is that the transactions costs become out of proportion to the benefits delivered. As one government official in Dailekh said, in frustration, the current approach is a matter of organising “salary consumption” rather than the means of transforming society and systems.

The high transaction costs caused by fragmented and parallel delivery do not just impinge on the delivery agencies. They also impose additional costs on the recipients of services, who have to join different groups in order to access services.

Projectised provision

National governments (and DPs) tend to allocate funds to local government as annual grants to be spent in the form of a project. However, the use of project-type funding blurs the distinction between capital and recurrent costs and, consequentially, most LBs use their funds for small-scale infrastructure – i.e. investments that are naturally and usefully considered to be projects. This creates a bias against recurrent expenditure such as the provision of services (agricultural extension, teachers, health workers, etc), which is inherently different in that expenditure needs

to be committed over the medium to long term. Such expenditure is not as easily planned or managed through a project with a fixed start and end date.

Self-defeating responses

Concerns about these and other issues, also voiced by DPs, have resulted in a series of responses from MoFALD which add conditions to the MCPMG and increase the checking and auditing arrangements. The net effect of these responses is to increase the transaction costs both for government and NGOs and reduce the discretion available to LBs, leading to less downward accountability and less empowerment.

The absence of elected representatives and effective downward accountability to citizens provides some justification for the increased top-down restrictions on the discretion allowed to LBs. However, such restrictions also contribute to defining the intergovernmental relationship between the national and local authorities as well as establishing ways of working that will not be easy to reverse.

The mandate of MoFALD essentially relates to the structure of the state. However, as a ministry it must compete for resources from the national budget through the Ministry of Finance (MoF) and the National Planning Commission (NPC). The importance of a ministry is demonstrated by the volume of funds it manages. As a result, MoFALD have allowed LGCDP2 to expand with DPs, who do not use GON systems, allowed to implement “aligned” (i.e. parallel) projects. The net effect of this, together with the absence of local elections, has been to reposition LGCDP2, despite the intentions stated in the programme document, as more of a community development (CD) programme than a local governance (LG) programme.

Impact of the approach

The long-term impact on Nepali society of the outcomes presented above are difficult to predict. The relatively small benefits, reaching relatively few people that the system currently delivers appear insignificant in the context of increasingly important remittances, and are unlikely to deliver real transformational change. However, not all households have access to remittances and for others, especially for women left at home and dependent on remittances, additional funds provide an important additional source of income. The challenge remains to shift away from the user-benevolent state set of relationships to ones based on citizenship through effective and real deliberative collective choice and decision-making processes.

Designing a pilot to test new approaches to citizen-state relations

MoFALD have requested DFIDN to design and implement a pilot project to support the development of LGCDP2, for which this Dailekh Mapping Study (DMS) was a pre-scoping exercise. The analysis presented in this study indicates there are two different areas for the development of a pilot under LGCDP2. Firstly, there is scope to improve the effectiveness and efficiency of the existing approach and, secondly, there is a need to design and put in place the capacities required for a more collective and deliberative focus. The pilot therefore covers two types of intervention: 1) improving efficiency; and 2) improving deliberation. The central focus of this pilot is to focus on exploring the scope to put in place citizen-centric deliberative spaces and processes. The purpose of this ‘pilot’ would be to test a different way of building collective choice and decision-making at the local-level. Within the frame of a pilot focused on building deliberative approaches, attention will also be given to improving the efficiency of processes.

The pilot would explore the possibility of putting the revised framework in place and developing a more citizen-focused core to LGCDP2. This would include the following elements:

- The scope of the pilot project would need to cover a complete political area and all the elements within it. Effectively, this means taking a complete state or province. If such a structure is not in place then it may be possible to proceed by including a contiguous set of districts, deferring the inclusion of state/province level institutions until later;
- The focus of the pilot project would be on mechanisms and processes i.e. deliberation as a means to make collective choices and decisions;
- In the absence of elections, stakeholder bodies would be put in place that could act as a proxy prior to local elections. These proxy bodies would be supported in the development of a deliberative process that would outlast the introduction of elected representatives. This would include piloting these processes with Ward Citizen Forums; improving the identification of poor people; exploring different forms of fund allocations to overcome the inefficiencies in the current fragmented approaches to planning, funding and allocating resources to local-level development activities; and building on accountability mechanisms that are already in place.

The **purpose** of the pilot project is to provide a place in which to learn and processes to inform the learning and therefore, a means to genuinely explore different ways of working on the ground.

The **goal** of the pilot is to be in a position to put in place a fully functioning state government system with local bodies, at about the time local elections became possible.

The approach to the pilot would be to bring together a high-powered design team that can engage with the design process and with stakeholders over a lengthy period (12 months). During this period, the design team collects evidence and information both inside and outside Nepal and produces concept papers for consideration. This evidence will be used to inform the design of the pilot.

The elements of the pilot project require:

- A design process to build an understanding of the political economy and interests at all levels of subnational government - state/province, local and ward; and
- Support to mentoring and the building up of mentoring support staff capable of supporting local politicians around collective choice processes.
- Testing out approaches in one geographical area (across a set of contiguous districts that might possibly fit with future federal structures currently under debate)
- The resources required for a pilot to design and develop new processes for a state and its local bodies might take a period of 12 months and involve up to 10 senior consultants from government and private sector and NGOs. This high-level design process is an investment not just in a particular state, but in the design of a wider system of local governance and in building donor commitment to using government systems.

1 Introduction

This study addresses a number of concerns about the perceived lack of coherence, fragmentation and duplication in the governance and delivery of services in Nepal, recognized by both the Ministry of Federal Affairs and Local Development (MoFALD) and the UK's Department for International Development in Nepal (DFIDN). For DFIDN, these concerns arose from a recent mapping exercise of DFID's portfolio which highlighted the potential for greater programming coherence. MoFALD, in discussion with DFIDN, shared their wider concerns of a similar duplication and fragmentation across all key actors. As a result, in order to understand the implications of this, MoFALD and DFIDN identified the need for a mapping of planning, funding and decision-making processes in one district – Dailekh.

The focus of the report is on the:

“institutional aspects of coherence and core governance arrangements - who decides and how are decisions made on the allocation of resources and choice of beneficiaries”.

The report recommends ways to ensure DFID programmes ‘do no harm’ (i.e. ensure programmes and modalities do not undermine local voice or reinforce exclusion) and proposes practical ways to strengthen political inclusion.

The report is structured around 9 sections. In this section, the approach and methodology is presented (Section 1), followed by a description of the analytical framework (Section 2) used for the study. The sections that follow present the findings from the field interviews, including the district context (Section 3), the functioning of the DDC (Section 4), the projects operating in the district (Section 5), the other actors influencing decisions (Section 6) and village level procedures and interventions (Section 7). Finally, the conclusions are summarised (Section 8) and proposals for pilot projects outlined (Section 9).

1.1 Approach

The study focused on one district, Dailekh. The approach was, firstly, to describe, understand and characterise the governance and institutional arrangements associated with the range of developmental interventions functioning in that one single district. This included national and local programmes/projects of sector ministries, Development Partners (DPs) and NGOs. In particular, the study investigated where, how and by whom key decisions were made and interventions coordinated. Secondly, the study attempted to understand the social, political and economic context in which these interventions were taking place, in particular, the widespread and substantial flows of remittances into the area. Finally, the study attempted to draw out the implications of this understanding of the current institutional and governance arrangements in terms of empowering citizens and delivering services in the uncertain context found in Nepal, setting out the ‘implicit’ intervention theory and assumptions underlying this understanding.

The study mapped out the range and nature of on-going interventions and, in particular, developed an understanding of the decision-making, funding, planning, delivery and tracking systems currently supported through the second phase of the Local Government and Community Development Programme (LGCDP2). LGCDP2 is the main programme through which MoFALD seeks to develop local governance arrangements.

The overall focus of the study relates to the arrangements (structures and mechanisms) that promote a sense of ‘collective empowerment’ within a local polity. This focus is exercised through the three related forms of accountability often associated with democratic development and associated with different elements of coherence:

- ‘social accountability’ processes and how they function through nascent structures such as Ward Citizen Forums (WCF) and mechanisms such as social and public audit. The focus of social accountability relates to the relationship between the user and provider of services and, therefore, to the fit between provision and user expectations;
- ‘administrative accountability’ arrangements for funding, planning and oversight and the associated committees responsible for coherence. The nature of administrative accountability relates to compliance with rules and technical (planned) coherence of services across different implementation modalities; and
- ‘political accountability’, through which citizens come together to make collective decisions and provide political coherence across all sectors. These arrangements are currently less clear, reflecting the lack of elections and current situation that is dominated by informal elites, administrative or technical proxies and a legacy of ‘failed’ formal structures and arrangements.

1.2 Methodology

In discussion with DFID and MoFALD, Dailekh district was selected as the main focus of this research. It is one of the focal districts for DFIDN as well as having had long-term support from Helvetas and Swiss Intercooperation. Dailekh is a relatively high performing district and ranks 8th out of 75 districts in the Minimum Conditions Performance Management (MCPM) index.

To facilitate the detailed district mapping, preparatory work was carried out by local team members to identify existing programmes operating in Dailekh, to map actors and agencies and to set up a schedule of interviews at district and VDC-levels with key informants. This formed the basis for the rapid but detailed mapping carried out by the full team over a 5-day period. Structured interviews were held with district local government staff, line agencies, NGOs, project staff and social mobilisers. A list of informants is presented in Table 1.

Table 1: District-level key informants

DDC	Chief District Officer (CDO) District Treasury Local Development Officer (LDO), Planning Officer, Information Officer, Social Development Officer Local Development Fund (LDF), LGCDP2 Governance Adviser
Line agencies	District Agricultural Development Office (DADO) District Livestock Office (DLSO) District Health Office (DHO) District Education Office (DEO) District Forest Office (DFO) Women Child Office (WCO)

Political parties	Representatives of 7 local parties in district Representatives of 4 local parties in Belpata village
NGOs	SOSEC Everest Club RDSC SAEWCC CDP Dailekh GBJSK DSS
Federations	Federation of Nepal Chambers of Commerce and Industry (FNCCI) NGO Federation FECOFUN Dalit Network
Social mobilisers	5 social mobilisers from LGCDP2, Poverty Alleviation Fund (PAF) -district-level discussion
Projects	LGCDP2 Rural Access programme RAP3 Trail Bridges (under RAP3) Poverty Alleviation Fund (PAF) HELVETAS Swiss Intercooperation Strengthening the Accountability of Local Government (SALG) Nepal Climate Change support Programme (NCCSP) Western Uplands Poverty Alleviation Programme (WUPAP) Rural Community Infrastructure Works (RCIW) KISAN

Detailed mapping of one Village Development Committee (VDC), Belpata in Dailekh District was undertaken through discussion with a range of informants, including beneficiaries and non-beneficiaries of programmes, members of different community groups and political parties as well as government officials from the VDC and line agencies and NGOs (Table 2).

Table 2: Belpata VDC key informants

Village Development Committee (VDC)	VDC secretary
Integrated Plan Formulation Committee (IPFC)	Secretary + 4 members
Agriculture, Forestry and Environment Committee (AFEC)	Secretary + 3 members (1 dalit women)
Political parties	4 representatives of local political parties
Ward Citizen Forum (WCF)	9 WCF Coordinators
Citizens Awareness Centres (CAC)	25 members from one Dalit settlement
Community Forestry User Group (CFUG)	20 members in 1 CFUG + Facilitator
School Management Committee (SMC)	1 member

Health Management Committee (HMC)	All members
User Committee	4 members (milk chilling plant)
Members of poor households	6 women – non-members of Livelihood Improvement programmes (LIP)

The district-level mapping was followed up with interviews with national level informants to understand the fit between the mapping of processes at district-level and below and the emerging national-level context.

2. Framework for mapping

The mapping study is focused on local structures and processes in one district. In this section, before presenting the findings of the study, we set out the framework and structures within which each district operates and present some of the concepts used for the analysis.

2.1 Structures

Despite the constitutional impasse, the Prime Minister, Cabinet and GON are accountable to a Constituent Assembly (Figure 1). Ministries concerned with development (i.e. excluding Foreign Affairs and Defence) can be grouped under three broad headings:

- a) Core ministries of the state;
- b) Ministries responsible for the organisation and structure of the state at the sub-national level; and
- c) Sector ministries delivering services

2.1.1 Core Ministries

The core ministries of the state are:

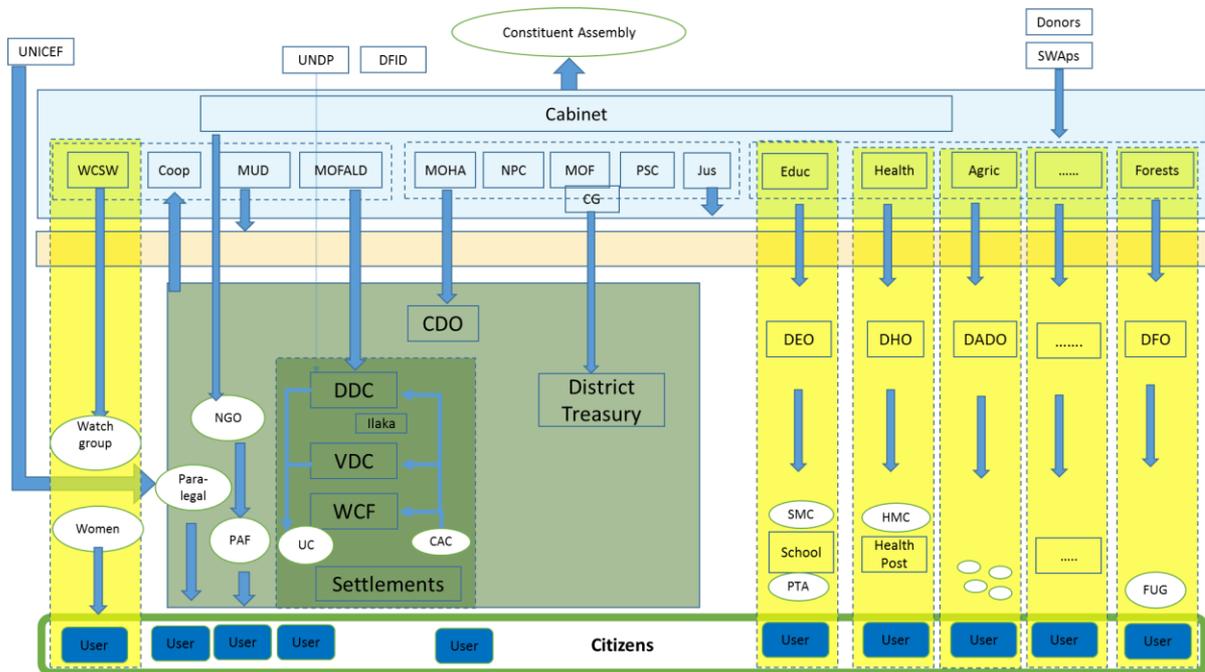
- Office of the Prime Minister and Council of Ministers who oversee and coordinate the functioning of all Ministries and offices
- National Planning Commission (NPC), responsible for setting the overall direction for Nepal's development
- Ministry of Home Affairs (MoHA) who appoint a Chief District Officer (CDO) for each district
- Ministry of Finance (MoF) who construct the national budget (with the NPC) and are responsible for the Comptroller General's office whose District office acts as the treasury for all line Agencies at the local level
- Ministry of General Administration (MoGA), responsible for human resources and staff conditions
- Ministry of Law, Justice and Parliamentary Affairs (MoLJPA)
- Ministry of Women, Children and Social Welfare (MoWCSW)

There are also a number of constitutional bodies, critical to the functioning of the state including:

- Commission for the investigation of Abuse of Authority (CIAA)
- Office of the Auditor General
- Office of the Attorney General
- Public Service Commission (PSC), responsible for recruitment
- Election Commission
- National Human Rights Commission

The judiciary is an independent constitutional body consisting of a Supreme Court, Court of Appeal and District courts, under the Chief Justice.

Figure 1: Structure of government in Nepal



2.1.2 Sub-national organisation and structure

The ministries responsible for the organisation and structure of the state at the sub-national level, include:

- Ministry of Federal Affairs and Local government (MoFALD)
- Ministry of Urban Development (MoUD)
- Ministry of Cooperatives and Poverty Alleviation (MoCPA)

Increasingly, these Ministries have acquired delivery functions, partly due to allowing earmarked Development Partner programmes to come under their umbrella and partly in an attempt to increase the influence of the Ministry, locally and nationally.

In rural areas, MoFALD is responsible for the structure at the sub-national level. In each district, MoFALD appoints a Local Development Officer (LDO). In the absence of elected District Development Councils (DDC) and following the breakdown (suspension) of the All Party Mechanism (APM), the LDO in consultation with stakeholders is responsible for local development decisions, including the coordination of activities across line agencies and programmes.

The LDO’s office includes three nationally appointed officers – the Local Development Officer, a Planning Officer, appointed by MoFALD and responsible for information and development and a Finance Officer, seconded from the Office of the District Treasury.

Districts are divided into Village Development Committees (VDC), run by the Village Secretary, appointed through MoFALD. The lowest level of territorial organisation in the country is the Ward and the Ward Citizen Forum (WCF).

MoFALD's support to the design and functioning of local bodies is through the second phase of the Local Governance and Community Development Programme (LGCDP2). The broad scope of LGCDP2 covers the overall system of local government, including arrangements for funding and providing technical assistance to Local Bodies (LBs), support to planning and implementation and accountability as well as inter-governmental relations between LBs and other authorities, including line agencies.

There are also a number of externally-funded 'aligned programmes' under LGCDP2 and MoFALD. These programmes are coordinated by local bodies, but have their own modalities, funds and staff and are effectively run in parallel to LGCDP2 and GON systems. The main delivery modality is through social mobilisation, with programme appointed social mobilisers (directly or through NGOs) forming and supporting community and user groups to deliver small scale infrastructure and income generating activities.

The mapping study focused on one rural district, Dailekh. As a result, the distinctions between urban municipalities and rural villages are not discussed and the role of Ministry of Urban Development (MoUD) is not addressed in the analysis.

2.1.3 Sector ministries

There are 15 sector (or line) Ministries of different sizes and importance, responsible for service delivery in Nepal, including Health, Education, Agricultural Development, etc. Each Ministry has a national mandate and its own delivery mechanisms which, depending on the nature of the sector, involve a mixture of direct delivery of services and/or delivery through service entities such as schools, clinics, community/user groups, etc. Further, in many sectors there is a Sector Wide Approach (SWAp) supported by DPs, which vertically aligns national goals and policy, and implementation mechanisms to results. These programmes have been carefully designed to ensure internal coherence within the sector and clear incentives for units and staff to deliver results.

The delivery arrangements vary across line agencies. However, in many instances, the social mobilisation modality of forming service or investment specific community or user groups and committees for both the planning and implementation of projects is commonplace. This approach is supported by various targeting methodologies, either related to the choice of service/investment or through identification of beneficiaries. As Figure 1 illustrates most of the funding and planning processes end up in a user group for delivery of services or investments.

The relationship between line agencies and LBs depends on whether the sector is decentralised or not. Centralised Ministries, such as Ministry of Health and Population (MoHP) retain control over their funds, while decentralised sectors, such as Agriculture, require DDC approval for expenditure. However, as discussed in the context of Dailekh, this distinction is less clear in practice, since decentralised Ministries often retain their own planning and budgeting systems while LBs may also contribute to line agency services (for example, the provision of local birthing centres).

2.2 Key concepts

The previous section set out the canvas and identified the structures and relationships which are used to frame the mapping exercise in Dailekh and are discussed in more detail in that context (Section 3). However, before presenting these findings, it is useful to set out briefly some of the key concepts used in the analytical framework.

2.2.1 Local development and national development

Most development activities and results occur at a point in time and in a specific locality and, therefore, can claim to be local. However, the important distinction between local and national development activities is not where they occur but the level at which they are coordinated and where accountability lies.

Local development, therefore, refers to locally-decided activities using locally-assigned resources – compliant, of course, with national laws and objectives. Local development, therefore, requires decision-making bodies, with a mandate from local citizens to ensure their autonomy, together with discretionary funds from own source revenue or through inter-governmental fiscal transfers and grants and an administrative capacity in terms of people, and systems to implement collective decisions.

National development, on the other hand, is mandated through the national level (Constituent Assembly), with ministries receiving funds from MoF and providing services through their own vertical delivery mechanisms. Line agencies are delivering services collectively agreed at the national level. From the perspective of a line agency, the key concerns relate to meeting sectoral results and targets and being vertically accountable - downwards to the users of services and upwards to the national level.

National and local development are complementary arrangements that need to work together. Clearly some services and investments can only be undertaken at a national level given their scope and the economies of scale involved. However, care has to be taken to clearly distinguish between the mandate and functions of national and local bodies. Local bodies have a mandate that includes a range of roles – which require a balance of political and administrative capacities:

- **autonomous bodies**, responsible and accountable to their citizens for their decisions including representing their jurisdiction in discussion with other structures of government at national and local level and represent citizen interests on strategic boards such as, for example, school management committees;
- **coordination bodies**, responsible for the coordination of all development activities under their jurisdiction; and
- **agents of national government**, executing national development activities on behalf of central line agencies.

Although LBs are required to be engaged in all three of these functions, their capacity to play their role, and how they are perceived by citizens, will depend on the strength of their electoral mandate and the balance between these functions. In particular, LBs without an electoral mandate tend to become, and be seen as, agents of central Ministries.

Although the Local Self Government Act of 1999 (LSGA) sets out the mandate and functions of Local Bodies, these have not been operational since 2002 when the last electoral mandate of these bodies ran out. Since then there have been no local elections and there has been continued uncertainty regarding the overall construction of the state. Nonetheless, any discussion of local governance needs to draw the distinction between local and national development activities.

2.2.2 Citizenship and user-ship

The distinction between a 'citizen' and a 'user of state services' is relatively straightforward. However, a problem arises when users are brought together as communities or formed into groups around a particular investment or activity which then serves as a proxy for citizen

engagement. This concern applies to both the operational planning of services with users through participatory methods and to the social accountability mechanisms that normally involve users in providing feedback to service providers.

The nature of ‘use’ is centred on individual and personal access to a resource or service, even when it is collectively organised. The nature of ‘citizenship’, however, is only meaningful in a collective sense or being part of a greater whole. Further, citizen-related decisions are impersonal in nature, in that the decision-makers are not the direct beneficiaries of their own decisions. As a result, such decisions tend to be universal in nature, even when redressing unfairness or targeting excluded and distressed groups.

The idea of ‘citizenship’ defines the relationship between individuals and the state. Citizenship is separate concept to that of being a citizen or to the mechanics of acquiring the right to be a citizen (i.e. vital registration and formal papers recognising an individual as a citizen). Citizenship implies a voice or say in the collective decisions that affect the rights, welfare or livelihoods of all other citizens. This voice may be direct or through representatives. Such a voice or say in collective decisions leads to the empowerment of a whole society.

The idea of ‘user-ship’ defines another type of relationship between the state and society, namely that of benevolent state and user/beneficiary. This type of state society relationship focuses on user–participation in the implementation of programmes.

A focus on citizenship also opens other areas of collective choice other than delivery of services. This includes collective decisions around the coordination of public life, issues of conflict resolution and, more broadly, policing and justice where decisions affect people as citizens as well as users.

Table 3. Concepts of user-ship and citizenship and contrasted

	User-ship	Citizenship
Individual	Recipient of service	Resident
Social organisation	Homogeneous group: consists of members with a stake in a common activity or around a common characteristic (such as caste, ethnicity, gender, etc.)	Local or territorial membership: consists of heterogeneous mix of people with a range of stakes and interests - some complementary, some overlapping and some conflicting.
Relationship with state	State patronage Beneficiary of a benevolent state	Member of a society where collective and universal decisions affect public life
Participation	Engaged in decisions regarding implementation	Engaged directly or through representative in collective decision-making (laws, policies, allocation of resources)
Focus	Maximising benefits for self and own community	Maximisation of collective benefits Allocation of resources and benefits across the whole of society
Implementation strategy	Finding social and political ways to promote or mobilise acceptance of technical or optimum solutions	Establishing institutional arrangements that empower collective choices and collective

		action
Decision-making processes	Social participation	Political deliberation
Type of decisions	Personalised Agreed by group or individuals	Impersonal Collectively agreed (even if targeted)
Results	Defined in programmes or enshrined as rights	Definition of results emerge from political process

2.2.3 Deliberation and participation

The distinction between ‘participation’ and ‘deliberation’ builds on the concept of citizenship and user-ship. Both processes of participation and deliberation are important but it is important to recognise that they are not proxies for each other. They fulfil different functions.

‘Deliberation’ is a formal, organised process of reaching binding collective decisions, based on a political process which brings together different stakeholders and interest groups (or their representatives) to reach a joint and collective decision. The additional element in deliberative processes is that stakeholders are required to engage with evidence (studies, feedback from users, etc.) and hence a deliberative process is not simply matter of negotiation the allocation of resources between parties but a genuinely transformative exercise, carried in the name of the overall collective interest.

The concept of ‘participation’, on the other hand, is the process of working with users to ensure that user requirements are incorporated into the design, planning and functioning of a particular programme. Although there is considerable variation in practice, the focus of participation tends to be on implementation and giving users well-defined choices within specific technical boundaries, imposed by the programmes.

2.2.4 Nature of local services

The mandate and role of LBs is not limited to the provision of welfare services, such as health and education. LBs are responsible for other activities that citizens access in a more general or less regular manner, such as the rules that govern and coordinate public life, resolving minor conflicts, community policing, access to justice, promotion of local economic development, preparation for disasters, etc. These functions, although generally requiring fewer resources, are nonetheless important to public life.

Decisions as to how these functions are exercised are matters of local governance and, therefore, need to be included in an overall understanding of decision-making at the local level.

2.2.5 Capital and recurrent activities

Capital expenditure relates to investments which provide benefits that flow over years into the future. Such investments are usually designed, planned and approved in the form of a project, which has clear boundaries defining the start and finish dates and its management structure. As a result, projects are the preferred modality for DP funding and, also often, by the MoF.

Recurrent activities are costs that need to be met annually and are therefore not time bound. For example, in the education sector, the construction of a school block is a capital cost, while teacher’s salaries and classroom materials are recurrent costs. The difference is that while capital costs can be funded through one-off projects, recurrent costs need to be met from

reasonably predictable, secure longish term budget funding. Although recurrent costs can be adjusted upwards or downwards annually they usually give rise to expectations and commitments that tend to endure, once established.

The governance mechanisms for capital and recurrent expenditures are fundamentally different and often difficult to reconcile. Capital expenditure requires an appraisal process – or some form of cost benefit analysis – that determines the technical, economic and social feasibility and desirability of the proposal. Clearly, with limited funds, choices have to be made between capital projects but, where the returns are sufficient, capital costs can be treated as debt and funded from other sources. The governance issue for recurrent costs is presented in a different form. Here the issue is to allocate the available total budget *between* different annual expenditures, for example, between paying salaries for health workers and teachers. Since it is not a question of one service or the other, the budgeting process consists of making marginal adjustments between sectors and activities.

Capital projects tend to be funded from sources outside the LB. As a result, the role of the LB (and communities within the LB) is to secure the maximum number of projects and benefits possible. Recurrent activities, which are funded through an autonomous discretionary fiscal grant or through own source revenue, require deliberative mechanisms in order to allocate resources to different activities. This, in turn, promotes a sense of local identity, connectedness and, indeed, cohesion across sectors and programmes, which is otherwise only found and, then to a limited extent, within a project.

2.2.6 Targeting and impersonal governance

Many interventions and programmes require a degree of targeting as a condition of funding. The purpose of targeting is to ensure that the intended beneficiaries are indeed the main recipients of services. With nationally-determined targeting, the degree of discretion allowed to a LB is either highly constrained or removed entirely, effectively making the LB an ‘agent’ of a national ministry or a specific programme. As an agent, the political nature of the LB is foregone and, depending on the conditionality associated with these programmes, the sense of local collective empowerment removed.

National ministries and programmes are reluctant to entrust targeting to LBs, providing guidelines and processes indicating which types of groups are to be targeted with particular services. However, the actual selection of individual beneficiaries or the membership of user groups is often delegated to the lowest level of LB, where beneficiaries are often personally known to those making decisions. The effect of such arrangements is to promote patronage and to encourage local politicians to focus on capturing benefits rather than the overall common good.

In this section, we have painted the broad canvas and presented the key concepts that will be used for the specific mapping of interventions in Dailekh District. We return to these themes in the final section.

3. Dailekh

3.1 Context

Dailekh is a mid-hill district in the western region of Nepal, its altitude ranges from 560m to 4080m. The district is divided into two constituencies, 11 ilakas and currently 49 VDCs, with one old municipality and one recently formed municipality forged from 4 VDCs. Compared to many other districts it has a relatively homogenous population with the major caste/ethnic groups being Brahmin/Chhetri, Kami, Thakuri and Magar. Overall 25% of the population are Dalits (Table 4).

Caste-based discrimination is common in Dailekh. Dalits are still not allowed to freely share space with others, although there are indications of changes in their social positions as a result of migration and use of remittances to buy land. However, during interviews several cases were cited of continued discrimination against Dalits, including the murder of a Dalit young man for daring to marry outside his caste (interview with Dalit network; and Dalit district profile). In another case a Dalit woman was refused permission to sell her milk to the dairy cooperative, which led to a campaign to get the ban lifted (interview with Dalit woman).

Dailekh was deeply affected by the armed conflict. This is reflected in the high level of donor activity in the district and the types of interventions many of which were focused on quick impact activities to deliver some security to households affected by the conflict

Table 4: Population composition of Dailekh District

Particulars	Figures	Major caste/ethnicity	Figures (in%)
Total population	261,770*	Brahmin/Kshetri	46.67
Household	48,919*	Kami	15.33
Average household size	5.35*	Thakuri	14.10
Growth rate (in%)	1.58*	Magar	9.87
Population density (per km ²)	174*	Damai/Dholi	4.45
Urban population	21,995*	Others	9.58
Life expectancy at birth (yrs)	46.67 [#]	Total	100.00
Infant mortality rate (per 1000 live births)	153.89 [#]	Group	Figure (in%)
Sources: CBS, GoN, 2011.		Dalit	25.1

?

3.2 Drivers of change

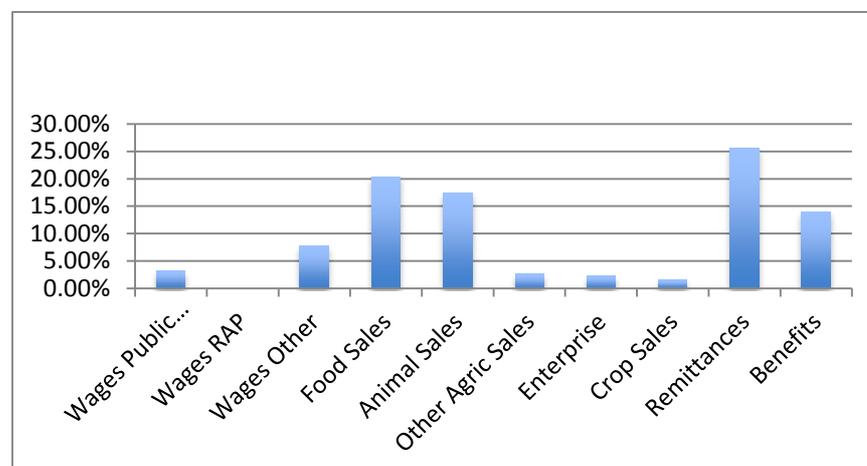
To understand the context in which development interventions are being implemented, it is necessary to understand what is driving change in Dailekh and the possible implications of these drivers for future intervention. Key amongst these is migration and the development of rural infrastructure, including hydropower. The other element to consider is the development interventions themselves and the historical presence of some donors over a long period of time.

3.2.1 Migration

Traditionally Dailekh has a high level of seasonal migration to India, a strategy used as a major additional source of income for households living in low-value agricultural systems. RAP3

monitoring reports indicate that remittances in Dailekh account for 25% of income sources (Figure 2).

Figure 2: Income sources: Dailekh District



Source: RAP3 Monthly process monitoring report November 2014 (p.30)

Evidence from interviews in Dailekh indicate that the form of migration is rapidly changing¹ from seasonal migration to longer-term migration to India and more significantly a major increase in the rate of migration to the Gulf and Malaysia over the last two years (Table 5). A Google search of 'Dailekh and remittance' produced a first page listing where out of 9 links seven are for remittance agencies or banks, indicating the levels of foreign remittances coming into the district.² As Table 5 illustrates the numbers of men officially migrating is increasing as are the small numbers of women. For women, the figures are unreliable and an under-estimation. Recent law passed in 2012 is supposed to prevent women under the age of 30 migrating to the Gulf, as a result women are known to use other channels such as India to migrate overseas to evade the law.

Table 5: Migration from Dailekh District to the Gulf and Malaysia

Destination	Men		Women	
	2012-2013	2013-2014	2012-2013	2013-2014
Malaysia	639	1218	13	11
Qatar	359	467	0	6
Saudi Arabia	187	215	0	1
UAE	147	117	8	7
Kuwait	11	14	0	2
Other countries	10	10	2	0
Total	1,353	2,041	23	27

Source: Department of Foreign Employment - labour permit approvals

¹ There is now need for a systematic study on these issues since the last detailed work was undertaken in 2004 (Adhikari pers comm).

² The search indicated the presence of a range of new private bank branches as well as money agents: 3 new BOK branches in Dailekh, Bank of Kathmandu. IME Remit, Western Union, Laxmi Bank, Nirdhan Utthan Bank, Easylink remittance agents.

Amongst caste and ethnic groups, it is the Kami Dalit group that have the higher percentage of households (36%) in receipt of remittances, combined with other Dalit groups they account for over 70% of total households receiving remittance (RAP 3 Baseline study 2014: 51). This aggressive use of migration is seen in other districts (Adhikari and Hobley 2012) where remittances are used to invest in land and other productive assets to break social and economic relationships that continue disadvantage and exclusion.

From interviews with a range of key informants, including women in households with migrants, there is evidence of social pressure to migrate and indications that very few young men want to stay behind in Dailekh and farm³. Levels of remittance earning easily outstrip the income available from other local sources, with long-term migrants in India reporting earnings of NRs50,000-60,000 for six months work. It was not possible to calculate the levels of remittance flows to Dailekh, but from earlier studies at a minimum it is between 1-2 billion NRs (World Bank 2009). These remittances are used to pay back loans (often taken to pay for migration costs), invest in land and education of children and build small savings.

In this context, where remittance comprises a significant proportion of a household income, key informants indicated that 'goats and poultry make no difference' and are seen as a useful small income source for household consumption purposes (Table 6). Similarly in the words of a social mobiliser reflecting on the overwhelming pressure to migrate, LGCDP is seen as a programme that 'doesn't retain people, it empowers people only to migrate'.

Table 6: Annual income of two households in Dailekh District

Sources of annual income									Total
Family	Income	Sales of agriculture	Public wages	Remittance	Social security	Causal Labours	Small business	Others	
Family 1	Total income (NRs)	0	0	45,000	0	0	30,000	0	75,000
	%	0	0	60.00	0	0.00	40.00	0	100
Family 2	Total income (NRs)	4,000		200,000	6,000	2,000	30,000		242,000
	%	1.65	0	82.64	2.48	0.83	12.40	0	100

Source: RAP3 Monitoring, Evaluation and Learning – Formative Research on Migration December 2014

Migration summary:

- Migration is a major driver of social change and the form and type of migration is changing rapidly in Dailekh
- Remittances are dwarfing any other income source in many households
- Small income-generating activities (IGAs) provide limited change in livelihood security, casting doubt on the efficacy of many programmes that support group formation for IGAs

³ In Jagannath VDC, according to the LGCDP social mobiliser, 50% of men leave for seasonal migration, and a further 25% leave for Malaysia and the Gulf. These men come from both poor and better off households.

3.2.2 Hydropower and economic development

The Upper Karnali Hydropower Project following the signing of a project development agreement has triggered a land rush in parts of Dailekh that are to be affected by the project. Soaring land prices as a result of speculative buying by people inside and outside the district in expectation of land compensation payments is leading to increased populations in potentially affected VDCs. People are leaving land in other areas of Dailekh to position themselves where they will have access to construction jobs (at least 2,000 jobs)⁴. Apart from these immediate effects of a large construction project, there are clear expectations from the district that hydropower will produce a significant source of local revenue.

Geographically, Dailekh is well placed to become a market hub and centre for economic growth in the region. However, despite the expected arrival of hydropower, communications and road access are still difficult and a constraining factor on this ambition. Concern was expressed regarding the slow progress and poor quality of the labour-intensive approach to road construction in the District and the effect this was having on the potential for economic growth.

3.2.3 Summary

Dailekh is a mid-hill district consisting of a diverse population comprising a relatively homogenous population with the major caste and ethnic groups being Brahmin/Chetri, Kami, Thakuri and Magar. The District is broken into 49 VDCs and 2 Municipalities. The district was subject to much unrest during the period of armed conflict. The main drivers of change in the district are an increasing flow of remittances and the imminent start-up of a new medium-sized hydro project.

Dailekh is a well-managed district, regularly scoring well in the index of district performance. As well as the DDC, there are a wide range of line ministry and development partner-funded NGO programmes operating in the district.

In the following sections we will review the mechanisms used to decide, plan, coordinate and deliver these programmes.

⁴ <http://www.ekantipur.com/2015/02/18/business/upper-karnali-hydropower-project-sets-off-land-rush/401836.html>

4. District DDC level interventions

In the absence of elected local government since 2002 there has been a political vacuum at district and VDC level and, as a result, politics has become dispersed across many different arenas, helped in part by the nature of development interventions that distribute resources across many groups. The conflict and the resultant response to get quick impact activities into villages has led to a proliferation of project-based groups which have filled the political vacuum left by elected local government and have solidified the practices of upward rather than downward accountability.

In this section we review the structure and processes of the DDC and outline the different types of projects operating in the district, under the supervision of the DDC. Programmes managed through parallel NGO structures are described in the following section (Section 5).

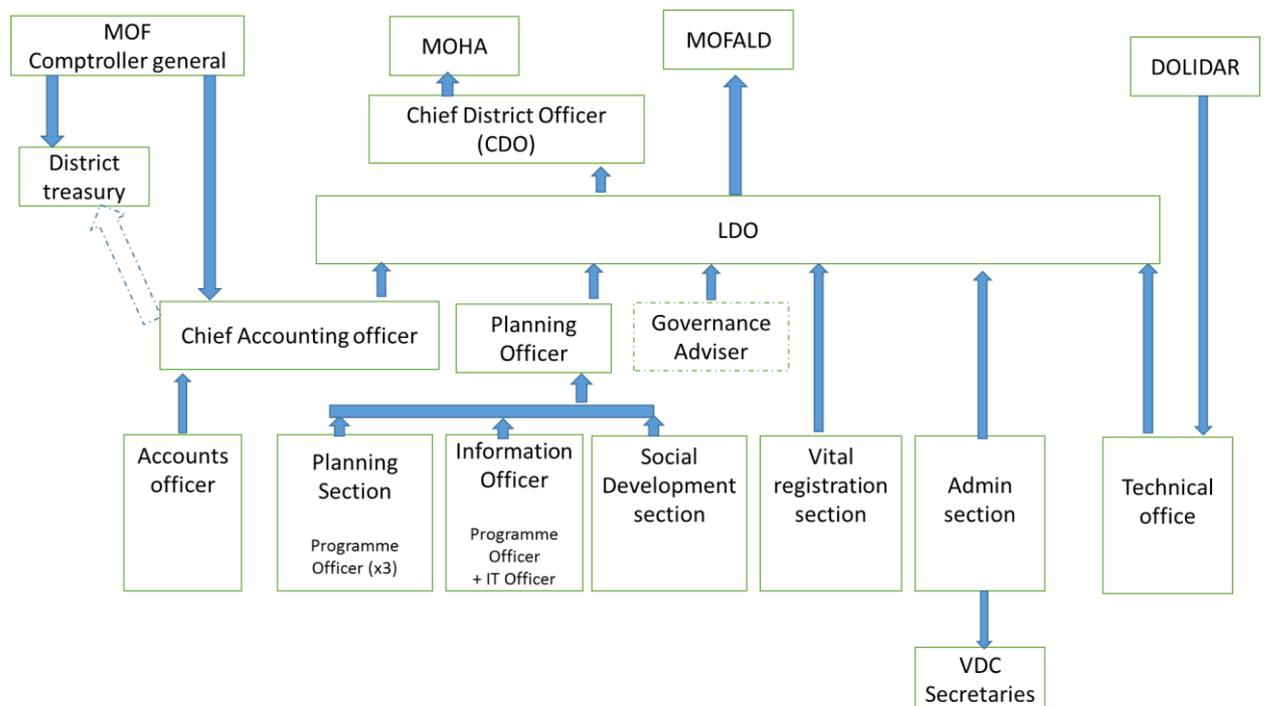
4.1 Organisational structure of the DDC

4.1.1 Local Development Office

The DDC is mandated in the Local Self Governance Act (LSGA) as the district level local body. In the absence of elected representatives, decision-making is vested in executive officers who consult, informally and formally, with a range of stakeholders including local representatives of the political parties, staff from line agencies and from NGOs.

The Local Development Office (LDO) has three gazetted offices posted from Kathmandu, including the LDO and Planning Officer from MoFALD and the Chief Accounting Officer who is seconded from the Comptrollers General’s office of the Ministry of Finance (Figure 3).

Figure 3: Structure of Dailekh Local Development Office



The LDO is organised into sections and gazetted officers are supported by local appointees. These include staff in the following sections:

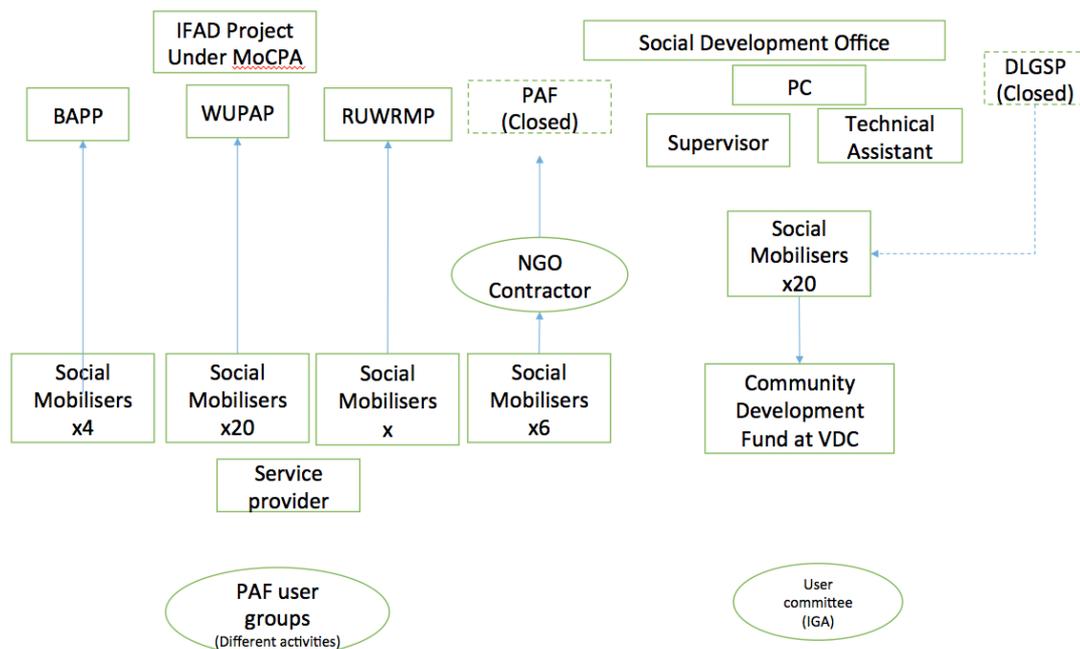
- Planning Section
- Information section
- Social Development section
- Vital registration section
- Accounts Section
- Admin section and
- Technical office

The village secretaries, who are based in the VDCs, report to the DDC

District Social Development Section

Responsible for oversight of a number of programmes, some of which are no longer functioning but from which staff and funds remains⁵ (Figure 4 illustrates the structure of the Social Development Section).

Figure 4: The structure of the Social Development Office



The Social Development officer is responsible for coordinating the work of the Social Mobilisers (SM), including monitoring the work of 5 partner NGOs. There is a social mobilisation coordination committee held every month to harmonise activities across local government and NGO activities. However, in practice, this has not worked as each SM reports to its own programme and follows its own modality. Further, there are too many schemes each using different targeting processes, with too many groups, for coordination to be effective.

Participatory District Development Programme (PDDP): This is a former UNDP and Norway funded project, which closed in 2006. However, the staff and processes funded under

⁵ In particular the staff retained from the completed DLGSP

this programme were taken into the work of the DDC and continue to be supported on a small-scale. In this case 9 community organisers are supported in 9 VDCs, with one community organisation in each ward, and although linked to the Ward Citizen Forum, the relationship is not very clear. Their focus is on groups of about 50 households (formed into community organisations), many of which have been captured by the elite of the ward. The lead social mobiliser also has a role to harmonise the work of all SMs, although in practice this is only accepted by those operating under the DDC.

The VDC Secretary also plays a role, with SMs required to attend monthly social mobilisation coordination meetings VDC meetings. However, these meetings just act as a 'loose forum' for NGOs and government staff to meet: membership is often unclear as it is difficult to distinguish SMs from other technical staff. NGOs have expanded their space through hiring additional staff.

The multiplicity of plans, generated under different units, prepared under schemes and programmes external to the district, and with their own specific purposes creates a coordination problem for the DDC. These include, the LAPA, CIPs (Community Improvement Plans), school plans, income generating activities (IGAs). More than 1,800, out of 2,000 CIPs, have goats!

Programmes managed under the Social Development Section

As Figure 4 illustrates, the Social Development Office manages a series of projects including PAF, WUPAP, RUWRMP and BAPP.

Poverty Alleviation Fund (PAF): PAF is an autonomous apex umbrella institution working through partner organisations to promote community driven development (CDD) and poverty alleviation in 40 out of 78 districts across Nepal. The programme is supported by the GON, the World Bank and IFAD and managed from a secretariat in Kathmandu. At the district level, the DDC is responsible for coordinating activities within that district.

PAF is a demand-driven programme proving grants to Community Organisations (CO) for:

- a) **Income Generation Activities (IGA):** PAF provides 90 per cent grants to COs to launch IG activities, exclusively for the target groups. The groups or individual CO members borrow money from CO's Revolving Fund in the form of loan which is paid back to the CO on an instalment basis and becomes available for further loans
- b) **Rural Community Infrastructure:** PAF provides 80% grants to COs to develop social and economic community infrastructures. The infrastructure is implemented, managed and maintained by the beneficiaries themselves.

COs prepare their proposals and implement their own projects. A community contribution of 20% of the total cost is required for infrastructure projects and 10% for IGA projects. The preparation of proposals and the implementation of projects is facilitated by Social Mobilisers (SM), employed through Partner Organisations (PO) who are also responsible for the smooth implementation and monitoring of the community projects.

POs are selected from existing NGOs and COs and recruit their own SMs. POs identify the settlements of target communities on grounds of ethnicity, income levels and access to basic service facilities, based on information available from secondary sources in the district and from concerned stakeholders and key informants. After identification of the settlement, POs facilitate communities to undertake a participatory social assessment/well-being ranking. Individual

households of a settlement are categorized as the hardcore poor, medium poor, poor and non-poor by the communities themselves.

COs are formed with membership from the defined households during social assessment. At least 80% of members have to be poor women, Dalits and Janajatis. Further, 50% of all members must be women and poor women, Dalits and Janajatis must fill all key positions (Chairman, Treasurer and Secretary).

Proposals are developed by the COs through a participatory planning process, assisted by the PO/SM. Before approval of a proposal, each proposal is screened through:

- a) a technical and social appraisal to verify eligibility and technical requirements; and
- b) an environmental and social assessment from which mitigation measures and management action plans are proposed to address any adverse environmental and social impacts.

PAF provides funds for projects directly to targeted beneficiaries and communities, reinforcing a sense of community ownership. The principle underlying PAF is that “the poor themselves are the best source of information and the best to manage their needs and resource.”

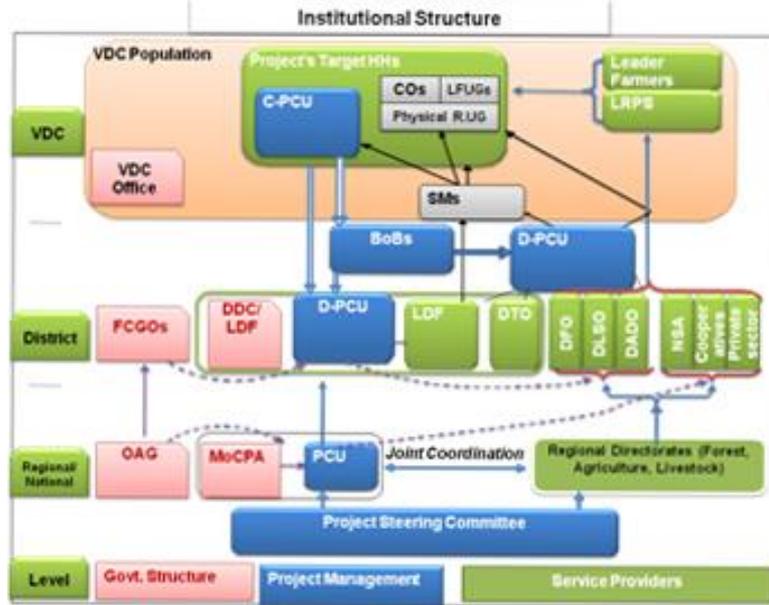
As well as providing resources for livelihoods and community infrastructure PAF also aims to:

- strengthen local bodies (DDCs and VDCs) and support long term decentralization process by using local bodies to coordinate PAF programmes at that level; and
- create awareness among targeted communities and help them to organize, identify and prioritize their needs and make decisions.

Western Uplands Poverty Alleviation Programme (WUPAP): WUPAP is a joint programme of GON and IFAD under the Ministry of Cooperatives and Poverty Alleviation. The overall goal of the project is to strengthen the livelihood systems of the landless and the small and marginal farmers in the project area, especially the women, youth and children and socially and economically disadvantaged groups. The programme approach to poverty alleviation is through a rights-based approach and by promoting the formation of grassroots level organizations to empower participants to mobilize their natural, physical, and financial resources to harness external resources and obtain social justice.

DDC is the main executing agency and is responsible to ensure that the project is carried out in accordance with the provisions and responsibilities defined in the WUPAP Project Appraisal Report (PAR). However, in each district, a District Project Unit (DPU) is established and parallel structures established (Figure 5).

Figure 5: Organisation structure for WUPAP



The programme focuses on community empowerment and consists of two sub-components relating to social empowerment and economic empowerment. Each sub-component has its own requirements and criteria (Box 1).

Box 1: Minimum standards and targets for WUPAP components

Social Empowerment through participatory planning process, good governance, investment management. Requirements include:

- Compulsory 50% participation of women in project activities
- Consensus approval by at least 70% target groups of the Community Investment Plan (CIP)
- Satisfied with the pre-feasibility technical advice on agriculture (incl. livestock and forestry) and infrastructure by at least 70% of people
- Participation of male and female in 2 initial meetings of community investment planning by at least 70% of households
- Public audits are conducted in 90% of VDCs, each year covering all project-supported activities
- At least 70% amongst the target households consume the nutritional food
- At least 70% of community organizations should be matured and independent.
- Physical and financial progress of CIP implementation should exceed 70%

Economic Empowerment through community investment plans to improve agriculture (farming, livestock and forest), market network development and value addition, sectoral vocational training, community infrastructure and micro-finance etc. Requirements include:

- Preparation of participatory Community Investment Plans
- 80% satisfaction among farmers with farming improvement services and technical support/training,
- 80% of household adopt at least 50% of the technology components
- 50 of vocational trainees receiving 25% increase in wage rate after training
- 80 % of infrastructure with appropriate design, construction and O&M system
- Labour savings infrastructure: average monthly time 60 hours and NPR 500 cost savings per household from infrastructure schemes.
- Increase in 20 ropani irrigated production area per VDC.
- 70% of CO's in CIP who are to receive capital meet the criteria and receive Loan Capital

Rural Water Resources Management Programme (RUWRMP): This programme is funded by Finland, with funds going through the MoFALD account in the Red Book. At the DDC level, there is a programme unit. In each VDC there is a team comprising a Field Coordinator, Health Provider (WASH) and a Water Resource Engineer (plumber) as well as a Livelihood Promoter (Agriculture) who is shared between VDCs. The programme implements the VDC Water Use Master Plan. User groups are formed for each scheme.

Bishawar Among the Poor programme (BAPP): This programme was established in the name of a former Prime Minister. It is a GON programme, managed through MoFALD and included in the red book. The programme includes 4 VDCs (i.e. 2 per Assembly member) and covers the salaries of 4 social mobilisers. The programme focuses on infrastructure and IGAs, delivered through revolving fund mechanisms, follows the 14-step planning process and is organised through cooperatives, rather than user groups.

National Social Transfer Programmes

The interim constitution, agreed in 2007, requires the state to pay specific attention to protect the interests of women, orphans, children, senior citizens, disabled, incapable and endangered races. As a result, there is a wide range of social protection programmes in Nepal, executed through both decentralised structures and through central line agencies.

There are four main types of social transfer programmes:

- **Targeted livelihood (IGA)** programmes and food or cash for work programmes either managed directly by MoFALD (or MoWCS) or through NGOs, under the umbrella of the DDC as described in the Social Development Section, above
- **Free essential health care and basic schooling** as well as schemes to improve labour markets and skills development and provision of pensions and social insurance for public sector workers. These programmes are managed directly by line agencies.
- **Conditional cash transfers** to individuals meeting certain criteria (i.e. maternity benefits and school meal programmes). These programmes are managed by a range of agencies, often in association with other health and education programmes, and come under the mandate of the DDC and VDC. These transfers are claimed by beneficiaries at the VDC level and are described in Section 7.2.1.
- **Unconditional cash transfers** to specific categories of individuals (e.g. widows, children, disabled, etc.), managed directly by DDCs and VDCs. These are described below.

Information Section

The Information Section acts as the hub for all information in the district. Outputs from the section include regular reports and ad-hoc reports for both external reporting and to support DDC decision-making as well as providing the information required for public hearings. This information is made available to local newspapers who generally give a high profile to public hearings and the reports. The Section has produced a public booklet to inform the DDC council, VDCs and wider public. The booklet sets out the policies and budgets of the Council.

Regular reports include:

- District Annual Plan
- District Profile
- District Periodic Plan
- District Transport Master Plan

Data are supplied from many sources, including Line Departments, VDCs, INGOs and NGOs. There is a standard trimester reporting format for use by VDCs, which generates 76 reports per year, which have to be consolidated.

Data are assembled and managed using MoFALD's 'Web-based reporting system' (WBRS), which has replaced the District Poverty Monitoring and Analysis System (DPMAS). DPMAS was a comprehensive system but required good internet access and capable staff which were not available. The relatively new WBRS only replaces part of the scope of DPMAS, essentially meeting the requirements of the MCPM grant system. It does not include data from line departments. DAG information is also not included, and there is no village level MIS. Disaster risk reduction information is also not included. This is now managed through a special unit in the CDO's office which plans and coordinates activities under the District Disaster Reduction Management Plan (DDRMP) and consolidates the reports from police posts, Red Cross units and involved NGOs.

District Technical Office

The District Technical Office (DTO) is the technical wing of the DDC. However, the DTO is situated in the DDC office but reports to the Department of Local Infrastructure Development and Agricultural Roads (DOLIDAR), the technical wing of MoFALD. Engineers assigned to the DTO include both DOLIDAR and project-specific engineers.

All DOLIDAR programmes should come through the DDC. However, some DPs fund directly through DOLIDAR, allowing the DTO to directly approve and manage their projects. Other projects such as RAP 3 have elements in both the DTO and LDO offices. Funds pass through the District Treasury and therefore need to be approved by the DDC. However, the DTO sign off on actual expenditure.

Effectively, these arrangements create quasi-parallel structures and modalities even within MoFALD which limit the ability of the DDC or any of the coordinating committees to bring coherence at the district level to the overall set of interventions.

4.1.2 Activities coordinated by the CDO

Most development activities are managed through the LDO. However, the Chief District Officer (CDO) with a separate office (Figure 6) is responsible for a range of functions:

- Overall oversight of all district activities, public hearings and handling grievances
- DDRC and climate change activities
- Security and justice, including policing

Oversight and coordination: The CDO reports to the Ministry of Home Affairs and is the most senior government official in the district. The instruments available to a CDO to oversee and coordinate include:

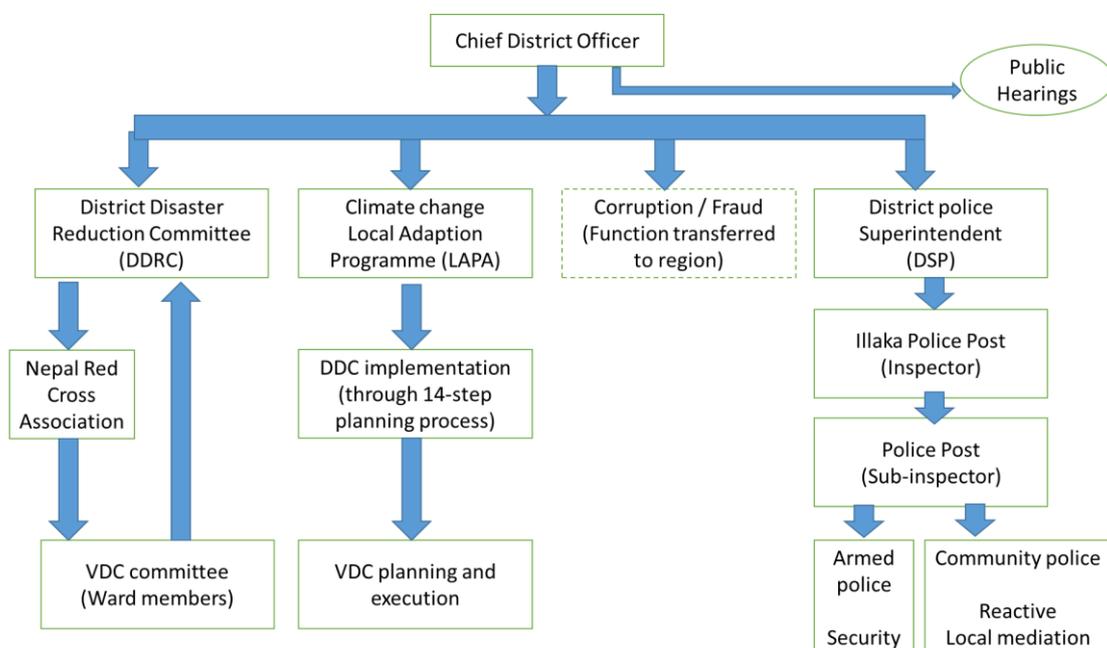
- Implementing between 50-60 administrative regulations, prepared at the national level and applicable within the district. These regulations are very important – they form the basis for the CDOs mandate and inform discussion with local political representatives
- chairing a range of government committees. The recently appointed CDO in Dailekh reported chairing over 75 government committees.
- Dealing with grievances and disputes. The CDO could investigate written grievances and call officers from line agencies in an attempt to resolve disputes between line agencies and between individuals and line agencies.

The development delivery challenges faced by the district include the large number of programmes and schemes, each with their own staff and modalities which has resulted in duplication as well as scattered and fragmented services. These problems could not be effectively solved without the district being able to take a more holistic perspective.

The focus of much of the interaction with local politicians is also around different programmes. The CDO’s office engages with and meets local politicians, but there is no forum for holistic discussion. The only way to resist pressure from individual parties is by informing representatives about and then enforcing national regulations.

The present political vacuum at the local level means that all parties are treated equally and given a voice in many administrative committees, irrespective of their capacity or the size of their support among the public. Further, without local elections, there is a lack of public leadership with decisions being taken by civil servants who tend to be highly risk averse and, in any case, can not play a public leadership role. Democracy is not effectively institutionalised.

Figure 6: Structure of CDO’s office



Disaster risk reduction and climate change: Dailekh is not considered a very vulnerable district. The greatest risks in the District are associated with landslides, fire, thunderstorms, and

earthquakes. Disaster risk reduction is a major responsibility of the CDO's office. The focal person is the Assistant CDO (ACDO) who manages the District Emergency Operations Centre (DEOC), works with the District Disaster Reduction Committee (DRC) and implements the District Disaster Risk Management Plan. The key implementing agencies are the Nepal Red Cross Society (NRCS) and Armed Police Force (APF).

Security and justice: The CDO is responsible for maintaining law and order throughout the district. Although the District is generally peaceful at present, it has suffered during the armed conflict period and could be regarded as being in a 'transitional phase'. The Truth and Reconciliation and the Disappeared People's Commissions are still in operation.

The district police are organised into two parallel forces – an armed, para-military force, which is also responsible for DDR and a community force, responsible for law and order. The main issues it deals with are: crime control, small disputes, and gender-based violence.

Responsibility for corruption and abuse of power has been transferred to the Commission for the Investigation of Abuse of Authority (CIAA) regional office in Surkhet, which handles cases from Dailekh and Surkhet. As a result, the CDO is directly focused on conflict resolution and dealing with grievances between line departments, other agencies, politicians and groups/individuals in the public

4.2 Coordination, Planning and Decision making at Local Body Level

The absence of political governance structures has not resulted in independent stand-alone executive decision-making. Instead, decision-making is distributed amongst sector wise committees with an elastic set of members (Table 6). In practice, these interface committees involve the resolution of (a) the requirements of national guidelines and (b) the preferences of local stakeholders.

In many cases, district (i.e. DDC) committees are duplicated by sector committees (in line departments), who meet before the district sector committees. The result of this distributed and staged approach to planning is that there is no overall accountability for the final selection of projects, even within a sector.

The IPFC is responsible for coordinating projects. In practice, decisions have already been made and the Committee is used to formalise approval and inform other agencies.

The array of coordination and governance committees (Table 7) illustrates the problems of planning, coordination and decision-making faced by the districts. These are just some of the committees that have been formed in response to the coordination problems, taking up large amounts of time of officials and other agencies.

Table 7: Composition of District Boards and Committees

Board/Committee	Permanent members	Invited members
DDC Board (Meets annually + ad-hoc)	CDO (chair)	
	Ilaka members	
	LDO	
		LDO invitees (based on consensus)
District Development Council (Meets annually)	LDO (chair)	
	Executive officers	
	Parliament members	
		Political party representatives
		NGOs (all active)
		MoFALD coordination committee members (Dalit, Women, Janajati, Disabled)
Integrated Plan Formulation Committee (IPFC) (meets annually)	Chairs of Sectoral Committees	
	Chiefs, line agencies	
	NGO members	
	Parliament members	
		Political party representatives
Subject-wise committees Established under LSGA 5 committees. (Econ development committee now folded into other committees)	LDO (Chair)	
	Line agency staff	
		NGOs
		Political party representatives
		Others (based on sector)
Supervision and Monitoring Committee (Meets trimesterly, reports to CDO)	LDO (Chair)	
	Line agency staff (2x, selected)	
	INGO (x1) /NGO (x2)	
	Parliament members	
Social Motivation Coordinating Committee	LDO (Chair)	
	DDC SD officer	
	WCDO	
	Governance expert (UNDP)	
	GESI member	
	VDC Federation Chair	
GESI Implementation committee	LDO (Chair)	
	WCDO	
	Target group 'voice'	
Environment–friendly Local Governance Committee (EFLG)	LDO (Chair)	
	Related sectors	
District branch of Federation of VDCs (NAVIN)		

The function of the DDC Planning officer is the facilitation of the district planning process. A major element of this relates to the functioning of the 14-step planning process and the targeting of specific groups. All projects, including those supported by line departments and

INGOs, originate from the bottom through the 14-step planning process and are approved by the DDC. However, in practice, coordination is impossible for various reasons:

- The DDC is unable to act as an autonomous body without political representatives. There is no mandate for autonomy when decisions lie with committees consisting largely of administrators and programme managers. Instead, politicians are seeking to capture resources for themselves.
- The scope for the LDO to make decisions and lead local development is very uncertain and fragile. In Dailekh, however, the scope for administrative leadership is better than in some other districts.
- Line agencies and INGOs control their budgets centrally. The DDC can only approve what is being proposed. NGO projects are always approved, although the DDC does not really know about these programmes, and is rarely involved in their development. There is almost certainly duplication but it is hard for the DDC, with the information they receive to identify this at the planning stage. There is no incentive (i.e. benefit to the district) to reduce duplication or reject proposals as these are externally resourced programmes.
- The District Periodic Plan is a critical instrument. Without this, each sector remains self-contained with its own decision-making arrangements. It is currently under development in Dailekh with the support of SDC, but it is not clear when it will be finalised.

The role of the DDC is evolving from that of a decision-making governance structure, responsible for allocating a single basket of funds to that of a programme implementer of specific schemes and programmes. The DDC is becoming an implementing agency of MoFALD, rather than a coordination body serving all citizens (“owned by everyone”). Box 2 illustrates some of the views from key informants concerning the role and mandate of the DDC.

Box 2: Key informant views on the function, form and roles of the DDC

The model for the DDC should be that of the NPC – not a line agency (is MoFALD required?)

“From the perspective of the district, there were too many agencies ‘making plans’. The flow of funds in reality was not clearly related to the plans. As a result, there was no overall accountability for development.

“Even at the national level, the annual budget (managed by MoF) was not aligned with the 5-year plan (managed by NPC).”

“The legal mandate for the DDC and other local bodies came from the LSGA. However, the LSGA was only partially followed in practice and so the structures were unable to function as intended under the Act.”

“Dailekh could do much better, with a better development plan. The district has natural resources, a good location and lots of capacity – and hence opportunities that are not realised. All the VDCs lie on or close to roads, most have scope to develop hydro-energy schemes and, therefore, to generate business and employment.

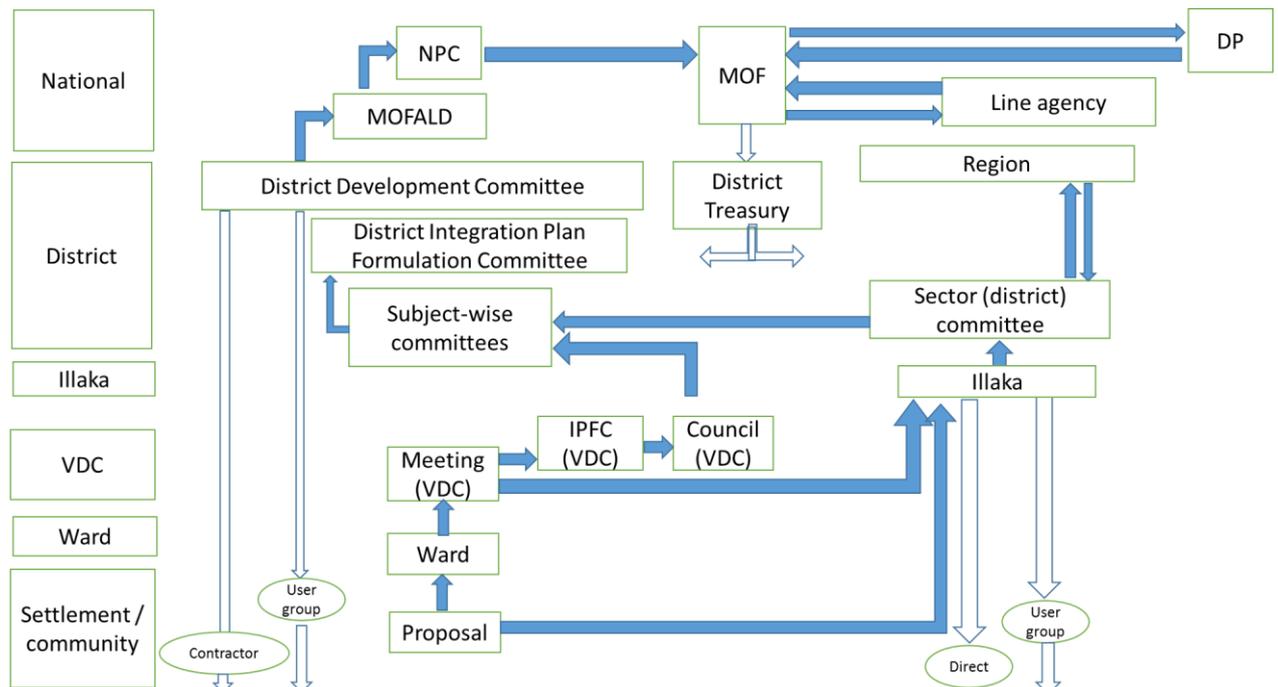
4.3 Approval process

The approval mechanism for project proposals consists of a 14-step process, which all agencies and NGOs claim to follow. The process starts with ground-level proposals, prioritised at the ward and VDC levels and then passed through a district-level subject-wise committee to the District Integration Plan Formulation Committee (IPFC), for approval by the DDC (Figure 7). Approved projects are forwarded through MoFALD to NPC and MoF for approval of funds. Actual release

of funds from the District Treasury office requires a final step involving approval by MoFALD, the concerned sector ministry and or the development partner (DP), depending on the agreement.

Line agencies also follow the 14-step process. However, they often retain the previous sector-specific planning and approval processes, layering the new 14-step process over the existing arrangements. In the case of decentralised sectors, such as agriculture, this means that projects, some of which may have been generated through the ward – VDC process and others through sectoral processes, are firstly approved by the Sectoral (District) Committee, secondly by the regional office and, finally, submitted to the District Integration Plan Formulation Committee for approval by the DDC. Release of funds requires approval by both MoF as well as sector ministries.

Figure 7: District Planning and Approval Process



Centralised sectors follow similar processes with proposals and budgets approved by the DDC. However, budget release and execution is directly to the line agency from MoF.

The DDC has a mandate to integrate and coordinate all plans and proposals at the district level, from line agencies and NGOs – an impossible task for both technical and governance reasons. These include:

- **Predetermined and selected projects:** The proposals presented by each agency and scheme have already been prioritised and individual projects have already been selected, based on the agency’s determination of vertical coherence which defines the goals, targeting strategy and implementation modality of the agency. Further, the 14 step participatory planning processes gives rise to expectations and commitments to beneficiaries and users that are often difficult to fulfil.
- **DDC only has control over limited resources:** The DDC has no control over the resources available to DP and NGO-funded projects, ‘aligned’ programmes or

centralised sectors - and only partial access to information. Financial and programming control is retained by these agencies.

- **The absence of elected citizen representatives:** Local elections for local bodies have not been held since 1999, a period of over 16 years. The ‘all-party-mechanism’ which was introduced as a proxy for proper elections is no longer functional and access to governance meetings is open to all, including political party representatives (irrespective of size or mandate) and staff from the implementing agencies. The hybrid nature of these structures blurs the accountability between governance and implementation – between those making collective decisions and those with an interest in delivery.
- **Personalised political interference:** The absence of a formal political structure that allows political representatives to come together to make collective decisions means that political party representatives and other interest groups directly seek to influence implementing agencies, both line agencies and NGOs to capture benefits for their interest groups. As a result, decisions and their implementation, even when nominally rules and guidelines are carefully followed are, in reality, determined by political allegiances at all levels of the results chain – from policy/mandate, through delivery to selection of beneficiaries.
- **Lack of an evidence base on which to make decisions:** In general, decisions based on existing understanding and knowledge tend to be transactional in nature. The evidence and information required by local bodies comes from many sources:
 - Central government laws, regulations and guidelines that define mandate and procedures: staff in the DDC and VDC offices in Dailekh are generally well informed as to their mandate and processes although there are clearly areas of uncertainty – often where practice has not yet met the full requirements and spirit of the LSGA;
 - Feedback on the actual results of current programmes: this evidence and information comes from M&E reports, direct meetings between beneficiaries, community organisations and implementers as well as interaction between beneficiaries and citizen representatives. The quality of the feedback information available to DDC staff (and those making collective decisions in lieu of political representatives) is very limited, although the various social accountability mechanisms may provide this information directly to implementing line agencies and NGOs.
 - Knowledge of expected results of from decisions and instruments: this sort of evidence is usually less readily available locally and is often acquired through studies or the benchmarking of similar programmes in other places.
 - Without evidence to inform decision-makers, governance and collective decision-making is reduced to “coordination as negotiation” between parties.
- **Lack of local coherence (horizontal accountability):** the effective outcome of the sector wide committees and IFPC is the ‘amalgamation’ or ‘aggregation’ of sector and programme plans into a single document. Even if this exercise is regarded as a purely technical exercise, little actual coordination can be undertaken through a committee

consisting of implementing agencies and in the allotted time of, usually, annual half-day meetings. As a result, the function of the committee is to approve (i.e. rubber stamp) the district budget which, in the case of Dailekh, includes 50 tables and over 2,500 line entries. At best, these and other planning and coordination meetings serve as mechanisms to share information between agencies, rather than to engage in a 'deliberative process'.

The overall outcome of these constraints is a mechanism that does not - and cannot - provide coherence at the local level. In practice, the sector-wide committees, IPFC and DDC mechanisms merely provide cover for each agency and scheme to claim legitimacy for its programme. At best, they also provide a mechanism for sharing information amongst agencies and with the public. Hence, the present arrangements cannot be said to promote deliberative processes - where clearly defined citizen representatives come together in a formal process to make collective decisions in the interest of the common good, based on evidence.

The key finding here is not that there is no effective mechanism to ensure coherence at the local level – this fact is generally recognised – but that the present arrangements mean that coherence in the form of both technical coordination and genuine collective coherence is impossible.

4.4 Funding for development

The total budget for a district is provided from several sources:

- a) Own revenue:
 - a. Locally-set taxes and fees;
 - b. Revenue-sharing with central government, through which DDCs and VDCs can retain a share of revenue from tourism, electricity generation and land revenue; and
 - c. Royalties from the extraction of minerals, etc.

- b) Central government transfers
 - a. Unconditional block grants
 - b. Conditional grants

Unconditional block grants are well established in Nepal having been set out under the LSGA (1999) and introduced from 2004/05. Block grants are allocated directly from MoF to the DDC based on a clear formula, with the DDC distributing funds to the VDCs according to national formulae. The grants are linked to the Minimum Conditions and Performance Measures (MCPM), a set of process indicators related to the compliance and performance of the LB against defined procedures. These include: (a) processes for planning and budgeting; (b) expenditure and disbursement; and (c) governance activities related to disclosure (public hearings) and consultation and reviews.

The grants are discretionary and are intended to enable autonomous elected councils to lead and drive local development in their area. However, in the absence of local elections, the emphasis has been on improving the efficiency of LB administrations. Arrangements are not yet in place to (a) link the MCPM triggers to other programmes and (b) relate them to the achievement of (locally set) results.

Although the grants remain discretionary, a number of limits have been placed on expenditure from the grants by MoFALD to ensure that targeted populations receive a defined minimum proportion of the total district and village allocation (Table 8).

Table 8: Grant allocation to target populations and sectors

Target populations	VDC	DDC
Women	10%	10%
Children	10%	10%
Disabled and ethnically disadvantaged	15%	15%
Agriculture, Environment, Forestry	15%	
Infrastructure		65%
of which:		
Large infrastructure (>NRs 5 lakh)		60%
Small infrastructure (< NRs 5 lakh)		40%
Discretionary	50%	
Total	100%	100%

The grants system is generally considered to work well, although the current volume of funds provided through this mechanism remains small. However, in the absence of elected representatives and therefore the opportunity to empower local political decision-making, the main effect has been in terms of incentivising the administration to comply with procedures.

Total district budget

The budget for all government activities within the district in Nepalese FY 70/71 and falling under the umbrella of the DDC, is NRs 234 crore (US\$ 23 million), including DDC expenditure (Table 9, and Annex 3 for the detailed budgets). However, this represents an (unknown) understatement since some ministries and some costs have not yet been decentralised. The largest share of this expenditure is on local infrastructure (49%) – which includes all the costs of the DDC office, followed by Social and Population services (35%) – which includes Education and Health. The remaining 16% is split between Land and water resources (7%) and Agriculture, Forests and Environment (9%). Education, which is highly decentralised, accounts for about a third of all district expenditure. Health, which remains centralised, accounts for only 3% of the total district expenditure.

Table 9: Total District Budget

District Development Committee Office, Dailekh										
Actual Budget of the FY 069/070, Amended Budget of the FY 070/071 and Detailed Budget of Current & Fixed Assets of Proposed Programs of Donor Organizations and NGOs (in thousands)										
S.No.	Name of Program	FY 069/070			FY 070/071			FY 071/072		
		Actual expenses			Amended budget			Proposed budget		
		Current	Fixed	Total	Current	Fixed	Total	Current	Fixed	Total
A	Local Infrastructure Development	193,928	564,571	758,499	199,904	938,441	1,138,345	218,485	1,033,885	1,252,370
B	Land and Water Resources	27,339	50,692	78,031	7,645	161,112	168,757	8,650	299,627	308,277
C	Agriculture, Forest and Environment	49,388	33,094	82,482	87,183	131,465	213,298	123,368	210,574	333,942
D	Social and Population	714,466	45,793	760,259	722,527	96,640	819,209	917,946	107,367	1,025,313
	Grand Total (A+B+C+D)	985,121	694,150	1,679,271	1,017,259	1,327,658	2,339,609	1,268,449	1,651,453	2,919,902

The total DDC budget for Dailekh in Nepalese FY 70/71 was NRs 96 crore (US\$ 9.6 million) which represents an increase of roughly 50% on the previous year's actual expenditure (Table 10). This

is split between DDC managed activities (56%) and pooled programmes (44%). The largest pooled programme with Swiss HELVETAS Intercooperation amounts to 34% of the total (pooled and directly managed) district budget.

Of the funds directly managed by the DDC, roughly 40% is used for administration and grants through the DDC (5%) and VDC (35%). Social protection entitlements through the LBs account for a further 20% of the unpooled budget. The remainder of the directly-managed budget is allocated to various programmes, including RAP3.

The overall budget position is further confused by the fact that the funds for some NGO and donor programmes do not pass through the District treasury. For the six NGOs reviewed (out of 17 active NGOs), this amounts to at least another NRs 12 crores (see Section 5.1.1).

These budget figures should be treated with caution. The figures used in this report are correct in the sense that they were extracted from an English translation of the District Annual Report (for FY 70/71). However, they may not represent the totality of expenditure within the district. The team were unable to reconcile differences between this data and data obtained from other sources in the district. This was partly due to the short time available for this mapping but it also, importantly, reflects the fact that managers of line agencies and NGOs think of their budgets from a sector or programme perspective, which is not always reflected in the district budget. Further some programmes include salaries while others cover salaries from national budgets. A complete public expenditure tracking review would be useful.

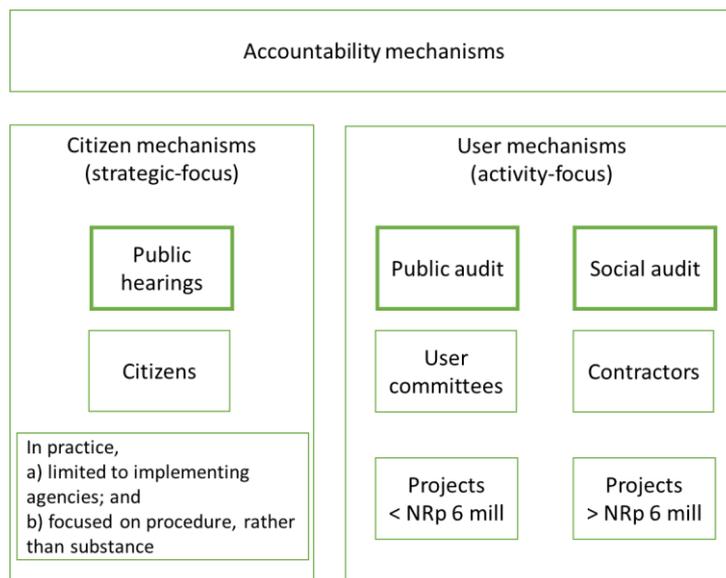
Table 10: Actual DDC Budget for FY 070/071

District Development Committee Office, Dailekh										
Actual Budget of the FY 069/070, Amended Budget of the FY 070/071 and Detailed Budget of Current & Fixed Assets of Proposed Programs of Donor Organizations and NGOs (in thousands)										
S.No	Name of Program	FY 069/070			FY 070/071			FY 071/072		
		Actual expenses			Amended budget			Proposed budget		
		Current	Fixed	Total	Current	Fixed	Total	Current	Fixed	Total
1	DDC Grants	23,536	12,170	35,706	25,592	16,503	42,095	28,151	18,153	46,305
15	VDC Grants	21,980	60,520	82,500	21,980	126,740	148,720	24,178	139,414	163,592
	Current VDC Grants	21,980		21,980	42,464		42,464	46,711		46,711
	Social Security Allowances	113,905		113,905	107,564		107,564	118,320		118,320
2	Pool Fund		12,627	12,627						
3	Local Transportation Infrastructure - Area wise Program)		12,242	12,242		9,000	9,000		9,900	9,900
4	Local Transportation Infrastructure- Area wise Program) (Social Construction)		1,243	1,243		7,000	7,000		5,000	5,000
5	Rural Access Program (Third)	1,000		1,000	1,029		1,029	1,131		1,131
			2,363	2,363		47,042	47,042		51,746	51,746
	Rural Access Improvement Program	50		50						
	Rural Access Program	925		925	512		512	563		563
7	DoLIDAR (including Small Irrigations)		1,238	1,238		5,000	5,000		5,500	5,500
8	Road Board (including DDC partnership)		849	849		2,200	2,200		2,420	2,420
	Rural Community Infrastructure Development Program'	2,200		2,200	2,450		2,450	2,695		2,695
	DFID Fund	14,057		14,057	9,690		9,690	10,659		10,659
6			7,782	7,782		17,012	17,012		-	-
9	Rural Drinking Water and Sanitation Program	687	6,968	7,655	884	8,000	8,884	972	8,800	9,772
10	emf]=k'= Program		6,000	6,000		9,900	9,900		10,890	10,890
	Under DDC Fund - Internal Income	1,792		1,792	2,000		2,000	2,200		2,200
11	Local Roads and Bridges -KISSAN		10,770	10,770		15,000	15,000		11,550	11,550
	Current National Volunteering	262		262	178		178	196		196
12	Royalties/Tax Division		7,054	7,054		5,000	5,000		5,500	5,500
16	Rural Community Infrastructure Development Program		6,017	6,017		30,390	30,390		33,429	33,429
19	Indian Support Program		15,384	15,384		22,800	22,800		25,080	25,080
20	Indigenous People and Nationalities level					100	100		110	110
21	Upliftment programme for dalit community		115	115		345	345		380	380
22	Development Program based on Public Participation		6,120	6,120						
23	Youth and Sports Program		612	612		774	774		851	851
24	Consituency Development Program		-	-		4,000	4,000		4,400	4,400
25	Department of Electricity Development		1,197	1,197		1,500	1,500		1,650	1,650
26	Rural Access Improvement and Development		6,019	6,019		-	-		-	-
27	Special Program for War Victim		3,493	3,493		1,000	1,000		1,100	1,100
	Grand Total of DDC	202,374	180,785	383,158	214,343	329,306	543,649	235,777	335,873	571,651
28	Lily Helvetas Swiss Intercooperation		15,964	15,964		21,500	21,500		23,650	23,650
29	Rural Water Resources Management Project		32,373	32,373		36,195	36,195		39,815	39,815
30	Rural Energy Development Program		14,209	14,209						
31	Western Uplands Poverty Alleviation Project		8,836	8,836						
32	SSIP Swiss Intercooperation		189,621	189,621		329,306	329,306		335,873	335,873
33	Nepal Climate Change support Program					32,766	32,766		36,043	36,043
	Total (Projects)		261,004	261,004		419,767	419,767		435,381	435,381
	Grand Total	202,374	441,788	644,162	214,343	749,073	963,416	235,777	771,254	1,007,031
	Less: VDC grants	21,980	-	21,980	42,464	-	42,464	46,711	-	46,711
	less: RAP3 payments	1,000	2,363	1,000	1,029	-	1,029	1,131	51,746	1,131
	DDC Managed expenditure	179,394	439,425	621,182	170,850	749,073	919,923	187,935	719,508	959,189

4.5 Accountability arrangements

Democratic accountability consists of three inter-related elements: political, social and administrative accountability. In Nepal, in the absence of political accountability at the local level, the main accountability relationships are necessarily vertical - upwards administrative accountability and downward social or beneficiary accountability. The main instrument for citizen accountability is the public hearing (Figure 8).

Figure 8: Accountability mechanisms



Downward social accountability: Participatory social accountability takes place through either public or social audits associated with specific activities and investments. Social audits focus on larger projects (> NRs 6 million) implemented through contractors while public audits cover activities implemented through user committees. The problem with the public audits is that they effectively reduce to a 'self-audit' as the activities are being implemented directly by beneficiaries.

Upward administrative accountability: There are clear upward chains of administrative command to ministries in Kathmandu. These are relatively strong and reinforce the delivery silos that link national sector policies, through implementing modalities to results. The exact arrangements differ from sector to sector with some sectors, such as health, providing internal revenue distribution arrangements that not only allocate funds to different units but also provide formal salary incentives for staff.

These instruments form the basis for vertical accountability. In practice, their functioning is limited by the lack of any horizontal accountability and by the ability of local interest groups, supported or led by local political party representatives to capture benefits for themselves. This capture is achieved through different means (selection and retention of staff in government and NGOs) and influencing of the targeting systems. The fragmented nature of delivery provides platforms for influencing both the targeting of benefits and delivery of services

There are also a number of administrative oversight committees at the district level, including:

- Supervision & Monitoring Committee

- Social Mobilisation Coordination Committee
- Gender Equity Social Inclusion Implementation Committee
- Environment-friendly committee
- Committee of Federation of VDCs

Horizontal accountability: This relates to the overall coherence of development interventions and programmes at the district level. Currently, the main formal instrument, associated with a holistic and coherent perspective, is the public hearing. At best the public hearing is the means for the administration and or politicians to have direct feedback from citizens and feeds into systems of either administrative or political coherence:

- *Administrative coherence:* in practice, as has been discussed, the system is constructed in such a way that the DDC is unable to perform its role of technical and administrative coordination - there are too many externally-managed and driven schemes, each with its own management and different modalities for this to happen.
- *Political coherence and accountability:* horizontal political accountability relates to the notion of 'citizenship' – rather than 'user-ship' and to collective decision-making. The elements of a system of political coherence and accountability – elected representatives, autonomous mandate, discretionary funds, implementation and enforcement capacity - are not in place.

Currently, public hearings relate to administrative accountability. The hearings are conducted by the CDO and the administration. They tend to be used as a means for the DDC to share information and explain the context in which they function (i.e. the administration shares information with line agencies and NGOs), rather than as a means of gathering public opinion. This partly reflects the difficulties resulting from the absence of established and predictable systems, the problems of communication between state and society and the myriad of different schemes and programmes that are determined externally to the district and to which district staff remain unsighted and unsure.

4.6 Flow of funds

The District Treasury is responsible for all government money. The office of the District Treasury is part of the office of the Comptroller General's office within the Ministry of Finance. The District Treasury (DT) maintains 26 separate accounts, one for each department. The system works on trimesters, with ministries sending approval letters to their sectoral district offices, copied to the District Treasury. However, funds are only released from the treasury based on central approval. The treasury receives adequate and timely cash transfers from the centre but disbursement is delayed due to the approval system. No carry over between years is possible. All payments are made through the banking system. Real time expenditure data is available.

The treasury officer in the DDC is seconded from the DT, but reports to the LDO, who is responsible for their annual confidential report. The DDC receives cash directly under two headings: conditional and unconditional grants and is responsible for sending cash to VDCs. DDCs and VDCs have to cover administration costs from their overall budget.

The total district budget, according to the District Treasury, is NRs 320 crore, with NRs 270 crore from the development budget and NRs 50 crore from regular budget. Own source revenue is locally managed and does not pass through the District Treasury.

Joint projects. These are distributed by the NPC to different departments. For some programmes, funds are transferred to the CDO, who then allocates to departments, for example, peace and reconciliation funds are allocated to both police posts and conflict-affected people. The idea is that there is an integrated system of budgeting across departments. For example, a school could receive funds from three or more different (governmental) sources: (a) DEO, (b) from MoFALD conditional funds through the DDC and (c) the DDC unconditional block grant.

The distribution of expenditure is heavily skewed to the third trimester. Two main reasons are given for this problem. Firstly, planning is too ambitious and does not make allowance for the time required for tendering and contracting. Secondly, central approval is hugely delayed. As a result, often, salaries are not paid during the first two trimesters.

Results-based management has also created a problem since departments and projects are expected to spend first and then be reimbursed. In theory, once approved, funds are released in Trimester 1 according to plan. Departments prepare progress reports for MoF, who then approve expenditure in the following trimester. However, MoF approval for expenditure is required for each trimester separately and this takes considerable time, as for much activity MoF are required to seek DP approval before issuing approval letters to departments.

Auditing arrangements. All audit is done at the end of the financial year. The system of audit uses unlicensed private auditors to audit district accounts and VDC accounts are audited by the DDC itself.

4.7 Line Departments

The specific structures and processes in each line department follow their own departmental guidelines (and are not described in detail here). However, there are elements of these vertical systems that interact with the LBs, through both governance and funding arrangements. Education is described in more detail to illustrate some of these issues.

4.7.1 Education

Education is the largest sector in Dailekh district accounting 33% of the total District budget. This reflects the national budget which allocates approximately 15% of total public expenditure to education. Further, the sector is highly politicised, both from a teacher's and at university level, student perspective (source: field notes).

Responsibility for education in the district lies with the District Education Officer (DEO) who reports to a Regional Education Directorate (RED) of the Department of Education (DOE). The DEO is responsible for both the financial management of schools and the monitoring of performance and quality of education (school inspections). This responsibility is partly exercised through 12 Resource Centres that each support a cluster of five schools. The role of the Resource person is unclear – the main function is to support schools rather than supervise or check performance, but the role also involves quality control and problem investigation.

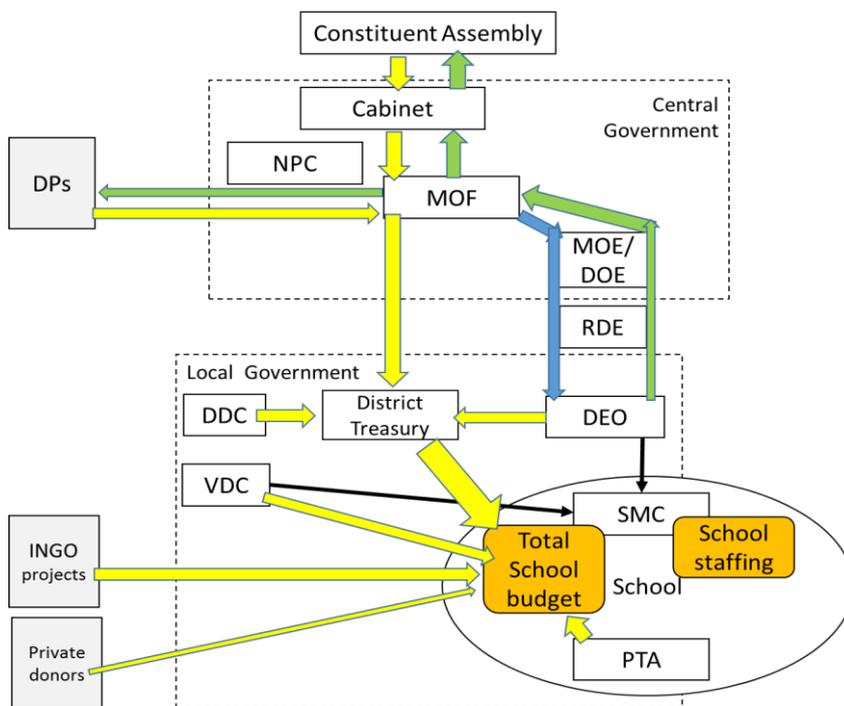
School Management Committees (SMC) play a key role in school governance. The SMC is responsible for financial management and staff recruitment as well as the overall development of the school. The SMC is responsible for the recruitment of the head teacher. SMC members

are elected by parents and are usually highly politicised as parties fight for control. Horizontal coordination between LBs, DEO and schools is the responsibility of the District Education Committee (DEC) and Village Education Committee (VEC).

The DEC is chaired by LDO and includes officials from the DDC and DOE, representatives from the VECs and SMCs and teachers. The committee is responsible to prepare a District Education Plan (DEP), mobilise resources for education, including from DDCs and VDCs, and respond to problems as they arise. The DDC also its own education plan (or set of education projects) which is separate to the DEP.

Figure 9: Decision-making and fund flows for education

Key: Budget guidelines (blue)
 Selection and consolidation (green)
 Approval and flow of funds (yellow)



Although education is a decentralised subject, the planning and budgeting cycle for education follows MoE and MoF guidelines and procedures (Figure 9). These start with MoF guidelines and budget ceilings, which are passed down the line through REDs and DEOs. The DEO prepares the District Education Plan which is discussed and finalised at the RED, passed up to the Department of Education, who consolidate the district plans into a national Strategic Implementation Plan (SIP) and associated Annual Work Plan and Budget (AWBP) for approval by DPs and, finally, submitted to the NPC and MoF, before approval by cabinet and parliament. This process may not be complete before the start of the financial year, resulting in funds not being released until the second or third trimesters. Further, even after approval has been given, authority to spend requires clearance from DPs.

Funding for schools is provided through a number of different sources and means.

- a) **Central funding:** this includes ear-marked grants for salaries, per capita funding and capital as well as un-earmarked grants for operating costs. On top of these grants, there are schemes for (a) scholarships; and (b) school feeding programmes. The DDC is required to approve disbursement of funds in the decentralised education sector, although reporting on expenditure is through the DEO. All these expenditures flow through the District Treasury.
- b) **Transfers from VDCs and the DDC:** most of the contributions to school budgets from LBs comes in the form of construction projects. There are three types of construction projects: large projects cover the cost of 4-block school buildings blocks (NRs 24 lakh); small projects cover costs of 2-block school buildings and a Girl's Toilets project. The Girl's Toilet project was known to be a DFID-funded scheme.
- c) **INGO programmes:** these include:
- SCF programme: this programme is focused on 14 VDCs and covers nutrition, environment, WASH and gender;
 - School Nutrition Programme of World Food programme (WFP): this programme provides schools meals in all primary schools in 20 out of 49 VDCs in the District
 - Ratna Bangala: this programme focuses on teacher training and construction projects (and is funded by a private school in Kathmandu)
- d) **Individuals' donations:** No information was available on these one off payments, although they were thought to be significant and limited to a few schools; and
- e) **Fee income** from students and other activities: no information was available on these school specific income flows.

Since most of these funds are provided as hypothecated or earmarked grants, including funds from LBs, they are not assembled into an overall school budget and, therefore, SMCs treat each funding stream as a separate project. As a result, school development is a haphazard and ad-hoc process.

The DEO manage a number of scholarships – effectively part of the social protection programme, but managed by the education sector. As for other social protection schemes these are targeted at girls, dalits, conflict victims and the disabled. Each scholarship holder receives NRs 400 per year. There was no LB involvement in the allocation and management of these scholarships.

The total education budget managed by the DEO is NRs 84 crore per year. This includes both recurrent costs and capital for construction (Table 11).

Table 11: District budget for education (FY 2013/14)

Budget items	NRs crore
Salaries	48
NFE	1
Teaching materials	4
Text books	3
Scholarships	4
Construction	10
Teacher training	1
Other costs	12
Total expenditure	84
<i>Note: These figures from the DEO do not match tables from the District Treasury</i>	

The expenditure of schools in the district is audited by certified private auditors and an annual social audit of the school's performance undertaken. Reports of these audits are shared with parents and submitted to the DEO and are required to ensure release of funds in the final trimester.

The quality of services provided by schools is monitored by the DEO's office through 5 supervisors, supported by the 12 Resource Persons based in the Resource Centres. This monitoring is complemented by a Joint Monthly Monitoring Programme which is undertaken by teachers, unions, political leaders and staff from the DEO. No staff from the DDC or VDC are involved. Monthly Monitoring Reports are sent to the DEO and RED.

There are seven teachers' unions in the district – each aligned with different political parties. These unions play an influential role in the sector, exerting pressure over recruitment and transfer of staff as well as contributing to overall monitoring of schools and to school management through the SMCs.

Parent Teacher Associations (PTAs) are formed in each school and provide an open forum for social audits. They are also used as a means to mobilise community resources. In practice, leadership is exercised through the SMC and PTAs do not put pressure on school management.

Although there is scope for LBs to engage in school governance and education planning more generally, this is largely left to the DEO and SMC and, in practice, often to local politicians who are able to influence both strategic and managerial decisions. An example of this was provided in one village in the district where an ambitious local politician in one VDC had, without approval, built additional classrooms and appointed teachers but had not received state approval and funding for it. As a result, the community was required to contribute the cash earned from any work intensive programmes to repay debts to the contractor.

Summary

Governance in the education sector suffers from many of the same problems as other sectors.

- a) The membership of committees is not clearly defined and most committees are open to all and any stakeholder. This gives those with a personal interest in the implementation (management and resources) of services an opportunity to capture resources. The lack

of elections means that political representation is open without any information available on the level of backing or weight that should be assigned to any one party.

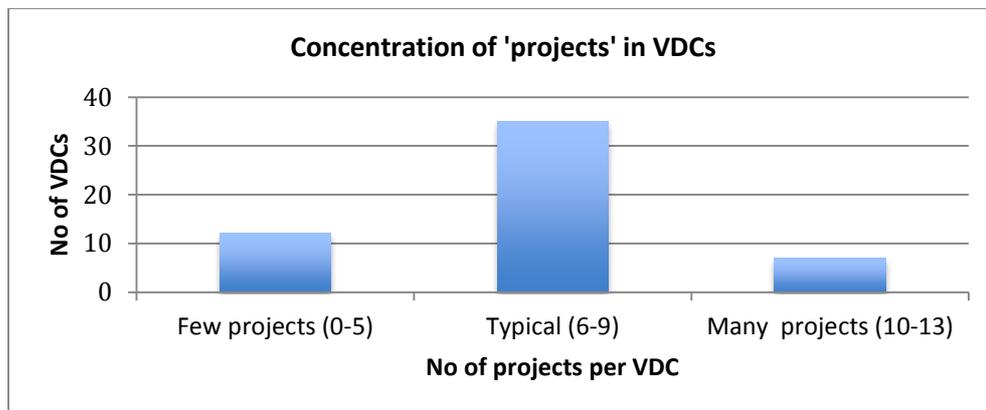
- b) School budgets are sourced through a number of highly projectised and earmarked arrangements and, therefore, are responsive only to the requirements of these schemes. The focus of management is to plan, implement and report according to scheme requirements. The overall contribution of a scheme to the school, or more widely to education in the district, is not explicitly considered.
- c) Local bodies, representing wider citizen interest in schooling, are only weakly involved in school management. The VDC participates in the SMC meetings, but has little scope to influence outcomes, beyond tracking the grants provided by the VDC.
- d) The SMCs are largely responsible for school governance and management with control over staffing and budgets. As a result, the DEO, PTA or VDC and DDC have a limited voice in decision-making, leaving local politicians, unions and teachers in control of school management and resource allocation.

5 Projects operating in Dailekh

5.1 Projects and reach in Dailekh

Table 6 indicates the range of project and funders operating in Dailekh District implementing directly and indirectly through NGO service providers. Figure 10 shows most VDCs have more than 5 projects operational at any one time. At a minimum there are over 24 projects (Table 12) operating in the district, with the probability that this is more than 30. There are no full lists held by the DDC and no full record of the flow of funds coming into the district.

Figure 10: Spread of projects in VDCs across Dailekh District



Of these projects and funders, Helvetas has had the longest continuous presence in the district (since 1997) and has contributed in particular to the development of capacity of local NGOs, supporting small CBOs to become NGOs capable of managing a portfolio of development interventions. The effects of this support are apparent with a small number of NGOs (those that have been supported by Helvetas) winning the major number of projects. Other NGOs that have not had this support are far less successful in winning projects. Other development partners such as GIZ have also had a long term presence in Dailekh supporting local governance reform and empowerment of disadvantaged groups through the PASRA project (now ended). Much of what is observed today therefore is a product of these previous interventions, whether it is groups that have become absorbed into other project groups or empowered individuals that have benefited from previous mobilization processes, in particular the participatory learning centre approaches (based on non-formal literacy/REFLECT type approaches) of both PASRA and WFP's RCIW.

As Table 12 indicates the projects cover a range of interventions from large-scale infrastructure development, support to private productive investments (agriculture and livestock) support to governance improvements both local governance as well as governance of forest user groups, to income generating activities.

NGOs are the main implementers of these projects and as Annex 2 shows four NGOs account for the management of most of these projects. In one case, Everest Club is contracted to manage 13 projects.

Table 12: Projects operating in Dailekh District

Projects		Funding source	Total VDCs
LINK	Value chain based marketing Village Development Periodic Plan	Helvetas (Membership prog.)	8 27
LILI	Farmers Managed Irrigation System	Helvetas	21
SSMP	Production technology and decentralisation agriculture extension services (AFEC)	Helvetas	56
WARMP	Water Resources Management Programme	Helvetas	6
TBSU	Trail Bridge Support Unit	Helvetas	10
EFS	Vocational Skill training and employment	Helvetas	9
SED/RAP3	Socio-economic development for road corridor	Helvetas	9
RVMRP	Rural Village Water Resource Management Programme	Finland	8
MSFP	Multi-stakeholder forestry project (LAPA and CAPA)	SDC, DFID, Finland	20
CEAPRED	Vegetable seed programme	SDC	6
NCCSP	Nepal Climate Change Support Programme (LAPA)	DFID	8
WUPAP	Community Investment Plan	IFAD	20
SALGP	Strengthening Accountability Local Governance Programme	SDC	15
RAP3	RAP3	DFID	9
PAF	PAF	World Bank	40
HVAP	High Value Agriculture Project	SNV	13
KISAN	Knowledge Based Integrated Sustainable Agriculture and Nutrition	USAID	9
LRBP	Local Road Bridge Programme	SDC	4
RISM-FP	Raised Income of Small and Medium Farmer Project	ADB	3
LWF	Community Based Water and Sanitation Hygiene Building Initiative Knowledge and Skill	LWF (Everest Club) LWF (Everest Club)	6 5
Oxfam/Nepal	Food Security and Governance Project Sustainable Livelihood and Food Security Programme	Oxfam & EU	3 3
WFP	Food for Work (RCIW)		4
	Food for Education (DEO)		27
MEDEP	Micro-enterprise Development Programme	UNDP	6
DHO	Health for Life (health sector plan)	USAID	10

Source: Helvetas Office Dailekh

5.1.1 Fund flows

As Table 13 illustrates the funds flowing through just six NGOs (out of 17 active NGOs in Dailekh) amounts to over Rs12 crore. This does not reflect all the funds flowing through NGOs in the district as it was not possible in the time available to talk to all the NGOs. This would need to be done as part of a wider public expenditure tracking process.

Table 13: Project funds flowing through six NGOs in Dailekh District (2014)

NGO	Number of projects	Funds (NRs)		Number of core staff	Number of field staff/social mobilisers
Everest Club	13	Rs24,591,422	£163,943	5	96
RDSC	2	Rs3,084,055	£20,560	Not available	17*
SAEWCC	3	Rs21,716,180	£144,775	5	23
SOSEC	9	Rs70,632,893	£470,886	7	71
CHEPF	4	Rs2,167,200	£14,448	2	152
CDP	6	Rs4,213,094	£28,087	0	162
Total		Rs126,404,844	£842,699	19+	504
*these staff members are not social mobilisers					
Source: interviews held during field work and follow-up discussions					

5.1.2 Project interface with district structures

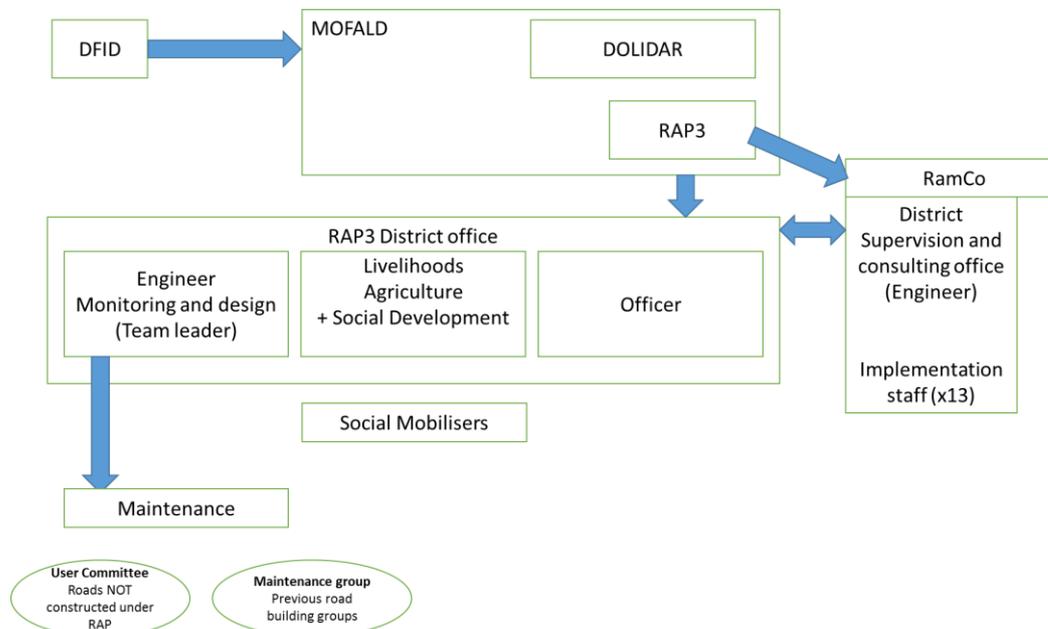
RAP3 provides a good example of some of the problems of the interface between projects and district structures. RAP3 is the third phase of a long running rural access programme with three components covering a wide range of themes:

1. Local road network
 - a. Maintenance
 - b. New roads
2. Socio-economic development (SED)
 - a. IGAs
 - b. Economic infrastructure development
 - Irrigation
 - Renewable energy (solar, micro-hydro)
 - Trail bridges
3. Capacity development cooperation
 - a. DDC
 - b. DTO

Figure 11 describes the project structures. RAP3 follows in principle the 14-step planning process. Groups receive orientation and training from a local NGO and technical support from an INGO, WINROCK. There are systems in place for verification and monitoring, including both public and social audits. The programme is aligned and therefore endorsed by the DDC (Annex 3) provides further details of the planning and benefit-sharing processes). Coordination with the DDC takes place in bi-monthly meetings, with the CDO and DDC Programme Officers, where a briefing and reports are presented. The SED activities are not included as these are outsourced. The planning process starts with community-level planning which includes the VDC, service providers and groups of about 25 farmers. These plans are aggregated into a corridor plan consisting of 10-12 groups, local traders, the VDC and NGOs and, finally, into a district plan which is 'coordinated' with other district level plans and approved by the DDC.

These plans are based around a road corridor which do not align with the VDC or ward boundaries. Although benefits are distributed across each VDC, there is no local accountability for activities or political or administrative framework to integrate these activities (other than the road network). According to one informant, the programme "goes through the VDC on stilts"!

Figure 11: Structure of RAP3



RAP3 is structured to support three workstreams.

- a) The District RAP3 office reports to RAP3 head office situated in Kathmandu in DOLIDAR and is responsible for monitoring and technical support.
- b) Construction work is implemented through a national level contract with RamCo, who also have a district office and 13 professional staff
- c) The SED activities are implemented through social mobilisers and supported by an INGO (Helvetas).

5.2 Implementation issues

5.2.1 Social mobilisation

For the six NGOs (described in Table 7) there are 504 social mobilisers working in 15 projects with on average 4-5 social mobilisers in each VDC. There are differences in recruitment criteria including levels of education and experience. The average annual salary is Rs223,400 (or ~£1,490). For the 6 NGOs this amounts to total salary bill for social mobilisation of Rs112,593,600 (or £750,624). There is considerable difference between salaries paid by different projects, varying from Rs18,700 for a WUPAP (Western Uplands Poverty Alleviation Programme) mobiliser to Rs12,000 for LGCDP2. In any one VDC there are at least 4 social mobilisers. The disparity in salaries, particularly between the LGCDP2 mobilisers and others is causing some level of jealousy. In addition we interviewed two other NGOs (DSS and GBJSK) that have just been awarded Local Service Provider contracts for LGCDP2 of Rs390,000 for the current year. In both cases they have no core staff and currently only one project LGCDP2. They have taken on the social mobilisers previously employed by the DDC.

As Table 13 shows these NGOs have small or no permanent staff and work entirely through project contracts; they are effectively development business entities that provide intermediary services to projects for the hiring of social mobilisers from the local market.

With the diversity of projects and requirements for social mobilisers comes a diversity of requirements for skills. As can be seen from Table 8 the basic educational levels are reasonably consistent across projects, but the required levels of previous experience vary from 1 year to 3 years. Positive discrimination is exercised in most of the programmes selecting where possible for social mobilisers from disadvantaged groups.

Table 14: Qualification and experience requirements of social mobilisers

Project	Nature of employment	Educational level	Ethnic/caste requirements	Local to VDC	Experience	Salary
No project (used to be DLGSP)	Direct contract with VDC	SLC pass	Disadvantaged group	Local to VDC	Community organisation manager, now providing office support to VDC	NRs. 13,000/month
PAF	Contracted by NGO service provider (5 NGOs)	SLC at least	Priority to Disadvantaged group (Dalit, Women, Janajati)	Local to district	Social development, community mobilisation	NRs. 14,000/month
WUPAP	Contracted by WUPAP – District Project Coordination Unit	Intermediate or +2 Pass	Priority to Disadvantaged group	Local to VDC	Minimum 3 year experience of Social mobilisation	NRs. 18,700/Month
RCIW (WFP)	Contract to MDI hire own social mobilisers	SLC +	Priority to Disadvantaged group	Local to VDC	Minimum 2 year experience of Social mobilisation	NRs. 18,000/Month
MSFP	Contracted by NGO service provider	Intermediate or +2 Pass	Priority to Disadvantaged group with additional 5 marks in selection	Priority to local of VDC	Minimum 1 year experience of Social mobilisation	NRs. 17,000/Month
LGCDP2	Contracted by local service provider (previously contracted by DDC)	Intermediate/+2 Pass	Priority to Disadvantaged group		Experience of social development, community mobilisation	NRs. 12,000/Month
Lutheran projects	Contracted by NGO service provider (Everest Club)	Intermediate or +2 Pass, health or JTA educational background	Priority to Disadvantaged group with additional marks during interview only	Priority to local of the VDC	Minimum 1 year experience of Social mobilisation	NRs. 18,000/Month
SNV- DW & Sanitation	Contracted by NGO service provider (Everest Club)					

Source: interviews with organisations in Dailekh

As a consequence of the conflict and the limited development space available for those who were non-local, all the projects have a clear policy translated through their NGO service providers of employing local social mobilisers, and where possible selecting those from disadvantaged backgrounds. Although this is an important strategy to provide opportunities to those who are disadvantaged, without adequate investment in developing people's capabilities, the social mobilisers end up struggling with the same level of disempowerment as the people they are trying to empower. Because they are local they are also part of the local power

structures; they find it difficult to challenge them and are often dismissed by the elites (those who they are supposed to be influencing in the transformation process).

The numbers of social mobilisers, employed under a wide range of projects, and the small core permanent staff of NGOs means that there is very limited follow-up support provided to the mobilisers. Much of their work remains event-based and highly transactional, with limited experience of transformational mobilisation approaches. Since the social mobilisers are not part of the staff of the NGO, there is little or no incentive for the NGO to invest in their development. The consequence of the lack of investment in the mobilisers, the absence of any career pathway, is a high level of turnover. The social mobilisers readily admit to using these positions as an opportunity to build experience and to look for other work that does not require them to work as mobilisers.

For the social mobiliser the commitment to the job is as long as the contract, which can vary from a few days per year working as local resource persons to a renewable yearly contract. However, since there is no career progression for the social mobiliser as they are not part of the NGO staff, career progression must be pursued through other jobs for other organisations. All NGO service providers questioned said that their point of contact with groups is the social mobiliser employed for that purpose. Thus when the contract for those services ends, so does any contact with the group. The NGO does not continue support to those groups without specific funding to do so.

Reportedly there is politicisation occurring in the selection of NGOs and social mobilisers further potentially extending the reach of 'politics' into the selection of households to be included or excluded from groups; and selection of those in decision-making positions. We did have anecdotal evidence of the politicisation of national NGOs with their selection of local NGOs in Dailekh fitting with their own political affiliations. From discussions with key informants in Dailekh, it was also apparent that the selection of social mobilisers was also on the basis of political affiliation. In the last phase of LGCDP1 30 to 35 social mobilisers were threatened with dismissal and 3-4 were sacked over their close alignment to political. A review of social mobilisation conducted for LGCDP1 in 2011 confirmed at this time the high levels of political interference in the selection of NGOs as well as social mobilisers (Neupane 2011:47).

The LGCDP2 social mobiliser has a powerful role to play in the VDC, they are under significant pressure from political parties and elites to ensure that projects are directed to their local areas: 'it is political leaders' interest to take projects to their pocket areas and then to get the income from these projects for their pockets' (*interview with social mobilisers*). These pressures are slowly declining as the disadvantaged groups are becoming more aware of the budgetary allocations for them and in their turn are lobbying politicians and others to ensure that project benefits reach their areas.

The LGCDP2 social mobiliser has a powerful position in orchestrating the outcomes of decision: for example decisions on composition of the user committee have to be signed off by the social mobiliser as do the projects to be funded by the VDC. In both cases, if the social mobiliser disagrees s/he can write a note of dissent. On project proposals this can force the Village Council to postpone their decision until there has been a change in the allocation of budget to proposals (if insufficient budget has been allocated to the targeted groups). For user committees it can result in a totally new selection of members. Although in both cases it is intended to safeguard the interests of disadvantaged groups, it is also placing significant power that can be misused into the hands of one individual.

Summary of social mobilisation issues

- There is evidence of duplication of effort in any one VDC with multiple social mobilisers operating
- Use of group formation as the main vehicle for service delivery leads to high levels of transaction costs for individual households
- Low salaries and low levels of experience of social mobilisers leads to mainly transactional forms of mobilisation
- Low investment in long term institutional support to social mobilisation continues to reproduce low quality
- NGOs contracting social mobilisers have limited incentives to invest in their development, there is limited added value from the NGOs and limited evidence of building the cumulative skills and understanding of effective mobilisation practice
- Transformational approaches to social mobilisation require higher levels of skills and capability and considerable investment in developing these skills. Without sufficient support to the social mobilisers the tendency to revert to transactional forms of mobilisation will continue
- The importance of the social mobiliser as the frontline for all development interventions requires that more serious support is provided to ensure they have the requisite capability for the work. NGOs in India, such as PRADAN, provide potential models of how high levels of investment in graduate trainee social mobilisers (including a two year apprenticeship) can deliver transformative outcomes
- There is anecdotal evidence of continued politicisation of the social mobilisation process with the division of benefits negotiated through parties and identification of beneficiaries along party lines.

5.2.2 Targeting

There are multiple forms of targeting operating in Dailekh district often the same NGO working through different projects is using different targeting mechanisms ostensibly to identify the same target groups (Annex 1 provides a comparison between the approaches used by some of the main projects operating in Dailekh). There is geographic, thematic, household, and within user group targeting in operation. These all have different indicators and processes to identify households to be benefited from project activities (Table 15). As can be seen there is little commonality between the indicators used by these different projects.

Three area based mapping processes operate in Dailekh - vulnerability mapping through the Nepal Climate Change Support Project (NCCSP), food insecurity mapping (RCIW) and disadvantaged group (DAG) mapping (LGCDP2). Each approach is focused on identifying VDCs and settlements that are vulnerable, disadvantaged or food insecure (Figure 12).

The different approaches identify different settlements as priority areas for intervention. Defining disadvantage in these different ways adds to exclusion rather than focusing on inclusion of all those who should be benefiting from development monies. Targeting is driven by project and international imperatives (vis the Local Adaptation Programmes of Action (LAPA) processes) and is not developed from a national perspective that uses a nationally robust and acceptable process to identify areas and households to be supported within a systematic governance process.

For NCCSP the 'climate vulnerable poor' is based on the assumption that the poorest and most excluded groups will be the most vulnerable to the impacts of climate change, as exclusion

constrains the ability of people to use assets and services to enable them to adapt. At the same time not all poor people are vulnerable and not all vulnerable people are poor. NCCSP however, attempts through its vulnerability mapping at district and household level to identify those who are the poorest and marginalized in climate sensitive districts (NCCSP 2012 Monitoring and Evaluation Framework). For RCIW in Dailekh the target groups (highly food insecure) are ‘those households that experience food consumption gaps and high or above usual acute malnutrition, or meet minimal food needs only with accelerated depletion of livelihood assets – leading to food consumption gap’ (NekSAP guidance note).

Table 15: Criteria and indicators used for targeting by different projects in Dailekh

Criteria	Indicators	LGCDP	MSFP	WUPAP		NCCSP
		DAG 4	Poor and disadvantaged	Poor	Ultra-poor	Very high vulnerability V4
Consumption	Food sufficiency less than 3 months					
	Food sufficiency less than 6 months					
	Inability to buy clothes, pay for education and health treatment					
	Earn less than 1US dollar a day (PPP)					
	Purchasing power parity Rs11,233 to Rs 22,466					
	Purchasing power parity Less than Rs15,877					
	Annual income per household less than Rs 25,000					
	Debt burden					
Assets	Property and assets Rs100,000 to Rs200,000					
	Property and assets less than Rs100,000					
	Homeless					
Labour	Household head employed 90-180 days off and on farm					
	Household head employed less than 90 days off and on farm					
Social	Poor single women					
	Membership of community organisations					
	Social and personal discrimination					
	Ability to raise voice for personal rights					
Adaptive capacity	Source of energy for lighting					
	Source of fuel for cooking forest/biomass					
	Access to drinking water at VDC (not at home)					
	No access to own land					
	House type – traditional (kacchi)					
	No access to agri services					
	No access to veterinary					
	No access to mobile phones or telephone					
	No access to health services					
	No access to savings and credit					
No household member with training on climate change						

Taking these different approaches to VDC level ‘poverty’ mapping and combining them with the DAG mapping conducted for LGCDP2, the differences in targeting approaches are revealed (Table 16)⁶. VDCs marked with green indicate where there are project interventions by NCCSP

⁶ VDCs ranked as 4 (most disadvantaged) have been included in the listing, as these are considered priority VDCs for all development interventions

and RCIW, in some cases both operating in the same VDCs. Both projects provide support to community infrastructure as well as funding to individual households for income generating activities. It also indicates where there are areas of overlap in terms of programme interventions in VDCs where there are already large numbers of projects operating (between 9-11), as well as inconsistencies with some VDCs mapped as very high vulnerability receiving no support and another with low vulnerability included in the programme support. Similarly levels of food insecurity and interventions by WFP also do not clearly correlate, as not all VDCs of high food insecurity of WFP support.

Figure 12: Comparisons between two mapping systems for identifying areas of intervention

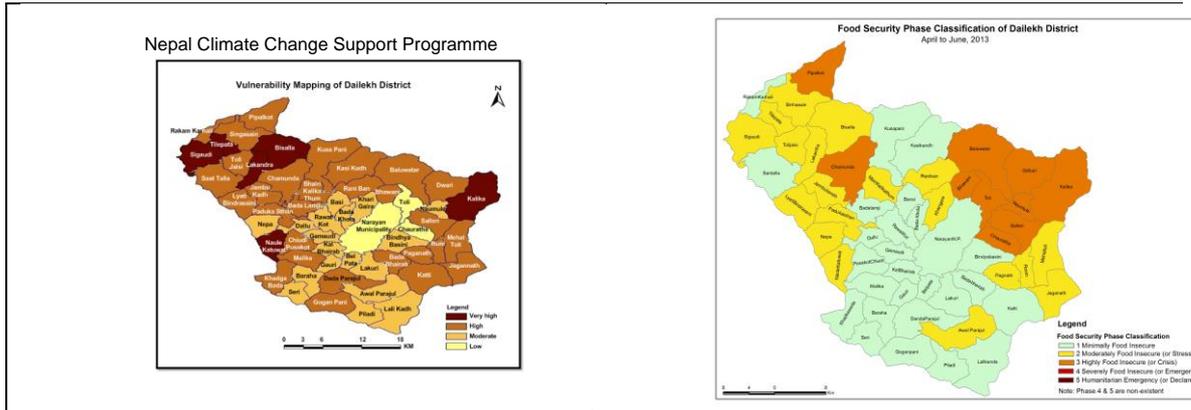


Table 16: Comparing different area approaches to poverty and vulnerability

VDC	DAG mapping (DDC) 4 is most disadvantaged	Vulnerability mapping (NCCSP)	Food security mapping (WFP)	Numbers of projects (2014)
Kalika	4	Very high	Highly food insecure	9
Naule Katuwal	4	Very high	Moderately food insecure	10
Tilepata	4	Very high	Highly food insecure	11
Pipalkot	4	High	Highly food insecure	9
Baluwatar	4	High	Highly food insecure	9
Naumule	3	High	Highly food insecure	11
Salleri	3	High	Highly food insecure	9
Nepa	3	Low	Moderately food insecure	9
Chamunda	3	High	Highly food insecure	9
Dwari	3	High	Highly food insecure	6
Chauratha	3	Low	Highly food insecure	6
Toli	3	Low	Highly food insecure	5
Bhawani	3	High	Highly food insecure	9
Bishalla	4	Very high	Moderately food insecure	9
Sigaudi	4	Very high	Moderately food insecure	9
Lakandra	4	Very high	Moderately food insecure	13
Khadgawada	4	High	Minimally food insecure	7
Kharigaira	4	Moderate	Moderately food insecure	9
Singasen	4	High	Minimally food insecure	11
Rakam Karnali	4	High	Minimally food insecure	9
Kusapani	4	High	Minimally food insecure	7
Satalla	4	High	Minimally food insecure	7
Gauri	4	Moderate	Minimally food insecure	7
Belpata	4	Moderate	Minimally food insecure	9
Raniban	4	High	Moderately food insecure	8
Jagannath	4	High	Moderately food insecure	10
Malika	4	High	Minimally food insecure	8
Dullu	4	Moderate	Minimally food insecure	3
Badalmji	4	High	Minimally food insecure	7
Badabhairab	4	High	Minimally food insecure	6
Lakuri	4	Moderate	Minimally food insecure	4
Baraha	4	Moderate	Minimally food insecure	10
Bansi	4	Moderate	Minimally food insecure	5
Padukastan	4	High	Moderately food insecure	4
Rawat Kot	4	Moderate	Minimally food insecure	9
Gamaudi	4	Moderate	Minimally food insecure	5

During discussions with key informants, it became clear there is no consensus on how poverty is understood within Dailekh and no coherence on basic indicators used to identify those who are poor (Table 17). Some projects use several levels of food sufficiency to differentiate between target groups, others only two lumping together those with extreme food insecurity with those with partial food insecurity. As Table 17 illustrates there is also no consensus on how poverty and food sufficiency link together, although used so often as the proxy for poverty.

Table 17: Comparing projects use of food sufficiency criteria and naming of different categories

Project	Rank	Food sufficiency criteria (mths)												
		1	2	3	4	5	6	7	8	9	10	11	12	12+
Very poor														
LGCDP	Extreme poor													
NCCSP	Most vulnerable (V4)													
WUPAP	Very poor													
RCIW	Very poor													
PAF	Hard core													
Poor														
LGCDP	Poor													
NCCSP	Highly vulnerable (V3)													
RAP3	Poor													
WUPAP	Poor													
MSFP	Poor													
PAF	Medium Poor													
Moderate poor														
LGCDP	Middle Class													
MFSP	Medium													
NCCSP	Medium vulnerable (V2)													
RAP3														
WUPAP	Mod. poor													
PAF	Poor													
Non-poor														
LGCDP	Higher class													
MSFP	Rich													
RAP3														
NCCSP	Low level vulnerable (V4)													
WUPAP	Non-poor													
RCIW														
PAF	Non-poor													

Others have long lists of indicators as proxies for different levels of insecurity (for example, RCIW with a list of 17 indicators)⁷. Different words are also used to denote the same categories of people, adding to the high degree of local level confusion and dissection of populations. As we found both in Mahotarri and in Belpata, the division of households rather than leading to greater inclusion across society is leading to exclusion and increasing jealousy. As households not involved in Citizen Awareness Centres (CACs) for example question why it is that only one settlement gets these benefits when many other households are in similar social and economic condition. In the end these lists of indicators usually are reduced down to whether the individual

⁷ see also LGCDP baseline survey criteria for identification of DAG households: food sufficiency, daily wage labour, social and personal discrimination, debt burden, ability to raise voice for personal rights, poor single women, homeless status, inability to buy clothes, pay for education and health treatment, membership of community organisations (Dailekh baseline assessment)

is a Dalit, woman or Janajati and their degree of food insecurity. Beyond this the criteria are rarely applied with any rigour.

These different forms of targeting classify people as disadvantaged, as climate vulnerable, as food insecure, as ultra poor, extreme poor, hard core poor, all labels that only when applied allow the household to access project resources and services. There is no one easy route through which poor people in Nepal can expect to access resources and services without an extensive process of often divisive labeling.

At the same time targeting leads to exclusion: a recent example from RAP 3 monitoring indicates this clearly where thresholds and indicators identified for the well-being ranking were too high for poor members of the community to meet. Criteria for the selection of members of commercial and non-commercial groups identified those with a higher level of land ownership, financial capacity and willingness to take risk, as a result poorer beneficiaries are excluded from this support (RAP 3 MEL 2014:3). In addition, often the poorer households were simply not present at meetings to discuss potential beneficiaries and so neither had the information nor the presence to ensure that they were also included.

There are multiple information databases that are mainly projectised or found within line agencies (for example education and health both have effective MIS systems in operation). The attempt to build a coherent information system for district poverty mapping (DPMAS) has been found to be too difficult and complicated to run. In Dailekh there is now no-one who has the knowledge or skills to use the DPMAS at district level or to input the necessary data at VDC-level. This experience broadly reflects the experience across Nepal (see report by McKay and Silwal 2013 for a national review of poverty targeting approaches and a report by IDL group, 2014, on assessment of options for DPMAS). As a result coherence is lacking in terms of understanding change in poverty at a district-level to inform policy decisions; understanding is held within project or line agency silos and cannot easily be accessed or analysed.

As Table 18 shows the array of different approaches to targeting bring many problems with them, perhaps the major one being that these are all operating in the same VDC ostensibly targeting the same households, but in the end dividing society up into tighter and tighter groups that does not bring cohesion or necessarily the poverty reduction outcomes that all are seeking.

Summary of targeting issues

- Targeting is leading to increased fragmentation and jealousy between groups
- Multiple community based processes for targeting and categorical identification of households are time consuming and divisive.
- Differences in criteria and approaches to targeting are leading to confusion at the local-level and increase the difficulty of building any consensus over a basic approach to targeting that can be used by all

Table 18: Advantages and disadvantages of different approaches to targeting

Approach	Description	Advantages	Disadvantages	Examples
Proxy indicators	<ul style="list-style-type: none"> Based on observable proxy measures of poverty (type of house, assets, household characteristics) 	<ul style="list-style-type: none"> Reduces inclusion and exclusion errors; More objective 	<ul style="list-style-type: none"> Difficult to construct valid proxy indicators Introduces perverse incentives to meet proxy criteria Costly and difficult to administer 	<ul style="list-style-type: none"> Application forms for secondary school grant: identifies house floor, roof, toilet, wall, lighting, cooking stove, number of children etc.
Community-based	<ul style="list-style-type: none"> Based on community perceptions of poverty and vulnerability 	<ul style="list-style-type: none"> Reflects local understanding of poverty and vulnerability 	<ul style="list-style-type: none"> Significant inclusion and exclusion errors Perpetuates local patronage structures and gender bias Can be divisive and lead to greater social stigma Can lead to elite capture and political manipulation Creates extra unpaid work for community members in meetings to identify households Where poverty is widespread may be more appropriate to have an affluence test to screen out the better-off 	<ul style="list-style-type: none"> Most of the programmes/projects reviewed use community-based approaches through well-being ranking to target priority households for programme interventions
Categorical	<ul style="list-style-type: none"> Aimed at specific identifiable categories of the population associated with poverty (e.g. children, Dalits, women-headed households) 	<ul style="list-style-type: none"> Easy to administer Objective 	<ul style="list-style-type: none"> Inclusion and exclusion errors Can be divisive particularly in singling out particular social groups, and excluding poverty variables 	<ul style="list-style-type: none"> Many of the projects operating in Dailekh use elements of categorical targeting
Geographical	<ul style="list-style-type: none"> Aimed at specific geographical areas of poverty 	<ul style="list-style-type: none"> Easy to administer Useful as a first-level targeting approach Good for identifying poverty pockets and focusing inputs 	<ul style="list-style-type: none"> Inclusion and exclusion errors are high, particularly as it directs away from poverty pockets in areas of apparent lesser poverty Can become highly politicised particularly when used within a VDC 	<ul style="list-style-type: none"> Most of the programmes/projects in Dailekh use this targeting as a first sift for identifying areas in which to work. It is also used within VDCs to identify poverty pockets

Source: Field notes and updated from Jha et al 2009

6 Other actors

At the district level there are several other key actors operating in the development arena. These include political parties and federations of interest groups. The NGOs who are also key players in the delivery of development processes are described in more detail in the previous section.

6.1 Political parties

Box 3: Politicians' views on the effects of the development process

"Process is harming people – making them demanding and grabbing and we are helping that". We should focus on public benefits – on things everyone can enjoy."

"Everything comes back to the project" TA is for staff, expenses are for staff – there is little benefit from these schemes."

"NGOs made MOUs with national government – here they are just "bag NGOs" without local offices. They just do what donors wanted"

"Line agencies do their plans at the regional level and local people just have to accept."

"Targeting does not work – just benefits a few and not always the right few".

Each of the political parties has a local organisation with a President or General Secretary based in Dailekh district as well as VDC representatives. The team met with 7 district level politicians and 4 VDC level political representatives.

The political representatives recognise the governance problem caused by the absence of local elections. Further, they recognise that their legitimacy to represent interest groups is constrained by the lack of elections, although it is argued by some

that this allows small, newer parties to have a voice, although the extent to which they represented constituents was untested. They recognise the informal political interaction which determines outcomes, and also saw that there is a lot of duplication. They all stated that corruption is increasing and is now so entrenched in the local culture. They consider that all projects should be planned through the DDC. However, since funds are not released on time this is causing major problems. Hence politicians prefer NGOs to line agencies, as they deliver more results and so have more influence (Box 3).

6.2 Federations

There are a range of federations and larger associations operational in Dailekh, including the NGO Federation, FECOFUN, Dalit Network, Janajati Network, Bar Association, contractors' associations and FNCCI. The team did not have the time to meet with all these associations, but selected those that represented different elements of society: NGOs, private sector, disadvantaged groups, and resource user groups.

The NGO Federation has 47 affiliated NGOs in its branch of which 17 are active with a range of projects funded from external sources. Other NGOs operate at a local level without external funds. The larger NGOs have a policy that they do not bid for tenders of Rs5 lakh or under, leaving these for the smaller NGOs to access. As part of the services of the Federation they provide support to these smaller NGOs on proposal and report-writing. The Federation does not have any significant internal funding source using only membership fees of an initial Rs500 to register and annual renewal fee of Rs300. The NGO Federation has an active role on different committees operating in the DDC including the District Social Mobilisation Coordination

Committee, the Food Security Committee, the District Monitoring Committee and the District Disaster Committee. The Federation is also requested to sit on various project committees.

FECOFUN: there are 315 forest user groups (CFUGs) in Dailekh. FECOFUN in the district has structures at each level of local governance with ilaka-level and district-level committees. Apart from its membership fees it has one other source of external funding and this is a contract with IDS Nepal to support the implementation of MSFP in the district. It works in 10 CFUGs on a contract worth Rs495,000 per annum, and has hired 3 social mobilisers and one forest ranger. The CFUGs pay an annual membership fee of Rs100 and a one off registration fee of Rs235. The district-level FECOFUN also provides 40% of its annual income to sustain the work of the central-level organization and 30% is provided to the ilaka-level committees. The role of FECOFUN at the district-level is coordination with local bodies, donor agencies and with the district forest office. The ilaka committee members also attend the VDC Council, and district level members advocate at the District Council level currently on issues of climate change and the importance of establishing and support the Agriculture, Forest and Environment Committee.

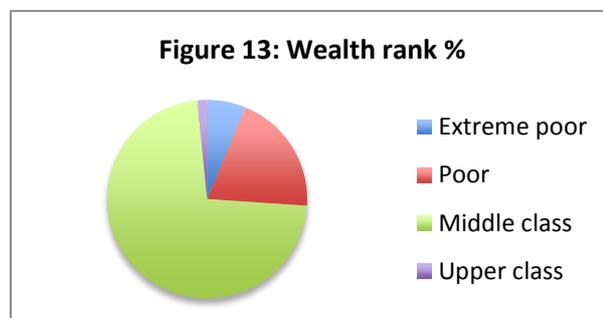
Dalit Network: is a loose association of small groups of Dalits. It is currently not registered. There is one representative from each VDC and in most of the VDCs there is a Dalit network operating. If there are reported instances of caste discrimination the network will try to resolve at local-level. For some cases, however, it requires district-level intervention, in which case the network will mobilise money from its members to support the registration of a case in the district police office. Currently it is difficult to get resolution of cases at the VDC level as there is no grievance mechanism for caste discrimination issues.

The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) is an umbrella organisation of the Nepalese private sector, which aims to protect the rights and interests of business and industrial communities and promote business and industry in the country. The representative of FNCCI in Dailekh was concerned that the development of Dailekh as a market hub for the region was being held back by the slow progress in road construction.

7 Village (VDC) development interventions

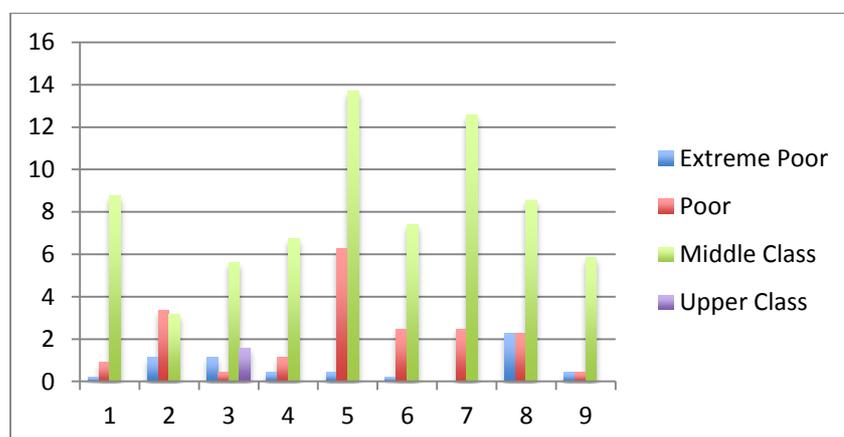
7.1 Belpata context

Belpata VDC is used as one example of the issues surrounding implementation of multiple interventions through different planning and funding systems.



Using the information from the DAG mapping undertaken for Belpata a picture emerges of a relatively well-endowed VDC dominated by middle class households with very few households identified as extreme poor (Figures 13 and 14). The highest percentage of extreme poor and poor are concentrated in one ward (together with the highest proportion of middle class households) consisting of one Dalit settlement (Figure 14). Most people (over 70%) have sufficient food for between 6-9 months. These figures do not however, provide any insight into the poverty dynamics of Belpata and in particular the levels of vulnerability of households in terms of risk of decline into poverty or deeper poverty.

Figure 14: Percent distribution of households by wealth category across the 9 wards of Belpata



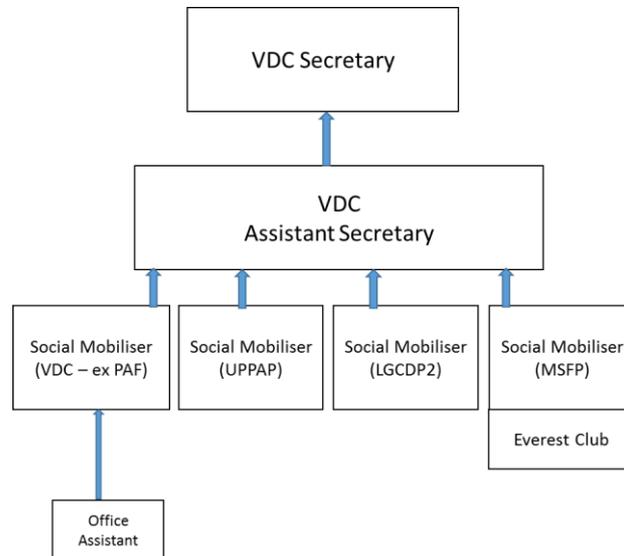
7.2 VDC structures and processes

7.2.1 The VDC office

The VDC office consists of a VDC secretary, an Assistant VDC Secretary and 4 Social Mobilisers, coordinated by the lead social mobiliser (LDF) for whom matching funding is provided by the VDC (Figure 15). The three other SMs are funded under separate programmes, including UPPAP, LGCDP and MSFP (contracted through Everest Club). Only the VDC Secretary, his Assistant and the office peon are permanent employees. Under the LGCDP2 programme, there has been an

attempt to coordinate the work of the SMs and the VDC Secretary is now holding monthly meetings for all staff. The VDC Secretary covers two VDCs and walks 1.5 hours each way to work everyday.

Figure 15: VDC office



The role or mandate of the VDC includes:

- Services
 - Vital registration of births, deaths and marriages and the provision of citizenship documents
 - Making social protection payments to 270 individual recipients, two of whom were unable to visit the office and required the VDC Secretary to visit their homes
 - Mediating local conflicts, which did not involve crimes (dealt with by the police). The VDC Secretary has no legal powers.
 - Managing the VDC office, including paying bills for projects
- Strategic role
 - Endorsement of VDC plans
 - Representation on many sector committees

Funds are transferred from the DDC to the VDC account. The money arrives on time, evidenced by the fact that 95% of the social protection payments had been disbursed within two days. The remainder took up to a month to disburse, but this was not due to a lack of funds. Table 19 shows the amounts of funds received.

Table 19: Social protection entitlement in Belpata VDC

Category		No	Rate (NRs/year)	Total (NRs)
Disabled	Partial	1		
	Full	1		
Senior		121		
Single women		63		
Dalit children		74		
Total		270		NRs 1,170,000

7.2.2 The VDC budget

The VDC receives revenue from a number of sources (Table 20).

MCPM grant: most of the VDC's revenue comes from the MCPM grant through the DDC. This is used to pay salaries (other than the VDC Secretary) and running costs. The DDC has also given the VDC a one-off grant to complete the construction of a wall around the VDC office.

Table 20: VDC income and expenditure

Income and Expenditure statement: VDC Bellpata					
Grants		Ward	Income	Capital fund Expenditure	
1	Women-targeted programme		101,631		6%
2	Child-targeted programme		101,631		6%
3	Dalit-targeted programme		60,000		4%
4	Janjati-targeted programme		60,000		4%
5	Senior citizen and disabled targeted programme		32,447		2%
6	Agricultural/forestry/environmental programmes		152,447		10%
7	Infrastructure development		559,316		35%
8	Administrative grant				
8.A	GON Admin grant		433,000		
8.B	Own source revenue		100,000		
			533,000		33%
8.1	Salaries			386,230	
8.2	Provident fund			38,643	
8.3	Misc			25,000	
8.4	Office costs			30,000	
8.5	House rent (Sub-police post rent)			15,000	
8.6 Allowances			18,000	
8.7	Electricity			10,000	
8.8	Communcations			10,127	
	Total		1,600,472	1,600,472	100%

Own source revenue includes:

- a share of land tax revenue (which the VDC collects on behalf of the Government) and replaces the abolition of 'octroi' fees
- a local house tax on larger houses in market settlements, with variable rates (maximum rate of NRs 75), various penalties and fines and fees for services (issuing of certificates)

Programme funds include:

- Drinking Water Project of the Gurkha Welfare Scheme (GWS), India. This requires a 50% matching fund from the VDC
- Irrigation, drinking water project through MSFP
- “Cowdung-free” project. This programme was run and managed by the AFEC and requires a matching fund from the VDC
- PAF programme, where funding is now redirected through NGO service providers
- Paralegal committee programmes, under the aegis of MoWCSW
- MEDEP programme which supports the construction of micro-enterprise buildings and requires a 25% matching fund from the DDC

As well as funding construction and IGA activities through user committees, the VDC also pay for the rent of the village police post and meet small expenses. The police post consists of 8-10 staff under a Sub-inspector. This year, the VDC had purchased the land for the post police to avoid paying rent in future.

7.3 Planning decision-making structures

7.3.1 Integrated Plan Formulation Committee (IPFC)

The Village level Integrated Plan formulation Committee (IPFC) acts in lieu of the Village Council. It comprises 21 members several of whom are replaced annually. It is inclusive of all sectors and groups including the political parties, cooperatives, ward citizen forums, forest user groups and interest groups (such as women, dalits, janajati, children, etc.). The particular groups chose representatives, for example the executive committees of the CFUGs chose their representative from amongst themselves. The IPFC only meets during the planning process and meets intensively for two months. Members of the IPFC attend the WCF mass meetings and help to facilitate the proposal decisions. These are then brought to the IPFC to decide which are to be funded by the Village Council. Since the budget is limited in terms of its discretion, much is effectively already pre-allocated either through targeting to women, Dalits, Janajatis and children or through project ear-marked funding. There is very limited opportunity for discretion by the IPFC over what should be funded taking into account the overall requirements of the VDC. Decisions are based on where low investment brings the highest benefits, for example through drinking water schemes. If a ward was awarded a scheme in the previous year and funds are limited it is unlikely to have another scheme awarded in the following year. Proposals from CACs and others that can be demonstrated to reach the extreme poor get priority over other proposals.

The IPFC indicated that at the time of planning the social mobiliser and the IPFC take the summary brochure of the VDC periodic plan (VDPP) to the WCF meetings and use it to guide the setting of priorities. The Periodic Plan has made a difference to overall planning in the VDC, for example prior to the Plan, CFUGs acted as independent groups with their own local resources for their own local development, now the CFUGs and their funds are integrated into the plan although continue to be managed separately by the CFUG. This one door policy is also now followed by line agencies working in the VDC, which match, where possible the proposed activities of the VDPP. Together with the periodic plan other processes are beginning to aid harmonization within the VDC, including the signing of MOUs with one of the NGOs operating in the VDC. Usually the NGOs only sign agreements at the DDC level, in these cases, the VDC does not know about the incoming project until they arrive to start activities.

The VDC are aware of district levels schemes functioning in their area. But there is little information on some recent national schemes, particularly concerning disaster preparedness and the climate change funds implemented through LAPAs – which are managed from the District. Disaster emergency preparedness is managed from the CDO's office and is the responsibility of the local police.

Currently the lack of discretion over all the funding coming into the VDC does constrain the activities of the IPFC. There is at least Rs1crore flowing into Belpata, but the IPFC can only plan for Rs25 lakh. Overall this lack of control over what is done in Belpata leads to many problems: 'each NGO has a different subsidy policy and different way of selecting target areas and households, leading to duplication of effort and in some cases one household getting access to multiple benefits and others deserving not getting access to any'.

7.3.2 The Ward Citizen Forums

Under LGCDP nine WCFs⁸ are in operation in the VDC; they mainly operate as event-based organisations functioning actively only during the planning period for putting forward proposals for funding to the VDC. The WCFs comprise members from different groups including women, Dalits, Janajatis, children groups, CFUGs, mothers' groups, the disabled, political parties and cooperatives, effectively a forum of interest groups. Each of these individuals represents a set of interests and locks into the groups that articulate these interests, as a result the WCF becomes a forum where competing interests are negotiated and resolved rather than a forum where the overall demands of the local society are assessed and deliberated. Society is divided into groups and effectively set up as competing interests.

Although many proposals may be submitted, only three proposals are allowed to go forward from each WCF for consideration at the IPFC level. Discussions are rarely held based on good evidence. In one example cited by the social mobiliser, an argument about where in the ward the drinking water should be supplied could only be resolved once the mobiliser brought the social resource map to the WCF to show that the area proposed was already well served and another area of the ward had no coverage. Interestingly at no stage was the VDC Periodic Plan mentioned as a guiding document for decision-making by the WCFs.

Summary of issues

- User-ship as opposed to citizenship determines the processes of participation and negotiation. There is no clear deliberative process in place.
- The WCF is a summation of interest groups rather than a collective choice mechanism based on good evidence and well managed process.
- Requires knowledgeable and skilled facilitation to ensure that citizenship and deliberation are the modes of engagement. Currently it is a transactional based approach with participation and negotiation between interests dominating.

7.3.3 Sector committees and plans

There are a number of sector strategy plans that have been developed either with INGO or line agency support. In Belpata, for example there is a Sustainable Soil Management Plan (SSMP). The Village Development Periodic Plan (VDPP), supported by Helvetas, serves as the coordinating instrument for the VDC, creating a framework for coherence and coordination of

⁸ based on discussions with coordinators of each of the 9 WCFs

all village development activities. The sector strategy plans are included within the VDPP. This overarching planning document is intended to strengthen the ability of the VDC to engage with the sectors and programmes, although this is made more difficult due to the constraints imposed by the separate funding modalities.

The VDC Secretary is chair of many committees:

Sector-wide strategic committees: there are five strategic sector wide committees in the VDC, established under the LSGA. Of these only the Agriculture, Forestry and Environment Committee (AFEC) has its own funds.

User implementation committees: There are currently 14 construction projects, each with its own user committee, funded through the VDC either under using its own grant or through partnerships with INGOs. Each of the construction projects has a user committee for construction and beneficiaries are selected in the presence of the VDC Secretary. In addition, there are 10 community groups who self-manage their own projects.

Agriculture, Forestry, Environment Committee

The AFEC is chaired by the VDC Secretary and the secretary is the Assistant VDC Secretary. Members are decided by the chair and include the social mobilisers, representatives of interest groups (women, Dalits, Janajati, etc). Twenty-two percent of the VDC grant is allocated to this committee, significantly above the minimum requirement of 15% set out in MoFALD Guidelines. The AFEC decides how to spend this allocation based on proposals from the WCF. The average size of grants is about NRs 30,000.

Under the umbrella of the AFEC, there are many schemes, which although having different focuses all follow the same 14-step planning process and target the same types of people. Since the governance decisions for these programmes are taken in line department and INGO committees, the members of the AFEC feel a greater sense of ownership over programmes they implement themselves. The AFEC has its own funds and programmes and, therefore, plays an active role in the design and implementation of its own projects such as, for example, the ‘cowdung-free agriculture initiative’.

This is unlike the situation in education where the Village Education Committee is not particularly active because major decisions are taken by the SMCs. However, the result is that there is competition – and duplication - between the AFEC programme and the Agricultural Service Centres managed by the DADO.

Health

The VDC Health Management Committee (HMC) is chaired by the VDC Secretary. The committee consists of the Health Post In-charge and staff such as the Female Health Volunteer Worker (FHVW). Following guidelines from the MoH, representatives of women, Dalits and Janajatis, local leaders (teacher) and representatives of political parties are invited to join, but are not full members of the HMC.

The main role of the HMC is to deal with emergencies, raise funds and manage the health post. Responsibility for responding to epidemics and holding emergency supplies of medicines is retained at the Ilaka level where all emergency measures are coordinated. Raising funds involves lobbying at all levels – to the VDC and DDC and to the DOE staff at the Ilaka. In terms of monitoring, all reports of the HMC are sent to the District Health Office (DHO), but no-one from

the DHO attends HMC meetings. Feedback is provided from users through informal verbal contact and through social audits, which are conducted annually. Management of the health post includes the supply of equipment, staffing and oversight of the birthing centre. Basic health care is provided free at the point of delivery, including consultations and a list of 25 common medicines. Any other medicines have to be purchased privately.

The budget for the health post includes the costs of salaries and medicines which are provided directly by the DOH. Requests for equipment are addressed to the DOH through the District Health Officer. The VDC pays the salaries of 2 Assistants who work in the Health Post. However, no funds are available for the running costs of the health post and these are largely covered from the budget for the birthing centre.

Funding for the birthing centre is critical to the operation of both the birthing centre and the health post. Under national guidelines, NRs 2,000 is provided for each birth taking place in a birthing centre. Out of this, the mother receives half (NRs 1,000). Of the remaining NRs 1,000, the delivery staff receive NRs 300 and the FHVW receives NRs 50 for motivating the women to come to the birthing centre and NRs 100 is required for operation of the birth centre (cleaning etc). The remaining NRs 550 is used to cover the running costs (utilities, medicines, etc) of both the birthing centre and the health post.

The health sector is more centralised than education or agriculture and as a result, there is less interest at the local level from political representatives, with most funding flowing directly from DOH. Nonetheless, there is some involvement of the VDC, especially at the local level, in funding staff and chairing the HMC. As for other sectors, the nature of schemes and projects, such as the Birthing Centre Programme that contributes to the running costs of the health post, shape the overall governance arrangements, the allocation of resources and the incentives both for the use of and access to services.

7.4 Political parties

The local representatives of the political parties all express concerns about the cost of delivering programmes, with salaries and operating costs out of proportion to the benefits received (Box?). At the local level, the issues concerning politicians are less philosophical and more to do with identifying the means to capture benefits. Local politicians emphasised that ideological issues did not play a big part in local development issues – they did not conflict on the basis of ideology and collaborate to bring more overall resources to their area (Box 4).

Box 4: Local politicians views on projects

“What is coming is little and in bits”.
“Each organisation just lobbies for its own interest and we do too!”
“All projects come through the WCF. It is here that politicians need to be active”.
“Our job after the WCF is to ensure that our projects are funded and implemented – we do not get very involved during implementation”

Political parties are able to channel resources to their interests and constituencies. This involves both the capture of the process and often of the individuals concerned through influencing the selection of staff in government, NGOs and even individual social mobilisers. Smaller parties negotiate a smaller share of the benefits but effectively collude in the overall system of divvying out resources. There are little ideological

differences between parties at the local level, although local functionaries do implement central decisions of the party. The focus of local political action is in securing benefits rather than engaging in a holistic and deliberative exercise to distribute resources and benefits across

society in a fair and just manner. This approach reflects the nature of the system and the space within which local politicians are forced to operate

7.5 Projects operating in Belpata

There were eight projects operating in Belpata in 2013-2014⁹, including three supporting local governance in the VDC: Local Governance and Community Development Programme 2, the Helvetas supported Village Development Periodic Plan and the SDC supported Strengthening Accountability of Local Governance Programme. In addition, there are two programmes (PAF and WUPAP) focused on supporting the poor and extreme poor through IGAs and community infrastructure, and MSFP working with two of the 11 Community Forestry User Groups providing grants for IGAs as well as community infrastructure and support to the LAPA. The Helvetas supported programmes that had worked with farmer groups are no longer operational in the VDC. The only remaining programme, through the Employment Fund, is providing support to vocational skill development and training. To support the implementation of the group-based IGA activities there are three social mobilisers operational in the VDC, with a fourth former social mobiliser employed by the VDC to provide administrative support to the VDC secretary (Table 21).

Table 21: Numbers and salaries of social mobilisers

Social mobilisers	NGO supplier	Salary
LGCDP x1	GBJSK	Rs10,000 – oversight whole VDC
WUPAP x1	Direct contract	Rs19,000 – 9 CPCU
MSFP x1	Everest Club	Rs13,000 - 11 CFUGs, but working in 2 CFUGs only
VDC (SM) x1	none	Rs 16,000 - 10 COs, but working in VDC office as well

Social mobilisation is the main approach used by all the projects to transfer project assets. For all projects operating in Belpata social mobilisation has been contracted out by projects to NGO service providers. In their turn, the NGOs do not use their own staff but sub-contract the mobilisation to individuals specifically employed for a set of project-related mobilisation tasks. Thus the whole success of a project's interventions hinges on the effectiveness of the social mobiliser who works at the front-line in the villages. It is in effect a long chain of 'Chinese whispers' with translation of ideas and approaches from project document to project staff to the NGO through training and the contract and then through a further contractual arrangement between the NGO social mobiliser.

Because social mobilisation is carried out on a project and contract basis, the effects on the ground are also project-driven, and the problems of duplication and overlap become quite extreme. Thus one NGO could be employing several different mobilisers all on different terms and carrying out different types of mobilisation approaches according to the project guidelines in the same VDC.

Discussions with the social mobilisers indicate a level of tension over the differences in pay and status. The LGCDP 2 social mobiliser has been given the coordinating function for all social

⁹ LINK/Helvetas Value Chain Based Marketing, Village Development Periodic Plan; SSMP Helvetas, Multistakeholder Forestry Programme; WUPAP, SALG, PAF, EFS (Vocational skill training and employment)

mobilisation in the VDC, but is paid less than the others and now, contracted by NGO local service providers, is seen to be of the same or lesser status than other NGO contracted mobilisers. Previously the contract by the DDC meant that the LGCDP2 mobiliser could claim higher status than the other mobilisers. This is particularly the case with respect to the former social mobiliser now employed by the VDC who still maintains a role as mobiliser and considers himself to be 'more legitimate' than those employed through external contracts with NGOs.

The multiple projects, multiple contractual and institutional arrangements all contribute to these levels of tension, lack of clarity in roles, and duplication of effort.

7.6 Groups in Belpata

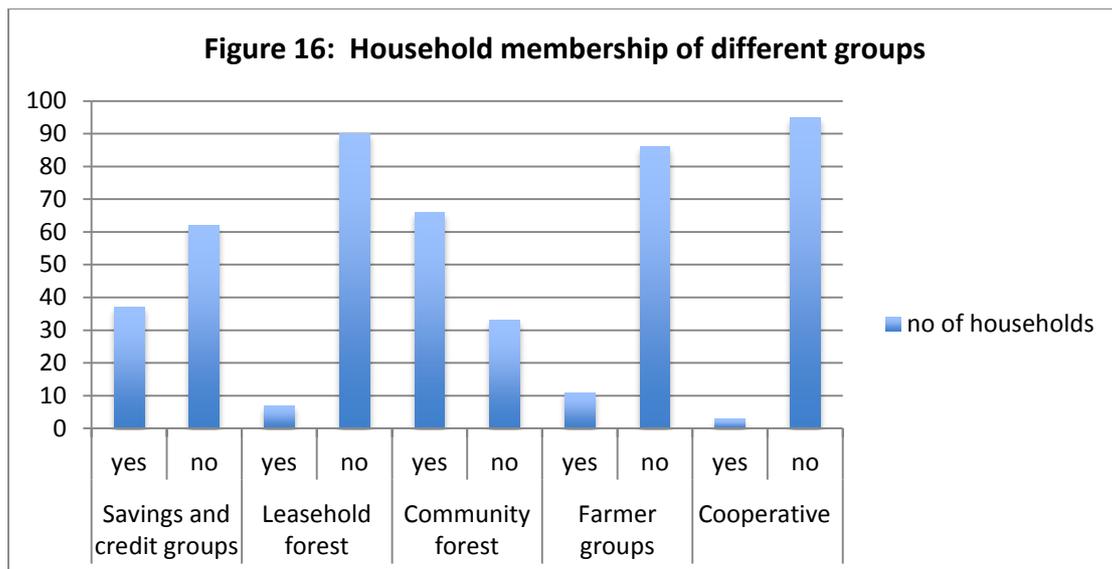
7.6.1 Overview

As is common across Nepal, in Belpata the main form of engagement of projects with local people is through group-based action. The mobilisers work through the following groups (Table 22):

Table 22: Numbers of groups, focus and targeting

Organisation	Groups	Type of group and targeting	Focus	IGA yes/no
PAF	9 community organisations	Poor and extreme poor	Empowerment income generation	yes
Agriculture	10 groups	Product based non-targeted	Access to extension services, markets	yes
Mother groups	9 groups	Only women but not targeted for economic disadvantage	Access to information, solidarity	yes
CFUG	11	Forest users, targeting within user group	Access to resources, income generation	yes
Co-operatives	5	Non-targeted, product based and multi-purpose	Access to information, savings functions	
WCF	9	Targeted representation	Empowerment, influence over VDC resource allocation	
CAC	1	Targeted poor and extreme poor women	Empowerment, income generation	Yes
Paralegal committee	1	Women	Women and child rights, dispute resolution	
Watch groups	9	Women	Gender-based violence, mediation	

The groups split between those that provide access to services and private goods and those that are focused on empowerment, mediation and rights. Groups are formed under one project then when that project ends there is no continued support to those groups, so they either discontinue or become absorbed into another project's processes. Many projects are now using cooperatives as their exit strategy, forming their groups into one cooperative and again proliferating and duplicating the number of organizational structures, with VDCs now having many cooperatives.



From the NCCSP baseline conducted in Dailekh in 2012 it is interesting to see that although there are a range of groups operating in the VDCs, it is also the case that many households are not members of these groups (Figure 16). This illustrates the problem that using group-based representation in WCFs for example, means that only those whose interests are represented in the groups actually get their interests heard. There is no systematic mechanism for citizens, irrespective of group membership, ethnicity, gender or caste, to have their interests and voices represented in these collective choice mechanisms.

7.6.2 Groups for consumption (IGA)

Groups have become the main organizing structure for local society, although considered as high cost local people indicate that they have no choice but to be members of groups (quotes from key informants):

- ‘we need forests, rights, and IGAs, this is the only way to get access. All stakeholders come to ward for coordination and go to groups to get benefits’
- ‘If we don’t sit in groups we don’t get information and we have to sit in groups to get programmes. No other option, if we don’t organize in groups we don’t get programmes’.
- ‘without groups we wouldn’t understand and we wouldn’t get’
- ‘for awareness it is OK to be in all groups, but if we could get all information from the sector rather than sitting in the groups that would be better’

Although there have been attempts to ensure that one household does not obtain multiple benefits from different groups, this is clearly not always working. As Table 23 shows for three projects each offering IGAs several of the extreme poor households interviewed were accessing two sets of IGAs. In all cases, however, the women interviewed indicated that the small amount

Table 23: Households accessing IGAs

Household	PAF	WUPAP	MSFP (CFUG)
1			
2			
3			
4			
5			

of money they could access through these projects provided only enough income for immediate consumption within the household. For all five women their main source of income was from remittances from their husbands.

Currently there is a plethora of funding arrangements (Table 24), set up by projects, at the local-level with individual households saving small amounts in each, often with punitive penalties if they fail to save or fail to attend saving meetings. These multiple group savings and credit schemes have led to high transaction costs for individual households and inefficient uses of small amounts of money; people complain that most of these funds are too small to be useful but when the quantum of funds being saved and revolved, across the whole VDC, is calculated it is not insignificant.

Table 24: Project, instruments and amount of IGA

Project	Instrument	Unit	Amount
MSFP	CFUG	Household	Rs10,000 for Livelihood improvement plan
LGCDP2	CAC	Household	Rs10,000 for IGA revolving loan
WUPAP)	CPCU Community Project Coordination Unit (one representative household selected from each ward)	Household	Rs27,000 to fund business plan for ultra-poor household
PAF	Community organisation	Household	Rs10,000 to fund income generating activities identified by household

The results of the approaches to targeting, identifying small numbers of people as beneficiaries, and the use of IGAs, means that at the end of the project pipe are a small number of people reached with small money, that misses many others who are equally in need of the support. Although there are changes in households' livelihood status it is measured in shifts from 'a' to 'b' the most extreme poor to poor and is not measured in terms of moving whole parts of society out of poverty. For many of the informants we interviewed there was rejection of the development model focused on IGAs: 'there is no meaning in such small money, can't buy anything with it, Dalits have no land so use the IGA money for food and loans.' Similarly others have said; 'giving two goats is a method of propagating poverty – making them dependent not empowering.' Recent experience from other projects such as RAP3 also support these findings (Box 5).

Box 5: Few benefits to disadvantaged households: experience of RAP3 SED

The outcome of SED support to DAG – though in very early stage to be assessed – seems to have brought about few benefits. For example in case of Kaparnauli Poultry Farming Group (Disadvantaged Group), Achryalihi-Narakot, Jumla, members have so far earned an average of just NRs 4,000 from selling chickens and around 20 percent of chickens provided by RAP3 have already died. In the case of Panaru DAG Group in Kalikot, the kitchen garden vegetables produced were insufficient to meet household subsistence consumption requirements, meaning that no surplus was available for sale.

Source: RAP3 MEL 2014: 6

7.6.3 Groups for empowerment

Under the LGCDP phases I and 2, two significant institutions have been put in place, the CAC and the Ward Citizen Forum. These are the main ways in which citizens interface with local governance decision-making. The CAC formed to develop the skills and capacity of extreme poor

households to articulate their voice and engage in decision-making focuses on one Dalit settlement. It comprises women drawn from each household, all of whom have been supported through a REFLECT process to build their literacy skills as well their capacity to analyse their situation and identify means to change. This group has been functioning for 4 years starting initially with just 6-7 households. Over the first year as other women saw the benefit of the group membership expanded to all households in the settlement. The main reason women cite for membership is that organisation as a group allows them to be more effective in placing their demands on the VDC. Now they know there is money allocated in the VDC budget for projects for Dalits, they are in a position to access this money. Prior to being members of the CAC none of these women had citizenship certificates, now all do, enabling their children to enroll in school.

There was clear evidence, from discussions with the group, of high levels of empowerment and capacity to claim. The work to build the capability of the group to engage with the local governance process has been effective. The CAC proposes projects to the Ward Citizen Forum that will benefit their settlement. The proposal is agreed through consensus, but it is rare that their priority proposals are funded. Their last proposal funded for trail improvement was a grant of NRs28,000. The CAC formed a user committee of five people (each year the user committee has different membership to share experience across the group). The user committee allocated equal numbers of wage labour days to group members, with each member obtaining 5 days of paid labour and providing 2 days of voluntary labour.

What is less clear however, is the purpose of the IGA elements that have been introduced into the CAC. Small numbers of households have been able to access the money from these grants, which are now used as a revolving loan, with interest payable. Although this CAC is still actively putting forward its proposals to the WCF for projects in their settlement, it is clear that the IGAs are shifting attention away from the relationship between the women and the local governance structures to the within group relationships determining access to IGAs. Thus undermining the very principles that drove the initial formation of the CAC to build voice, choice and agency of those who previously had no access to these local governance decision-making arenas¹⁰. The purpose of the transformational approach to social mobilisation was to create new bonds between people to replace those bonds that have been solidified around project assets and savings and credit. In the words of the social mobilization review report conducted in 2011: *People's difficulty to internalize the transformational approach is nothing but inability to explore a common bond for people to come together. The common bond, in transactional approach, was by and large savings and credit* (Neupane 2011: 21). The CAC runs the risk of becoming yet another forum in which access to private assets dominates, and its primary purpose is undermined to build the skills of individual extreme poor and poor women to be active citizens¹¹.

¹⁰ In Mahotarri, discussions with social mobilisers indicated that before IGAs were offered there was little interest in the CAC, but now there is a rush by women to be part of the CAC just to get access to the IGA. Their connection to the WCF and the local governance structures remains underdeveloped, with CAC members indicating that they had no idea what the WCF did or what their role should be with respect to it (source: field notes from Mahotarri).

¹¹ The use of the indicator % of CAC members engaged in Livelihood Improvement Programme as a measurement of progress under output 1 of the LGCDP2 programme means there is additional pressure to roll-out this element of the programme although it is hard to understand how this can be a measure of output success where this output is focused on: 'citizens and community organisations are empowered to actively participate and assert their rights in local governance' (LGCDP 2 programme document p.25)

Table 25: Criteria for Identification of disadvantaged households in Belpata VDC

Ward	Inability to raise voice	Unable to fund clothes, education, medical treatment	Social and personal discrimination	Daily wage labour main livelihood source	Food sufficiency Less than three months	Food sufficiency Three-six months	Food sufficiency Six-nine months	Nine-Twelve months
1	7.87	2.02	1.57	2.02	0.22	0.90	8.76	0.00
2	3.37	4.27	3.60	4.27	1.12	3.37	3.15	0.00
3	7.19	1.57	2.70	1.57	1.12	0.45	5.62	1.57
4	6.97	1.35	4.49	1.35	0.45	1.12	6.74	0.00
5	13.71	6.74	17.08	6.74	0.45	6.29	13.71	0.00
6	7.42	2.70	7.42	2.70	0.22	2.47	7.42	0.00
7	12.58	2.47	11.01	2.47	0.22	2.25	12.58	0.00
8	8.54	4.49	11.91	4.49	2.25	2.25	8.54	0.00
9	6.29	0.45	3.82	0.45	0.45	0.45	5.84	0.00
Total			63.60	26.07	6.52	19.55	72.36	1.57

The CAC covering only one Dalit settlement in the VDC means that other households in equally disadvantaged positions in other wards do not have the same capacity to argue for their settlements. Illustrating again the problems of fragmentation caused by these types of group formation processes. If the intention is to build the capacity and agency of parts of society that have limited capability to be active citizens then one CAC in one VDC will not achieve this purpose. As Table 25 illustrates there are many other households across the VDC that do not have the capability to raise their voice, and others that are facing social and personal discrimination. For very poor households that are not Dalits there is little opportunity for direct representation of their voices. In Belpata VDC there is a population of 116 households of extreme poor and poor, but only 30 households are getting support directly through the CAC. Of the five households that have received LIP support there is limited change in their well-being status and certainly the grants received will not be sufficient to move them out of poverty.

7.6.4 Emerging new leadership

In Belpata, the Citizen Awareness Centre (CAC) established under LGCDP comprises 30 women drawn from one Dalit settlement in ward 5; it has become a powerful force in the VDC. Groups are the main mechanisms through which to gain access to services and to private assets, they are also the arena for control by a few to capture the access to assets and services. Belpata provides a compelling example of the emergence of new leadership that is using the tactics of old patronage systems to occupy key resource allocation positions within the major groups in the VDC. In this case, it is the control by one Dalit woman of many leadership positions (Table 26). Out of 12 key groups or committees, she holds key membership positions in 8 of them. This can be seen in both positive and negative lights, positively in the sense that this is new leadership from a disadvantaged group, negatively as it illustrates that the only way to gain power within the existing structures is to follow the old patterns of leadership.

Table 26: Emerging new leadership

Committee/group	Name of CAC member	Position
Paralegal committee	Rupa BK	Member
	Lata Sony	Member
	Devisara BK	Member
CFUG	Devisara BK	Treasurer
	Rupa BK	Member
CAC	Rupa BK	Coordinator
Mother's group	Lata Sony	Executive committee member
Agriculture group	Rupa BK	Chair
IPFC	Rupa BK	Executive committee member
Women's Cooperative	Lata Sony	Executive committee member
User Committee	Devisara BK	Member
PAF	Rupa BK	Chair
	Sandeepa BK	Secretary
SMC	Rupa BK	Member
HMC	Rupa BK	Member
CALSC user committee	Rupa BK	Treasurer

7.6.5 User committees for proposal implementation

User committees are the main mechanism through which community infrastructure projects under NRs6 million are implemented. Belpata provides an interesting example of some of the problems of community infrastructure and the issues surrounding the quality of planning (Box 6). Again this points to the problems of a proliferation of use of this mechanism without the necessary skills to support the effective implementation of infrastructure projects.

Box 6: Belpata chilling plant – a good idea but no market

The dairy cooperative in Belpata made a suggestion that would be helpful, as they were now producing a lot of milk and storage would increase their profits. They put this suggestion to PAF as a source of rural infrastructure finance. It was rejected by PAF indicating that if the request came from one of the PAF community organisations (CO) then they could consider it. This was then done and a PAF CO (from ward 4) together with the VDC and DLSO made an agreement. A mass gathering of all the PAF community organisations in the VDC was called to select the user committee, mainly individuals from ward 4 were chosen. The user committee opened the account and the work started. After 20% of the work was completed the first instalment was paid following technical verification. In total the budget was Rs16 lakh of which Rs4.5 lakh was community contribution, Rs1 lakh from the VDC, Rs0.5 lakh from the DLSO and Rs10 lakh from PAF. Thirteen people were provided 3 months of work each.

The chilling plant is now 2 years old and is still unused. The capacity of the chiller is 750 litres but there is only 150 litres of milk available so it is not worth using the chiller. There were also problems with unstable power supplies, increasing the risk to dairy farmers that their milk would be spoiled. The original estimate for the size of the plant was based on the assumption that commercial farmers with cows and buffalo, although not members of the dairy cooperative, would be interested in using the chiller facility. However, they sell directly to the market and are not interested in an intermediary function. In addition it was expected that there would be an increase in number of members of the PAF Community Organisations that had improved cattle, but this also has not occurred. Effectively this has been a small employment generation scheme and a large waste of infrastructure money.

Source: interviews in Belpata VDC

As in other VDCs, the selection of the user committee (UC) followed the national guidelines and also reflected the findings from a RAP3 audit report: ‘as a contracting method UCs were observed to be **disruptive to the social structure** in the local community. The selection of people from within the community to manage the relatively large sums of money associated with the works, as well as being responsible for the labour hiring and management, was observed to have **created conflict within communities**. The UCs lack of technical knowledge, and contract management experience, was also observed to have negatively affected the quality and delivery of the works’.

7.7 Summary - effects of small outcomes and high transaction costs

7.7.1 Building an interface between citizens and the state

There are significant issues to be addressed in building an effective interface between citizens, the state and groups. Over the last two decades the flourishing of group-based development usually as a consequence of donor agency funding has led to increased voice and influence over the provision of development services but at the same time has led to a proliferation of interest groups where those who are members have voice but those who are not, don't! These groups have tended to occupy the space that should belong to representative politics (Grant and Hulme, 2008). In the absence of elected local government, decision-making over resource allocation has tended to occur through vertical lines drawn between project-supported groups and the projects. Currently the proliferation of groups has tended to fragment and divide popular voice and enabled those who have power and capability to capture services and resources to the detriment of those who cannot, especially the poor in particular (see Dhungana et al 2012).

For LGCDP2, the relationships between these groups and the local government planning process are critical. For some groups and cooperatives, the quantum of benefits available to their members through the group is significantly greater than that available through the VDC block grants. The incentives therefore for engaging in planning processes for limited benefits, all of which are related to public goods compared to the attractions of private goods accessed in other groups, are very weak.

7.7.2 Not reaching the poorest

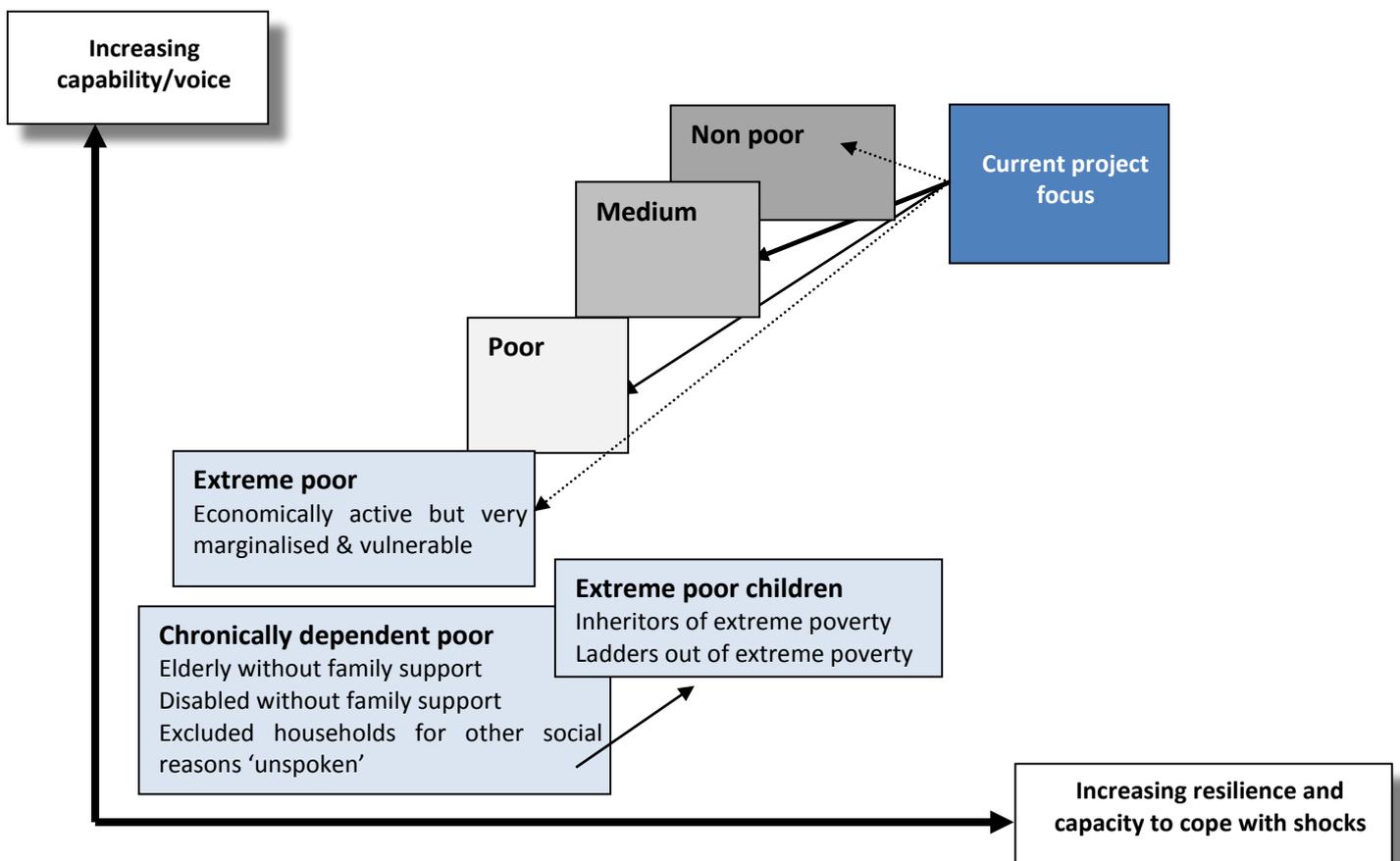
“There is not much change in the ‘a and b’ categories. We need to concentrate the money and provide intensive support to these households. There are so many packages going into the community but no change.”

Despite the multiple programmes and forms of targeting and attempts to include those who have historically been excluded, the more ways in which to identify groups has led to just as much exclusion. There are individual cases of benefit at the household level, but much less evidence to show that there is substantial overall change in the poorest households’ livelihood status. Is

development support aiming to raise some households from one category of poverty to another or aiming for moving whole parts of society out of poverty? Reaching the most disadvantaged through group-based mechanisms has been shown to be inappropriate. Consideration needs to be given to different ways of working to move from a culture of beneficiary and user-ship and welfarism to one based on entitlement and citizenship.

Accepting the limitations of income-generating interventions and the reach that they can have to the extreme poor and their lack of relevance to the youth (mainly interested in migration) means that a much wider range of interventions needs to be considered. The development model of poverty reduction through income generation as currently formulated is inappropriate. There is a missing bottom from project interventions – the extreme poor and most excluded those experiencing the greatest levels of livelihood insecurity, and a missing generation – the youth, who are now actively migrating. There are many elements to livelihood security. Social protection, livelihood promotion and enterprise development cannot be considered as isolated and distinct responses to poverty reduction rather they must be seen as a continuum of response. Without political representation, responsive services and social protection, livelihood promotion programmes will only benefit those households able to take the risks associated with investing in extended or new enterprises. Likewise, social protection without livelihood promotion and the development of markets which work for the poor will not allow those households that are able to build assets to escape from the spiral of poverty. What is needed then is a response that tackles each of these dimensions. Figure 17 illustrates where most of the project focus is currently placed, with the strength of the lines indicating the areas of primary focus.

Figure 17: Well-being dynamics



For the extreme (or very or ultra) poor and chronically dependent poor other mechanisms need to be considered, in addition to the existing pension and disability provisions. Experience from previous work funded by DFID through ADB (in 2006-2008, see Box 7) to reach the most disadvantaged provides some important lessons that are still useful, indicating the need for a combination of conditional and unconditional cash transfers:

Box 7: Reaching the Most Disadvantaged: ADB pilot project

Context: A realisation that mainstream development projects were not reaching the most disadvantaged households, led to the development of a pilot (funded by DFID and implemented by ADB through the Dept. of Women Development) and linked to the ADB Gender Equality and Empowerment Project. 16 VDCs were covered in this two year pilot project (2006-8) in 4 districts (Bajhang, Jumla, Rautahat, Mahottari). It focused on the most disadvantaged through a household development grant (US\$ 350) given over a period of 24 months which had the dual aims of building the household's self-esteem and household assets. 50% of the grant was in-kind to cover basic needs (food during the lean period, house repairs, bedding, health care costs) and the opportunity costs related to attendance at community-based activities. The second instalment of the remaining 50% of the grant was either in-cash or kind to facilitate basic economic activities and social protection issues.

Lessons learned:

Time to develop appropriate mechanisms: Difficult to develop the appropriate mechanisms to identify and reach these households particularly transfer of funds to remote households

Household planning: Importance of household planning to work with the household to identify their demands, to help them move beyond often very fatalistic thinking to looking at the opportunities they can access through their own endeavours.

Targeting problems: VDCs wanted the project to work across the whole VDC instead of working in a small area with a limited number of extreme poor. Took in some cases up to 3-4 days to identify the most poor households.

Insufficient money to reach all the extreme poor households. This caused some difficulties for equally deserving households that were left out of the project

High levels of mistrust: Hesitation by extreme poor at the beginning of the process, high levels of mistrust that the project would not bring any benefits and so reluctant to participate.

- **High costs** of reaching the most disadvantaged, often living in extremely remote areas, fieldwork is difficult and takes a lot of time both to locate the households and to work with them individually – household planning alone takes at least 3 days for one household. Difficulties of working with extreme poor, many of them are chronically ill and are limited in what they can do.
- **Mixture of conditional and cash transfers** has been important. The conditional transfer element of the grant encourages families to immunise their children and send them to school; an important tactic to break the inter-generational transfer of poverty. Other elements of conditionality include linking into community development groups, attending training courses, and regular savings

Source: interviews with ADB and Dept. of Women Development (field notes February 2008)

- **A range of social protection measures to include** – a targeted range of cash transfers for the poorest, chronically ill (to maintain them in dignity), severely disabled, those who have no chance of ever entering into productive work, health and education support (scholarships)
- **Prevention of decline** through insurance, pensions, child benefits, advocacy on behalf of poorest by others; securing of claims to assets and resources (local watch-dog functions – CBOs/NGOs) rethinking roles of NGOs
- **Livelihood promotion** - employment-based vocational training, self-employment/micro-entrepreneurship, support for effective migration (vocational training, access to pre-emigration finance and safe remittance transfer)
- **Business development** – development of social business approaches specifically looking at how to involve the poor. There is limited experience in Nepal of social

business e.g. poor as owners of enterprises where if the business grows they will benefit from growth in the value of their investments

- **Information and accountability mechanisms** – citizen-based overview in the VDC and district, watchdog NGOs, budget information, use of ‘Good Governance Clubs’ a network of community youth clubs across Nepal established by Pro Public as local watchdogs for example.
- **Citizen-based planning** as the basis for local development planning
- **Building responsiveness through VDC** – explore use of VDC fund for cash transfers (build on experience of VDC administration of the old-age pension and other entitlement based cash payments (Palacios and Rajan, 2004)
- **Building capacity of civil society (not just NGOs)** – to place effective demand, to advocate, to act as watchdogs over the actions of service providers, social mobilisers and other actors

8. Summary and conclusions

In this section, we present a summary of our understanding of the current set of interventions, the contested constitutional context and the nature of the DFIDN approach and portfolio.

8.1 Key findings from the Dailekh Mapping Study (DMS)

The DMS reviewed all the interventions currently taking place in one district of Nepal. Two sorts of intervention modalities were observed; the first type of intervention related to service delivery, the second to social protection entitlements. Both modalities involved the District Development Committee (DDC) and Village Development Committee (VDC).

8.1.1 Intervention modalities

Service delivery

The main findings of DMS with regard to service delivery in Dailekh are:

- The current delivery modality is characterised by fragmented delivery of services. Services are delivered through a series of parallel silos which flow from the national level through or under the auspices of local government, generally supported by social mobilisers and implemented by user groups.
- A key feature of this approach is the use of social mobilisers as the means to form user committees to articulate demand and user groups to implement projects. Each programme or project has its own delivery 'pipe', with separate social mobilisers.
- Targeting is a major issue for each delivery pipe, with its own targeting approach, databases and criteria. Concerns have been raised about the effectiveness of the process in terms of targeting the poorest and most excluded. Considerable effort has gone into improving the targeting process.
- The coordination of the plans of the different government line agencies and NGO programmes is the responsibility of the DDC and VDC. In the absence of elected representatives and political forums, coordination is attempted through the Integrated Plan Formulation Committee. In practice, this is an impossible task and, as a result, project managers and government officials can make their decisions in sector or project structures, while claiming legitimacy from being approved by the councils of the DDC/VDCs.
- Each sector and programme has its own coordination processes. As a result, local politicians engage directly in these processes and with the staff in line agencies and projects in order to capture benefits for their interest groups and themselves
- Finally, the net impact of many of the programmes flowing through or out of the DDC/VDCs to user groups is relatively small, mostly in the form of Income Generating Activities (IGAs) and cash for work programmes. Nonetheless, the main source of funding for development activities is delivered through a vertical alignment between the policy goals and priorities set by national ministries and supported by external agencies down to user groups.

The rationale underlying the use of this modality lies in practices that emerged during the armed-conflict period when user groups were the main or only form of social (community or

state) organisation to continue to function. Effectively, the modality has continued into the post-conflict period, where the focus has been to improve its effectiveness, rather than challenge its appropriateness in different circumstances.

Social protection and entitlements

The second modality observed in Dailekh relates to the social protection programme which is based on nationally-determined 'entitlements'. These are targeted to individuals – older people, disabled, single mothers and children (of particular castes) – who are entitled to trimester (4-monthly) cash payments on the basis of their age, status, caste or disablement.

Unlike the service delivery approach which tends to fragment groups of people, the social protection system appears to promote a sense of national belonging in recipients. Social protection is associated with a right, available to all citizens meeting the criteria i.e. without the need for a beneficiary to beg for the service or seek patronage. Further, since social protection benefits are not discretionary or personalised, village secretaries consider the funds to belong to the individual and, therefore, appear to be particularly diligent in ensuring the funds reach the owner). As a result, there is little scope for political interference or a requirement for social mobilisers to obtain these benefits on behalf of others. Nonetheless, these welfare payments are essentially individual and targeted and, therefore, do not engender a sense of belonging to a greater 'collectivity'.

In summary, the current service delivery modality, including the social protection system, can be characterised as a system comprising many vertical pipes or silos with many valves and taps, delivering a sprinkle of small benefits to relatively few people. Benefits are limited to specific individuals (or groups of individuals) as users of services. The social protection delivery modality is also focused on individuals, but based on individual entitlements with clear criteria and no discretion and, as a result, does not contribute to social fragmentation in the same way.

8.1.2 Local government systems

The DMS report highlights the positive attributes of many of the systems and processes introduced by MoFALD and supported under the second phase of the Local Governance and Community Development Programme (LGCDP2). These include:

- The Minimum Conditions Performance Management Grant system (MCPMG) through which Local Bodies (LB) are funded. The MCPMG system rewards LBs that follow good practice in terms of process and promotes discretion and, in theory, enables collective choices regarding the allocation of those funds to particular services or functions. There are also problems associated with audit arrangements which need to be resolved. These include problems of effective self-audit of VDCs by DDCs, and the private sector auditing of IGAs, and user committees which is not well regulated or supervised.
- The one-window, consolidated treasury system has many potential benefits, although in practice, control remains highly centralised, as approval is not automatically provided to budget holders at the time the budget is approved.
- The movement to decentralised planning and budgeting for some ministries provides a means for LBs to prioritise activities in their areas, within national guidelines. In practice, this is not happening as yet, because the decentralised sectors retain previous centralised planning systems and structures and so avoid (local) control. For

sectors that remain centralised, the mechanisms for LBs to influence decision-making are broadly in place but subject to political interference.

- The movement towards consolidating VDCs into larger 'rural municipalities' which will enable them to develop greater capacity with greater resources and therefore enable them to engage better with sectors and service delivery agencies.
- The high calibre of human resources appointed to some (but not all) districts. In Dailekh, many of the DDC/VDC staff were drawn from the local area and personally committed to the advancement of their district. Clearly, there are problems with political interference in the posting of staff, reflected in high turnover rates.

In summary, the individual mechanisms and processes, supported by MoFALD under LGCDP2, could, in theory, support the emergence of a local governance system that facilitates collective choices and promotes local empowerment. However, in practice, these systems do not come together into a joined up and functioning system. This is essentially a problem of governance (i.e. collective decision-making) rather than due to particular deficiencies in the instruments (particular systems or processes). Without addressing the governance issues, the system essentially privileges specific individuals, incentivises capture and corruption. A lesson from other post-conflict situations with complex underlying social structures and deeply embedded inequalities is that the potential for conflict remains unless new governance and institutional arrangements are put in place that allow people and interests groups to deliberate around their common good.

The danger in Nepal is that LGCDP2, as presently functioning, does not address the need for deliberative mechanisms at the local level, thus risking a return to violence and conflict.

8.1.3 Governance arrangements

The role of LBs is set out formally in the Local Self Governance Act, 1999 (LSGA). However, it is still unclear, in practice, as to the function of LBs and the balance between their roles as bodies:

- responsible for 'local development' i.e. as autonomous bodies promoting local development using locally resources; and
- representing local interests as agents of (or influences on) 'national development' i.e. local provision of services mandated by national ministries providing services.

The absence of elected local representatives and the breakdown of the All-Party Mechanism (APM) through which elected representatives could debate local issues have created a free-for-all for political interference in the administration and implementation of programmes. This reality is universally recognised at the local level but has not yet become an issue in the national debate. As was noted earlier, without such formal mechanisms, public decisions are taken in many different, often sectoral forums.

The response to this problem at LB level has been to introduce quasi-technical bodies, such as the Integrated Plan Formulation Committee (IPFC). Effectively, this is an attempt to fill the vacuum caused by the absence of a proper political process that 'resolves' contestation and conflicts between interests and groups with a technical process that attempts to 'solve' planning and coordination problems. Further, since the programmes being coordinated originate outside the DDC/VDC and have their own accountabilities, the ability of the IPFC, meeting infrequently, to even perform its technical coordination function is necessarily limited.

Ideally, this problem would be solved through properly-elected and representative decision-makers that would ensure more inclusive voice, greater accountability, and ensure overall legitimacy to decision-making. However, democratic functioning is not solely – or even - a matter of elections; the means (process) through which decisions are made is as important as who makes the decisions.

The issue of how LBs will reach decisions has not featured significantly in the constitutional debate. The residual assumption and understanding is that the well-developed ideas of ‘community participation’, applicable to relatively homogeneous groups with a common interest, can be applied to the political forums where debate and negotiation takes place between stakeholders, with different and competing interests. However, this is not the case – the arrangements, processes and skills required for ‘participation in the implementation of a scheme’ are very different to those required for ‘deliberative engagement in reaching collective choices over the general public good’.

Irrespective of the form of state structure that emerges from the constitutional debate there will be a need for deliberative space and processes at the state, province and local levels. These mechanisms and capacities can be developed prior to final resolution of state structures, ready for implementation.

Finally, it is important to note that even with properly elected representatives and systems for deliberation, local government bodies would not be able to make collective decisions under the present system of parallel pipes and silos, decided and mandated by central ministries and supported by donors. Essentially, under these arrangements, the likelihood of LBs emerging as drivers of local development and empowerment is negligible.

8.2 Outcomes of the current approach

The modalities outlined above facilitate fragmented and atomistic service provision. This, in turn, reinforces the fragmentation and social cleavages that already exist in Nepali society and incentivises both the capture of benefits for particular groups and the corruption at an individual level. Instead of bringing disadvantaged groups into a wider collective society, the modality builds on and reinforces the deeply embedded traditional and cultural fractures in Nepali society.

The major factors contributing to this outcome are: (1) personalised politicisation (2) paternalistic targeting; (3) inefficient delivery of services; and (4) projectised provision of services.

Personalised politicisation of implementation

The personalisation of politics throughout the administration, civil society and private sector and the distribution of political influence at all stages in the delivery of services mean that there is no overall **accountability** for results, from the administration or NGO implementers, to either users or citizens. Political interference allows benefits to be captured through, for example, the selection of NGOs (at national and local level), recruitment of social mobilisers and other agents, the appointment of staff within government offices and the selection of beneficiaries.

Paternalistic targeting of beneficiaries

One of the functions often assigned to communities and local bodies is that of identifying local beneficiaries, as such entities are expected to have better local information regarding the

individuals who meet the targeting criteria of particular programmes. This assumption may or may not be valid in practice. However, the more significant consequence of local selection of beneficiaries is that it promotes an unhealthy relationship between state, social institutions and individuals and communities that is, essentially, one of patronage rather than entitlement.

Such state-society relationships do not foster growth and development, as was argued by North, in his historic review of the rise of countries (North, D., 2006, A Conceptual Framework for Interpreting Recorded Human History). The same principles of open-access 'impersonal institutions', where decisions are made through mechanisms in which the individuals involved have a general (but not a personal) stake in the outcome of those decision should apply at local as well as national level.

A further consequence of paternalistic targeting is the effect it has on those who do not receive benefits, especially if there is concern as to how a particular individual or community were selected. These feelings of jealousy, especially where they reinforce existing social fractures, lead to bitterness and, increased social fragmentation and alienation.

Inefficient delivery

The range of different modalities, schemes and programmes lead to duplication and other inefficiencies. The net result is that the transactions costs become out of proportion to the benefits delivered. As one government official in Dailekh said, in frustration, the current approach is a matter of organising "salary consumption" rather than the means of transforming society and systems.

The high transaction costs caused by fragmented and parallel delivery do not just impinge on the delivery agencies. They also impose additional costs on the recipients of services, who have to join different groups in order to access services.

Projectised provision

National governments (and DPs) tend to allocate funds to local government as annual grants to be spent in the form of a project. However, the use of project-type funding blurs the distinction between capital and recurrent costs and, consequentially, most LBs use their funds for small-scale infrastructure – i.e. investments that are naturally and usefully considered to be projects. This creates a bias against recurrent expenditure such as the provision of services (agricultural extension, teachers, health workers, etc), which is inherently different in that expenditure needs to be committed over the medium to long term. Such expenditure is not as easily planned or managed through a project with a fixed start and end date.

Self-defeating responses

Concerns about these and other issues, also voiced by DPs, have resulted in a series of responses from MoFALD which add conditions to the MCPMG and increase the checking and auditing arrangements. The net effect of these responses is to increase the transaction costs both for government and NGOs and reduce the discretion available to LBs, leading to less downward accountability and less empowerment.

The absence of elected representatives and effective downward accountability to citizens provides some justification for the increased top-down restrictions on the discretion allowed to LBs. However, such restrictions also contribute to defining the intergovernmental relationship between the national and local authorities as well as establishing ways of working that will not be easy to reverse.

The mandate of MoFALD essentially relates to the structure of the state. However, as a ministry it must compete for resources from the national budget through the Ministry of Finance (MoF) and the National Planning Commission (NPC). The importance of a ministry is demonstrated by the volume of funds it manages. As a result, MoFALD have allowed LGCDP2 to expand with DPs, who do not use GON systems, allowed to implement “aligned” (i.e. parallel) projects. The net effect of this, together with the absence of local elections, has been to reposition LGCDP2, despite the intentions stated in the programme document, as more of a community development (CD) programme than a local governance (LG) programme.

In summary, the outcome of the current approach of fragmented parallel interventions incentivises rent-seeking, through the capture of benefits for particular groups. The influence over the appointment of staff to government and NGO agencies also enables local politicians and others to influence who benefits. The duplication of delivery mechanisms and the high transaction costs associated with each programme reduce the funds available for beneficiaries. Further, the net effect of these outcomes is to gradually re-position LGCDP2 and, therefore, MoFALD as a community development ministry and reinforce the sense in which state-society relations are defined in terms of the ‘user-benevolent state’.

8.3 Impact of the approach

The long-term impact on Nepali society of the outcomes presented above are difficult to predict. The relatively small benefits, reaching relatively few people that the system currently delivers appear insignificant in the context of increasingly important remittances. However, not all households have access to remittances and for others, especially for women left at home and dependent on remittances, additional funds provide an important additional source of income.

The major long-term impact of the approach is likely to be its contribution to defining state society relations. This is particularly important in Nepal, given the underlying social, cultural and traditional cleavages based on ethnicity, caste and gender. These are well established ‘divides’ in societies and communities that are often defined in juxtaposition to each other (Brahmin/Chetri – Dalit, etc.) and, therefore, interventions that target one community often have wider implications for society as whole.

Less is known of the impact of the social protection programme. However, as an entitlement based programme it provides an alternative modality to that of the service delivery model.

8.4 Summary and characterisation of current theory of change

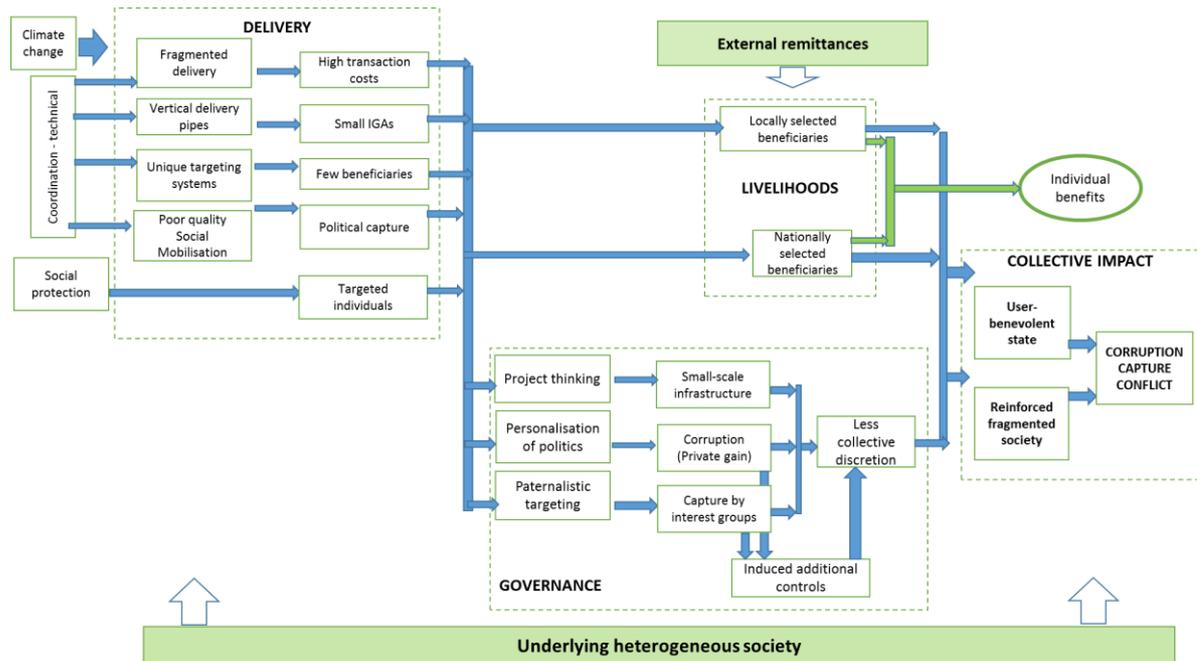
The analysis presented in this section is an attempt to characterise the current approach followed by MoFALD, supported by DPs under LGCDP2. Many of the features of the analysis apply to other service sectors as was found in the Dailekh mapping.

The implicit theory of change underlying the current approach set out in this section is summarised in Figure 10. This shows how the current delivery mechanisms interact with the underlying nature of society to define state-society relations in terms of a ‘user-benevolent state’ and reinforce the already fragmented social structures. This, in turn, fosters capture of benefits, private corruption and potentially leads to conflict and violence.

A further challenge to the argument for supporting individual livelihood and welfare benefits is the reality that the relatively small amount of resources flowing through the system,

inadequately targeted are unlikely to deliver real transformational change. Under these circumstances, the impact of the approach on state-society relations becomes particularly pertinent. The analysis raises the question as to the level of ambition a DP such as DFIDN, acting alone with other DPs, can bring to addressing poverty in Nepal. This is not simply a matter of funding levels or resources. The deep social and political issues involved in the present constitutional impasse mean that there is limited scope for supporting interventions that target poverty at a higher and more collective level.

Figure 18: Implicit theory of change for current approach showing individual and collective results



Annex: Approaches to targeting, group formation and assets

Issue	PAF	MSFP	WUPAP	LGCDP	RAP3
Local institutional mechanism	New tole level community organisation formed for project	Uses pre-existing FUG	Forms VDC level Community Programme Coordination Unit (CPCU)	Creates new ward-level group the Ward Citizen Forum and tole based groups - CAC	Product-based groups
Primary focus	Social grouping – poor	Resource (forest)	Social grouping - poor	Social grouping – poor and disadvantaged	Road
Targeting	Exclusive – focuses solely on poor households in a locality	Inclusive + exclusive – focuses on whole CFUG and then works within to identify poor and extreme poor	Exclusive and inclusive Targets ‘a and b’ categories with direct support and some community infrastructure support Forms Community Project Coordination Unit at VDC level – one representative from each ward	Exclusive Targets the extreme poor and disadvantaged, mainly focuses on dalits and women as a proxy for the extreme poor.	Inclusive with some provisions for poor- based on ex-road building group and where possible identification of disadvantaged households.
Asset flow	Direct to household through community organisation	To CFUG fund for decision-making and allocation direct from project at district-level	Group based support through matching grant and Community Initiative Fund (CIF) in response to Community Investment Plan (CIP)	From the district-level to the CAC..... Ward citizen forum a	Either to the community organisation from the District LDF (Local Development Fund) or from the village-level CDF (Community Development Fund)
Mobilise own funds	Once loan repayment to CO starts then the CO should fund its own IGAs through its savings and credit scheme.	CFUG fund already supporting IGAs and the LIP households should repay loan to the FUG for others to use for IGAs.		IGA money used as a grant to the CAC to become a revolving loan mechanism, repayment from five individuals funded plus interest builds the loan fund for use by others.	The CO is expected to fund its members IGAs through its savings and credit scheme
Extreme poor	Well-being ranking does not recognise degrees of extreme poverty – extreme poor lumped in one group of less than 3	CFUG identifies individual households separately through well-being ranking and targets with different support. CFUG	Identifies through well-being ranking	Targeting tends to mix extreme poor and poor, with the poor with more time and capacity more likely to	Well-being ranking does not always recognise as a separate group and identifies criteria that can

	months food sufficiency	categorisation identifies groups that has a higher concentration of poor and excluded and need support for resource mobilisation. Does not differentiate between those who really have no assets or capability and those that do.		engage in the CAC than those dependent on wage labour	exclude them from entry to groups
Poverty process	Focused mainly on economic poverty and inputs (IGAs) available through project does not focus on mobilising other local resources	Rights-based focus with short-term economic livelihood effects. Mobilises other CFUG resources as well as other local opportunities	Focused on economic poverty and food security	Previously solely focused on understanding rights and empowerment processes, changing to an economic focus with the underlying assumption growth in income will lead to social transformation	Focused mainly on economic poverty and inputs (IGA) does not focus on challenging power relations
Decision-making	Highly centralised Proposals sent to Kathmandu for decision-making	Local CFUG-level, decisions taken by CFUG General Assembly, funds for LIP taken by project at district-level	Funding proposals decided through the Community Investment Plan and submitted to the Community Investment Fund (follows similar process to the old DLGSP processes)	Decisions on funding driven by centralized guidelines and budgets. Decisions on allocation of resources within the CAC taken by the CAC members	
Numbers of poor reached	Larger numbers of poor reached – mainly poor and capable poor, some self-exclusion of extreme poor	Limited in number mainly to the extreme poor and restricted by the small amount of money available	Reaches small number of targeted households, and wider group of households through community infrastructure support	Limited reach as only one CAC in each VDC. Reach to extreme poor is limited because of time constraints and tendency to self-exclude from group-based activities	Reaches wide range of types of households from non-poor to extreme poor. Also high number of extreme poor households accessing no benefits.

Annex: Project fund flows through NGO service providers (2013-2014)

Everest Club

Projects	Donor	Funds (last year's budget)	Number of field staff/social mobilisers	Number of VDCs work in
Micro Enterprise Development Programme (MEDEP) IV Phase	UNDP/Australian Aid	42,00,000	7	8
Linking Small Holders with Local Institution and Market	LINK- Helvetas Swiss Inter cooperation Nepal/SDC	25,50,000.	2	6
Multi Stakeholder Forestry Programme (MSFP)	IDS/MSFP	20,78,500.	12	12
Micro- enterprises development & poverty alleviation programme (MEDaPAP)	PAF- Nepal	21,44,000.	12	12
Building Community Initiative for Knowledge and Skill (BIKAS)	LWF Nepal	28,30,000.	4	4
Community Based Water, Sanitation and Hygiene program (CBWASH)		51,00,000.	3	3
Water, Sanitation and Livelihood Promotion Program	RVWRMP/DDC/FINLAND	19,21,177.	6	6
Sustainable sanitation and hygiene for all (SSH4A)	SNV- Nepal	8,02,745.	9	49
Functionality of Water Sanitation Scheme (FWSS)		21,50,000.	6	49
Narayannagar Second Small Town water Supply and Sanitation Project	SSTP/WSDO, Dailekh	5,75,000.	5	1
Agriculture and Food Security Program (AFSP)	FAO		13	10
Local Governance and Community Development Program (LGCDP)	LGCDP/DDC, Dailekh		11	12
MEDPA	GON/MOI/CSIDB, Dailekh	27,0000.	6	4
Total		Rs 24,591,422	96	
Total		£163,943		

Rural Development Service Centre

Name of Project	Donor	Budget	Staff Nos	Work Area (VDC)
Talpokhari Water and Sanitation (W/S) project	FundBoard	390064	7	1
Seri W/S project	FundBoard	386841	2	1
sakindhara W/S project	FundBoard	410349	2	1
Managhat W/S project	FundBoard	474289	2	1
Dhaiya W/S project	FundBoard	433512	2	1
Dobilla Trail bridge	TBSU	135000	2	2
Kumkhola Trail Bridge	TBSU	145000		1
Kuntada Trail Bridge	TBSU	134000		1
Kale Dhunga Trail Bridge	TBSU	143000		1
Nirga Trail Bridge	TBSU	145000		1
Birauta Trail Bridge	TBSU	152000		2
Ghumne Trail Bridge	TBSU	135000		1
Total		3,084,055 £20,560		17

Sustainable Agriculture Or Environment and Water source Conservation Centre (SAEWCC), Dailekh

Projects	Donor	Funds	Number of field staff/social mobilisers	Number of VDCs work in
Village Development Periodic Plan	Link Helvetas Swiss Inter-cooperation Nepal	27,40,000	9 Person	20 VDC
Multi Stakeholder Forestry Programme	IDS/MSFP	77,84,680	8 Person	10 VDC and 1 Municipality
Strengthening the Accountability of Local government	SDC	1,11,91,500	6 person	40 VDC and 1 Municipality
Total		21,716,180	23	
		£144,775		

SOSEC

Projects	Donor	Total Agreed Amount	No. of field Staff included SM	Working VDCs
Integrated Project (NORAD)	Save the Children	28,877,423.00	20	12 VDCs out of 49 VDCs
Integrated Community Development Project	Poverty Alleviation Fund, Nepal	2203699	8	8 VDCs & 1 Municipality out of 49 VDCs & 2 Municipalities

Promotion of Right of Child, Women & Youth Program	AEI Luxembourg	2003000	7	3 VDCs out of 49 VDCs
Resilience Livelihood & Sustainable Food Security Project	DCA/ICCO/LWF Nepal	6095967	5	4 VDCs out of 49 VDCs
Right Based Livelihood Promotion Program	FO	3410700	5	2 VDCs of Kalikot district
Drinking Water Sanitation & Livelihood Promotion Program	DDC/RVWRMP	1910498.5	6	2 VDCs out of 49 VDCs
Socio-Economic Development Program	DFID/IMC	22615856	8	14 VDCs out of 49 VDCs and 1 Municipality
WARM_SOSEC	WARM-P HELVETAS	2300000	6	2 VDCs & 1 Municipality
High Value Agriculture Program	IFAD/SNV	1215750	6	16 VDCs out of 49 VDCs and 1 Municipality
Total Budget for the period		70,632,893.50 £470,886	71	

Community Health and Environment Protection Forum (CHEPF), Dailekh

Projects	Donor	Funds	Number of core staff (permanent)	Number of field staff/social mobilizers	Number of VDCs work in
Integrated Poverty Alleviation Program (I-PAP)	Poverty Alleviation Fund (PAF), Nepal	started this year	2	3	6
Local Governance and Community Development Programme (LGCDP)	DDC, Dailekh	started this year	1	10	10
Strengthening the Accountability of Local Government Project (SALGP)	SALGP, Dailekh	1,67,200	0	2	3
Awareness Programme against Gender Violence within Local Youth Partnership Program	Ministry of Youth and Sports via District Sports Development Committee	76,000	1	0	3
Non-formal Education Programme	District Education Office Dailekh	15,05,000	0	150	2
Capacity Building and Skill Development Programme for Pro-poor groups	DD-WUPAP, Dailekh	4,19,000	0	0	5
Community-Based Monitoring of Local Government/Public	LGAF, Nepalgunj	Completed in the year before last	1	2	3

Goods and Services)		year			
Community Based Drinking Water Supply and Sanitation Project (CBDWSSP)	DDC-District Drinking Water and Sanitation Unit Office Dailekh in the financial support of Asian Development Bank (ADB)	Completed in the year before last year	2	5	4
Preparation of Village Profile of Naulekatuwal VDC	Naulekatuwal VDC	Completed in the year before last year	1	10	1

Community Development Programme, Dailekh

Projects	Donor	Fund	Number of Core Staff (Permanent)	Number of Field Staff/ Social Mobilizer	Number of VDCs Work in
SSMP	SSMP-Helvatas	6,30,391	3	2	1 Municipality,3 VDCs
Non-Formal Education	DEO	1,52,4600		150	3 VDCs
Women Health Program	PSI/Nepal	22,76,110	Just started	6	1 Municipality,3 VDCs
Youth Program	DDC/DGSO	10.6,400		1	1 VDCs
NCCSP	DDC/NCCSP	17,45,703		6	5 VDCs
RISMFP	RISMFP	19,54,133	Just started	6	Ag. Cooperative Overall District
SALGP	SALGP, DPSU Dailekh	1,65,000		2	2 VDCs
WUPAP	WUPAP	41000.00		1	2 VDCs
NNP/LGCDP-II	NNP/LGCDPII	1,69,500	Just started	10	9 VDCs
DDC/LGCDP-II	DDC/LGCDPII	1,69,500	Just started	10	1 Municipality
PAF	PAF	711606.00	Just started	5	6 VDCs

Annex: DDC Budget

District Development Committee Office, Dailekh										
Actual Budget of the FY 069/070, Amended Budget of the FY 070/071 and Detailed Budget of Current & Fixed Assests of Proposed Programs of Donor Organizations and NGOs (in thousands)										
S.No.	Name of Program	FY 069/070			FY 070/071			FY 071/072		
		Actual expenses			Amended budget			Proposed budget		
		Current	Fixed	Total	Current	Fixed	Total	Current	Fixed	Total
A	Local Infrastructure Development	193,928	564,571	758,499	199,904	938,441	1,138,345	218,485	1,033,885	1,252,370
B	Land and Water Resources	27,339	50,692	78,031	7,645	161,112	168,757	8,650	299,627	308,277
C	Agriculture, Forest and Environment	49,388	33,094	82,482	87,183	131,465	213,298	123,368	210,574	333,942
D	Social and Population	714,466	45,793	760,259	722,527	96,640	819,209	917,946	107,367	1,025,313
	Grand Total (A+B+C+D)	985,121	694,150	1,679,271	1,017,259	1,327,658	2,339,609	1,268,449	1,651,453	2,919,902
District Development Committee Office, Dailekh										
Actual Budget of the FY 069/070, Amended Budget of the FY 070/071 and Detailed Budget of Current & Fixed Assests of Proposed Programs of Donor Organizations and NGOs (in thousands)										
S.No.	Name of Program	FY 069/070			FY 070/071			FY 071/072		
		Actual expenses			Amended budget			Proposed budget		
		Current	Fixed	Total	Current	Fixed	Total	Current	Fixed	Total
A	Local Infrastructure Development Committee									
1	District Development Committee Office	179,394	441,788	621,182	170,850	749,073	919,923	187,935	771,254	959,189
2	District Technical Office	124	13,605	13,729	96	10,310	10,406	150	71,500	71,650
3	Rural Access Program (Third)	600	16,671	17,271	600	57,559	58,159	600	32,515	33,115
4	Local Development Fund	800	10,076	10,876	900	6,213	7,113	1,600	11,599	13,199
5	Narayan Municipality, Dailekh	13,010	36,842	49,852	27,458	56,986	84,444	28,200	56,490	84,690
6	Gokha Welfare Scheme	-	-	-	-	-	-	-	20,527	20,527
7	Poverly Alleviation Fund	-	45,589	45,589	-	58,300	58,300	-	70,000	70,000
	Total	193,928	564,571	758,499	199,904	938,441	1,138,345	218,485	1,033,885	1,252,370
District Development Committee Office, Dailekh										
Actual Budget of the FY 069/070, Amended Budget of the FY 070/071 and Detailed Budget of Current & Fixed Assests of Proposed Programs of Donor Organizations and NGOs (in thousands)										
S.No.	Name of Program	FY 069/070			FY 070/071			FY 071/072		
		Actual expenses			Amended budget			Proposed budget		
		Current	Fixed	Total	Current	Fixed	Total	Current	Fixed	Total
B	Land and Water Resources Committee									
8	Drinking Water and Sanitation Division Office	27,209	6,706	33,915	7,495	79,108	86,603	8,500	136,500	145,000
9	Lily Helvetas Swiss Intercooperation	-	-	-	-	15,876	15,876	-	-	-
10	Rural Water Resources Management Project	130	32,243	32,373	150	41,145	41,295	150	35,600	35,750
11	Nepal Electricity Authority	-	11,000	11,000	-	12,000	12,000	-	77,550	77,550
12	Helvetas Nepal	-	743	743	-	6,236	6,236	-	3,080	3,080
13	Astha Nepal	-	-	-	-	6,747	6,747	-	46,897	46,897
	Total	27,339	50,692	78,031	7,645	161,112	168,757	8,650	299,627	308,277

District Development Committee Office, Dailekh										
Actual Budget of the FY 069/070, Amended Budget of the FY 070/071 and Detailed Budget of Current & Fixed Assests of Proposed Programs of Donor Organizations and NGOs (in thousands)										
S.No.	Name of Program	FY 069/070			FY 070/071			FY 071/072		
		Actual expenses			Amended budget			Proposed budget		
		Current	Fixed	Total	Current	Fixed	Total	Current	Fixed	Total
C	Agriculture, Forest and Environment Committee									
14	District Agriculture Development Office	18,595	1,956	20,551	38,856	4,035	42,891	58,283	11,000	69,283
15	District Animal Development Office	3,490	100	3,590	8,333	300	8,633	360	9,587	9,947
16	Agriculture Research Centre	8,500	5,800	14,300	9,629	7,275	11,554	8,730	28,458	37,188
17	District Forest Office	4,476	2,731	7,207	1,875	11,806	13,681	2,990	55,944	58,934
18	District Soil Conservation Office	2,763	5,755	8,518	3,332	6,341	9,673	3,960	7,120	11,080
19	Cottage and Small Industries Development Committee	2,110	247	2,357	2,802	422	3,224	3,662	8,010	11,672
20	Nepal Climate Change Support Program	-	-	-	7,042	25,724	32,766	31,795	7,000	38,795
21	Western Uplands Poverty Aleviation	2,837	5,999	8,836	3,157	28,720	31,877	4,050	39,950	44,000
22	Micro Enterpriie development program DEMAGA	301	3,005	3,306	238	3,193	3,431	258	3,959	4,217
23	SSMP	-	-	-	-	-	-	-	-	-
24	Link Helvetas	3,892	-	3,892	7,266	-	7,266	6,940	-	6,940
25	Seed Rural Access	-	-	-	-	16,482	16,482	-	16,597	16,597
26	KISAN USAID	-	-	-	1,754	-	1,754	-	1,945	1,945
27	Multi Stakeholders Forest Program	-	-	-	-	23,178	23,178	-	12,355	12,355
28	Sewak Nepal	2,424	7,501	9,925	2,899	3,989	6,888	2,340	8,649	10,989
	Total	49,388	33,094	82,482	87,183	131,465	213,298	123,368	210,574	333,942

District Development Committee Office, Dailekh										
Actual Budget of the FY 069/070, Amended Budget of the FY 070/071 and Detailed Budget of Current & Fixed Assests of Proposed Programs of Donor Organizations and NGOs (in thousands)										
S.No.	Name of Program	FY 069/070			FY 070/071			FY 071/072		
		Actual expenses			Amended budget			Proposed budget		
		Current	Fixed	Total	Current	Fixed	Total	Current	Fixed	Total
D	Social and Population Committee									
29	District Education Office	626,882	200	627,082	593,315	380	593,695	785,698	418	786,116
30	District Health Office	33,363	6,064	39,427	60,203	10,344	70,547	64,348	7,040	71,388
31	Women Development Office	6,684	15	6,699	9,715	200	9,915	10,713	550	11,263
32	Ayurvedic Office	4,261	36	4,297	5,900	146	6,046	7,468	730	8,198
33	Child Welfare Committee	-	-	-	-	-	-	615	-	615
34	Dailekh School Project	9,571	90	9,661	13,160	2,200	15,360	12,641	300	12,941
35	Everest Club	5,252	4,104	9,356	7,061	14,549	21,610	18,456	16,713	35,169
36	Long term Development and Environment Conservation Centre	3,977	3,147	7,124	6,295	9,148	15,443	5,221	8,268	13,489
37	Social Service Centre	5,216	8,661	13,877	5,166	29,938	35,104	4,982	32,581	37,563
38	Community Development Program	-	1,095	1,095	-	9,397	9,397	-	7,606	7,606
39	Rural Development Service Centre	-	4,725	4,725	-	6,568	6,568	-	6,286	6,286
40	Care Nepal	1,972	-	1,972	2,076	-	2,076	-	-	-
41	Human Resources Development Centre	1,439	-	1,439	511	-	511	643	-	643
42	Forum of Long term Historic and	-	-	-	-	-	-	-	-	-
43	Forum for Women Empowerment	-	15,462	15,462	1,932	8,821	10,753	-	19,460	19,460
44	Rural Development Organization, Dullu	-	-	-	-	-	-	-	-	-
45	Sahash Nepal	8,324	-	8,324	2,117	-	2,117	-	-	-
46	Social Welfare Club	1,173	1,018	2,191	1,668	551	2,219	1,268	551	1,819
47	Rural Development Public Service Centre	1,317	-	1,317	1,018	-	1,018	737	-	737
48	Safe Nepal	1,765	-	1,765	1,552	-	1,552	1,552	-	1,552
49	Nepal National Dalit Social Welfare Organization	1,054	544	1,598	610	-	652	582	582	1,164
50	Panchakosh Disabled Forum	490	-	490	500	-	500	1,125	-	1,125
51	Dalit Women Service Organization	1,011	-	1,011	1,635	-	1,635	1,394	-	1,394
52	Environment Improvement Society	-	-	-	7,590	2,374	9,964	-	-	-
53	SEDA Nepal	715	632	1,347	503	2,024	2,527	503	424	927
54	Project to enhance responsiveness of local government	-	-	-	-	-	-	-	5,858	5,858
	Total	714,466	45,793	760,259	722,527	96,640	819,209	917,946	107,367	1,025,313