



Capturing learnings and recommendations on Local governance and federalism

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Introduction

After a year of functioning and building a deeper understanding of Local Governance & Federalism issues, the working group felt was time to reflect and share the lessons learned, best practices and insights we have gathered and heard from various experts, together with recommendations and substantiated with case studies, in a view to be shared with development partners incl. AIN, IDPG

and others. The working group organised a workshop on Sep 13, 2019 where the WG members brainstormed on the following topics:

- Key elements we have learnt about Local Governance & Federalism
- Identified approaches and successful practices to strengthen the capacities of local actors for better governance
- Innovative tools shared, tested and recommended
- Pending topics, questions and solutions yet to be explored.

The learning presented here is the synthesis of the workshop proceedings.

Key Highlights and recommendations

- 1. Inclusive and participatory development, strengthening our support targeting marginalized women, Dalit and ethnic minorities:** I/NGOs and development partners need to invest in building the capacities of deputy mayors, women, Dalit and representatives from minority communities in village/municipal executive and assembly for effective discharge of their role ; beyond tokenism, whereby women and representatives from minority communities are invited to participate but not sufficiently encouraged, valued as well as trained, more efforts are needed to ensure genuine inclusion; some capacity strengthening effort should target marginalized women Dalit and minorities, including elected representatives of same communities
- 2. Put the Local authorities in the driving seat:** I/NGOs must ensure a collaboration with local authorities in a lead role of their programmes. Some experiences have demonstrated that genuinely putting the local authorities as a lead of projects improves delivery, resource mobilization, ownership and outcomes, shortens the process of coordination among inter-government agencies; this will also ensure to avoid side-lining the local NGO partners
- 3. Resource sharing:** Many local and Province governments are keen to mobilize their financial resources, and INGOs should engage with them at this level; and adjust their role accordingly (technical support, financial management support and more)
- 4. Mentorship and on-site coaching:** Going beyond classroom (“top-down”) type of training, our field experience shows that the mentorship and on-site coaching approaches have proved highly efficient and valuable and recommended. It enables to go beyond theory into the daily practice and the real situations that professionals face and help them find practical, contextualized solutions in real life
- 5. Thematic governance support required:** In addition to building capacities on general aspects of local governance (such as budgeting, planning, understanding the roles & responsibilities of the wards and ‘palikas’, etc.), the support provided to local authorities should also include capacity building on thematic issues within their responsibility, such as Health, WASH, Agriculture development, Gender equality, Child protection, environment protection, as well as judicial matters aligning with the clear demarcation of role and accountability as promulgated in L.G. Act i.e. exclusive and concurrent rights and authorities on various issues and sectors
- 6. Need to train our staff and partners on LG & F:** In addition to supporting local partners, INGOs should start with refreshing and further strengthening their staff and

partners' staff capacities and skills on Local governance and Federalism; as the laws and regulations on these continuously evolve, updates and refreshers are required. This eventually helps reduce deficit of governance and federalism resource persons at province and local level

7. **Follow the Constitution:** Although adjustments continue to happen, some level of power struggle is observed and will remain; the application of the constitution should guide development actors, and reminding local actors of the principles of federalism is sometimes required with 3 Cs (Coordination, Cooperation and Co-existence)

Strengths, Challenges, Opportunities and Risks in Local governance and Federalism

Strengths

1. **Constitutional mandate** (political, judiciary, administrative): Nepal's constitution has envisioned powerful local governments granting mandate to exercise executive, legislative and judicial powers for the first time.
2. **Multiple sources of revenue generated for local entities:** The local governments have multiple sources of revenues; they can generate income by enforcing tax and fees on the matters that are within their exclusive power. They also receive federal divisible fund, natural resource royalties, fiscal equalization grant, conditional, special and complementary grants from the federal and provincial government. They also can receive funds from donor agencies as per the agreement/understanding with the federal government.
3. **Willingness of the governments for a holistic development approach:** Local governments are adopting holistic development approach to uplift the living standards of the people; physical infrastructure development, social and economic development, Environment & Disaster Management, Institutional Development & Service delivery and financial management and good governance.
4. **Significant number of elected women representatives in Local Government:** Women's participation in political space and representation in local units has increased significantly. 14,352 elected representatives (41%) who are now in the local seats are all women including those from marginalized communities.
5. **Legislative provisions for participatory inclusive local development planning:** The Local Government Operation Act 2017 clearly articulates about local planning process and participation of marginalized communities, local intellectuals, experts, women, children, Dalit, youth, PWD, elderly people and CSOs participate in annual planning process (mainly step 3) to identify and propose activities related to local needs.

Challenges

1. **Absence of adequate staff in sectoral units:** local governments are facing the inadequacies of staff in different sectoral units such as education, health, agriculture. This kind of challenges are faced by the Palikas mainly in remote areas where staff are not interested to be assigned.
2. **Participation:** Though the Local Government Operation Act 2074 (2017) has provisioned for the wider participation of local communities, stakeholders including CSOs, the participation in the planning process is not well practiced. A lack of participation in the settlement level

planning meeting which is the only space for state-citizen participation, is experienced in most cases.

3. **Accountability:** Growing concerns are raised regarding the local level planning and implementation of project, as it lacks robust accountability and transparency measures. There are already accepted social accountability tools such as Social Audit/Public Audit, CSC but many local governments are using these tools as a ritual and not in a systematic way. To adopt and institutionalize these social accountability tools, it needs further capacity and advocacy.
4. **Coordination:** NGO, INGOs and provincial as well as federal government would like to carry out the capacity building of local governments. One challenge is the coordination, and another is the competence of these organizations to carry out capacity building work since the federal structure is new to every actors or stakeholders. So coordination and collaboration among these actors and adequate exercise on preparing capacity development strategies, materials and trainers are required. Keeping uniformity in delivered message is also a challenge.
5. **Law formulation:** Most local governments are yet to formulate required local laws, guidelines, directives and procedures (such as procedures for operation of local judicial committee, Guidelines for local development planning & budgeting, Gender and social inclusion policy, regulation for work division among different unit) which is impacting local service delivery.
6. **Inclusion:** The participation of women representative at the ward level is highly limited, with Dalit women members expressing that they were excluded, and their voices ignored. From different study report (such as Democratic Resource Center) it emerges that ward members are less consulted and participated in decision making process (e.g. local development planning, budgeting and tax) of local government.
7. **Planning process:** The seven steps planning process needs to ensure the citizen-state engagement (in a real sense); however, this year the process has taken place only as a ritual; similarly, some ward representatives shared their frustration at their requests being pushed aside in the planning process, especially when the municipality mayor is from another political party.
8. **Budgeting process:** Before the introduction of the federal system, a certain percentage of local budget was mandatorily expended to the sector of women and children, now such law is not in place. Hence, in many places the budget is not allocated for women and children.
9. **Role of Judicial committee:** In one municipality, 40 out of 42 domestic violence cases were sorted by the judicial committee in the last two years. Women leaders are going to villages to resolve issues (experience from Doti). Major power of the judicial committee is to mediate and decide about the civil matters. They have very limited role in mediating a minor assault having punishment of less than one-year imprisonment. Domestic and other gender-based violence are governed by criminal laws. They cannot exercise judicial power in other cases until explicitly delegated by the Federal legislation.
10. **Fiscal prerogatives:** Conflicts emerged between local governments on jurisdictional matters, claims of authority over revenue generation, and tax collection from river-based materials, among others. Also, there is conflict seen about roles and scope of authority among local government and province.
11. Approach to tools/techniques such as using easy to read materials and pictures to educate locally elected representatives without education or limited education. Sometimes there can be mixed groups in trainings with participants with education and without education. It is complicated but crucial to tailor these trainings to have effective delivery to sensitize both kinds of participants.

Opportunities

1. Resource sharing for quality services (WASH, Health, Education etc.), and social issues: The local governments have financial and human resources in different sectors so development actors can share resources to address specific common needs.
2. Develop inclusive policy, legislation, plan and guidelines (technical support): INGOs can provide technical support to develop policies, plans and guidelines to make them inclusive.
3. Capacity building of elected representative particularly women and representatives from marginalized communities: There is a need for capacity development of elected representatives in which I/NGOs can support (technical/financial).
4. Developing Partnership Framework of local government: Increase partnership with local government directly or tripartite partnership between INGO-NGO-Local Government. This kind of tripartite partnership is effective, also important for the ownership of local government and sustainability. The local governments are open for such partnerships.
5. Even in some areas, local govt. leaders don't take allowances from the project cost. They claim that it is their work, which NGO is carrying out. (Dhaulagiri municipality, Myagdi)
6. For INGOs/NGOs it is important to know the status of PLGSP and how its functioning currently as this program solely works on capacity building of LGs; a coordinated approach and dialogue with PLGSP office would be recommended and efficient. PLGSP is aiming to build the capacity of local governments, INGOs can liaise and partner with them.
7. Transferring knowledge and successful model such as: Disaster Risk management, WASH and other quality service provisions.

Risks

1. Due to local government's approach on **direct partnership**, INGOs may in some cases like to partner directly with local government, which on one side might be more cost-effective and sustainable but may create a competition between INGOs and NGOs and may also create a sense of rivalry; it could also lead NGOs to showcase their value-added.
2. **Image:** The media coverage of 'non transparency' or 'dollar farming' of I/NGOs or overall development community is an easy attack. Anyone can carry out such an attack if their personal interests are not fulfilled.
3. **Women's empowerment** -- i.e. inclusion-related activities -- are still taken as tokenism. They have not been systematic activities and don't offer equal dignity to participants.

Lessons learnt

1. **Capacity building** has been considered as a short term or one-off activity. It should be taken as a long-term plan and with a purpose of transferring and retaining the desired capacity at local and organisational level.
2. Local government has higher amount of resources and authority for service delivery than provincial government. However, it seems local governments have inadequate capacity to carry out projects to book the timely expenditure. In many cases, local governments are less sensitized about procurement procedures, budget limits and expenditure criteria.
3. There is willingness as well as proactiveness of some local government to engage in local issues. For example, in Doti leaders from LG participate in community's activities, make promises, try to understand issues and connect to the masses.

4. INGOs understanding of federal government is also weak. It has been seen that INGOs are investing resources for the matter which is not necessary to carry out at local level such as drafting the duplicate or overlapping legislation.
5. Program implementation through formal partnership among I/NGOs and Local Government contributes to expand beneficiary coverage and multiplying the impact.
6. Information technology is practiced by some LGs, and effective to establish two-way communication in between LGs and citizen.
7. Majority of Local government representatives are positive in Province 2 (Siraha, Saptari and Rautahat) therefore lots of opportunities to work at local level however engagement of Province government has to be ensured
8. Accountability system to be set up to ensure transparency and citizen participation over program cycle of local government. Few Municipalities are using social media effectively and in an accountable way therefore INGOs can facilitate other local governments to also replicate such good practices.
9. INGOs and International donors' intervention needs to be increased to strengthen the capacity of locally elected representatives especially vice-chairpersons/deputy mayors and ward members so that they can participate meaningfully in the Participatory Planning and policy formulation process. Otherwise, dominance of Palika Chairpersons and Ward Chairpersons will continue to exist in decision making process. The ward representatives should represent communities, citizens' voice and for this they should be capable. At present, they lack capacity, knowledge and as a result crucial issues get left out.
10. While building the capacity of Local Representatives, INGOs need to look at expert organization who do have similar work experiences. While designing trainings, organizations should consider trainings that can be useful for both parties.

Approaches and tools applied for capacity development and strengthening local governance:

A. Approaches:

1. Supporting local government to develop their **sector plans** such as Local disaster management plan and WASH strategic plan is helpful to build trust, establish collaboration and identify priorities for budget allocation of local government
2. **Capacity building in thematic governance:** Roll out government's guidelines, manuals linking organisation's thematic areas and expertise to strengthen capacities of Local Government to develop their own plans realizing the needs
3. Bringing Palikas in the forefront: Incidences where Palikas have directly coordinated with local, provincial and federal government entities as well as UN agency to organize important project events have been seen. For instance, taking initiatives of taking direct leads to open avenues for local governments to coordinate with key stakeholders in organizing various development events and activities etc. The capacity development activities are more successful where Palika works as a lead organizer and take initiative to implement activities.
4. **Adult learning principles and participatory methods** should be applied in the training. At the moment it cannot be decided as the most successful methods and tools but is seen effective in making change as It's difficult to gauge the success. It is recommended that organisations adapt in using participatory training approaches and adult learning principles which values the experiences and ideas of participants. Interactive and practical sessions are more effective than theoretical presentation and lecture by the trainers.

5. **Quality of training courses and trainers:** Following the identification of training needs through capacity needs assessment, trainings designed for local representatives should be tailored, selecting trainers or facilitators from the roster of Ministry of Federal Affairs and General Administration (MOFAGA) who are ex-government senior officials. The courses/manual developed by government or other agencies (e.g. LDTA, NHTC) should be adapted making it contextual. If the organizations decide to select other individuals other than the ones in MOFAGA's roster, they should be professional as the local representatives seek newness in delivery capacity. As for ward members, I/NGOs can deliver trainings.
6. **Language** needs to be considered while preparation of presentations and IEC. There are cases where the presentation should be made in Nepali; not in local dialect as the participants find it difficult to read those presentations. For example: people feel comfortable to communicate in Maithili language however they prefer reading materials in Nepali.
7. Advocacy through production of IEC materials as part of bottom-up approach. For example, placement of flexes with detailed seven steps planning process in Palikas. This approach was helpful for elected representatives to remember their roles and responsibilities. Production and use of various IEC materials are useful to inform target group and advocacy.

B. Tools:

1. **Social Audit, Public Audit and Public Hearing:** These tools are accepted and applied by almost all local governments (Previously VDCs and Municipalities) and institutions such as Health Facilities and Schools. In the new context, I/NGOs can support technically and advocate through CSOs for the mandatory use of these tools by the local governments for transparency and accountability.
2. **Exchange visits** between municipalities and rural municipalities are useful tools to motivate each other and learn from each other. They can exchange good practices of each other and can adapt them.
3. **Mentorship:** "She Leads" Women's Leadership Development Program advances women's political participation by providing them with job skills, technical knowledge and leadership skills needed for their roles as elected representatives. In Nepal, She Leads is tailored to develop capacity of elected ward members at Local Levels. The program is based on the concept of providing mentorship to the participants of the program through 4 modules which includes regular follow ups and reflections on trainings provided.
4. **Community Score Card (CSC):** a participatory tool for assessment, planning, monitoring and evaluation of services that ensures state-citizen engagement and capacity building of service providers. CSC have been used by different organizations to improve the quality of service from government agencies/units i.e. Health Facilities, Schools, Ward offices etc. So, this tool should be replicated.



INGOs role in strengthening Local good governance

Technical assistance

1. INGOs can encourage with investing financial and technical support to develop manuals, resource materials useful for the capacity development. The standard manuals with resources will be useful for a wide range of organizations. This work has to be closely linked with similar efforts by other actors- the federal govt., provincial govt. And other development actors to forge synergies and avoid duplication.

Capacity building of civil society actors

- **Capacity building of partner NGOs:** Develop local human resources on governance, who can use tools such as Gender Responsive Plans, local planning process, facilitate transparency and accountability tools, conduct advocacy, provide training on civic space etc. Standard capacity development packages including different modular courses with Training of Trainers (TOT) should be developed and rolled out. Trained human resources from CSOs can advocate for good governance, act as watch dogs and even can contribute a lot for the capacity development of LGs.

System strengthening:

2. Inclusive planning process, formulation of policies and laws, digital information and feedback system, resource mobilization
3. Develop Local resource person (trusted by LG representatives is important for the effective and efficient use of resources (value for money) and bit away from consultant driven interventions only. Such efforts should be coordinated with District Coordination Committee and Provincial and Federal Govt.

Facilitation of local linkages

4. Facilitate CSOs/NGOs/LGs for functional relationship in local governance system.

Resource mobilization

5. Local governments can be supported to develop a framework for revenue generation, resource estimation, local development planning, budgeting & grant allocation, inclusion of women and marginalized in planning process and designing program for specific target group.
6. I/NGOs can transfer knowledge about how they work with marginalized and vulnerable groups and how they address their specific priorities (such as GBV survivors).

Partnership building

7. Local Governments can be supported to develop local policy for partnership with I/NGOs and how the resources are shared among local governments and I/NGOs for specific program to targeted marginalized population.

Establishing accountability system

8. Enhancing social accountability system (public audit, social audit, community scoreboard, complaint handling)
9. It seems that most local governments are practicing social accountability in ad-hoc basis as a formality to fulfil legal obligation. Most of Local government has not yet adopted social accountability in a systematic manner, neither do they have guidelines for such practices. I/NGOs can transfer its knowledge with engaging with LGs and support to develop procedures, guidelines sand demonstrate social accountability practices.

Learning platform

10. Please add Learning platform might be a sharing forum of local governments with-in districts/province level where different local governments participate periodically in such learning forum and they could share their best practices on (local level planning, approach for inclusion and participation of women and marginalized, designing and implementing targeted programs, use of technology, service delivery mechanism) and learn from each other. At the beginning, I/NGOs could facilitate such learning platform in cooperation with LGs' associations (such as MUAN, NAVIN). Thereafter, LGs' associations can lead such learning platform for longer term.

People's perception about public service delivery

- People feel closer to the elected leaders than the previous time where only civil servants running the show.
- The elected leaders have taken ownership immensely whether the activities are organized by them or by other stakeholders.
- The service delivery has also increased. In the first year of the local government in power, there was much confusion due to adjustment of staff and restructuring of the govt. offices. Gradually, many govt. offices are with human resources and service delivery is taking place.
- Civil Society actors are demanding greater accountability and transparency in implementation of development projects.
- It is alleged that in some cases user committees were politicized and used by key officials to appease their supporters.
- The issue of budget allocation to wards was left completely to the local governments, but the representatives disagreed about the 'fair principle' through which it was to be carried out.

Role and challenges for NGOs and CSOs in local good governance

1. The **Civil Society** has been understood mostly as development project implementing NGOs rather than watchdog. In some of the places (e.g. Doti), NGOs are not liked when they work with rights holder to create their legitimate demand against duty bearers.
2. The partnership between INGOs and NGOs remain. However, there has been direct contact/approach by the local government to INGOs to have a direct agreement with them. Their claim in Gandaki as well as Sudur-Paschim Provinces are that we have mandate, resources and ability, hence, signing a direct agreement may save time and money.
3. NGOs need to be more accountable and transparent. Many questions arise for overspending or even on the priority of NGOs work and not being transparent and accountable.
4. Still the environment for civil society is challenging; I/NGOs needs to establish their work to the local, provincial and federal government; therefore, proper coordination and functional relationship and demonstrating tangible results to the Local government is crucial at the moment.
5. A rule to re-register with local governments may create additional burden for the NGOs coming from outside.

CASE STUDIES:

LGs adopted Standard Operating Procedures (SOP) to mitigate GBV issues - Care Nepal

CARE Nepal is working to prevent gender-based violence through rigorous awareness raising, sensitizing stakeholders and supporting to set-up referral mechanism at local level. It has organized a series of dialogue, consultation, interaction and training to elected representatives of local governments. Since, there are significant numbers of elected women representation in local government, it focused to include those in its sensitization process.

It conducted various trainings to the community particularly GBV survivors to empower for their stronger voices and demand support from local government. By realizing the issues, two rural municipalities of Dhading district has developed 5 years plan with due consideration of SOP for GBV. Through this plan, those rural municipalities have also decided to allocate year-marked budget to support referral mechanism, livelihood opportunities for GBV survivors' rehabilitation and conduct awareness training.

Synergy forged from collaboration - Terre des hommes (Tdh) Foundation

Tdh's partnership with local governments for the reconstruction of health facilities has proven efficient and effective. First and foremost is the palika's co-financing on the project; others include greater cooperation and strong commitment from locals, the User's Committees and local bodies towards completing the project within project duration ensuring quality of work. This has helped the project make significant physical progress. Similarly, Tdh collaborated with Bhumlu palika to conduct an 8-day long health training for government health workers. As the palika took the lead, the process of coordination got shortened; thereby enabling the project to complete this activity in time. Otherwise, it would have taken a long time given layers of approval from three tiers of government agencies.

Citizen-state engagement in PPP (7-Steps planning process) – an experience from Welthungerhilfe (WHH)

The Participatory Planning Process (PPP) is one of the community-based, bottom-up approach to make plan and budget by ensuring the participation of community from settlement level to assembly. It is often called 7 step planning process with an aim to ensure need-based development approach. The quality of service is closely linked to how much budget allocated in five different themes or sectors as per the planning guideline. Therefore, knowing how much budget allocated and how it has been managed and spent is an important part of accountability work. At the local level, the plan and budgets are decided by the local government. The key steps were followed under PPP:

1. Meeting with Palikas (Municipality and Ward Office) and developed consensus to organize settlement level planning meeting
2. Gather a team of people with knowledge about PPP and gave orientation on planning guidelines, prioritization process and marking
3. Made different group to gather different plan and budget from diverse communities (women, Dalit, Muslim)
4. Ward office share the budget ceiling (development budget) and took the previous budget as reference
5. Collects Plans (Yojana) from different social group and compile it in planning sheet
6. Made prioritization in line with planning guidelines and submitted to ward office
7. Regular follow up, lobby and advocacy to pass the plan form assembly.

The Nepal UTTHAN Project had facilitated the settlement level planning process in both Palikas after giving PPP training to Palikas's executives. 164 Plans (yojana) were discussed in 14 settlement level planning meeting and submitted to the ward office. The Palikas' assembly passed 105 plans (yojana) out of 164 in different headings.