



INSTITUTIONAL DEVELOPMENT FOR EMERGING TOWNS IN NEPAL

URBAN GOVERNANCE AND DEVELOPMENT PROGRAM (UGDP)



Government of Nepal

Ministry of Urban Development (MoUD)

Department of Urban Development and Building Construction (DUDBC)



The report 'Institutional Development for Emerging Towns in Nepal' documents the main contributions of the Municipal Support Team (MST) to the 'Urban Governance and Development Program: Emerging Towns Project' (UGDP-ETP), which is implemented by the Ministry of Urban Development (MoUD) through the Department of Urban Development and Building Construction (DUDBC).

MST is part of the technical cooperation provided by the German Government to the Government of Nepal through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) within the framework of the Sub-national Governance Program (SUNAG). GIZ contracted a consortium of GFA Consulting Group, oikos, MULTI and InLogos to provide the Municipal Support Team (MST) to support the Project Coordination Office (PCO) at the Department for Urban Development and Building Construction (DUDBC), the Urban Development Training Center (UDTC) and selected municipalities.

The report has been conceptualized and elaborated by the team members of MST, namely Bandana Sharma, Arjun Koirala, Iswar Lal Joshi, Sunil Prasad Pradhan, Alexander Jachnow and Carsten Zehner. The team thanks all partner institutions and external consultants who have contributed to the different work packages.

The content does not necessarily reflect the point of view of all partners involved in UGDP and DUDBC/PCO cannot be considered liable for the accuracy of information in the report.

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FOREWORD

The spirit of democracy, decentralization and local governance envisaged by the Local Self Governance Act (1999) and other policies and programs that have followed its line have put Nepal's local bodies at the focus of development. This has created an enormous demand for improving institutional capacities on the local level. Even though significant efforts for capacity development of local bodies have been carried out by different agencies so far, they are still facing a plethora of challenges in tackling all kinds of technical and non-technical issues. Thus, intense and appropriate institutional capacity development of local bodies still remains one of the most pertinent tasks for efficient local development, effective planning, improved service delivery and sustainable infrastructure development.

In this context, the 'Urban Governance and Development Program - Emerging Towns Project' (UGDP-ETP; duration: 2011-2016) — which is being implemented by the Ministry of Urban Development (MoUD) through the Department of Urban Development and Building Construction (DUDBC) — plays a significant role. UGDP works in six municipalities, namely, Lekhnath, Baglung and Tansen, in the Western Development Region, and Itahari, Mechinagar and Dhankuta, in the Eastern Development Region of Nepal. It combines the development of infrastructure sub-projects (roads, bridges, public buildings, parks etc.) with technical assistance focused at capacity building and institutional development. The program provides a broad range of support measures to municipal officials, enabling them to introduce and implement improved standards and procedures for local development.

UGDP is financed by the World Bank and technical cooperation is provided by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), acting on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), within the framework of the Sub-national Governance Program (SUNAG). GIZ contracted GFA Consulting Group to provide a Municipal Support Team (MST) working directly with DUDBC, the selected municipalities and the Urban Development Training Center (UDTC).

The intensive collaboration between the Project Coordination Office (PCO) within DUDBC and MST has turned out to be a very fruitful model of cooperation that has resulted in a wide range of successful outcomes, innovative products and important impacts. Especially in the area of institutional development, MST has provided crucial support in the following areas: training and capacity development, sub-project conceptualization and design, social and environmental-safeguard compliance, operation and maintenance, revenue enhancement, multi-year investment planning, municipal bylaws, resource mapping and others.

This report presents the achievements of this cooperation between December 2011 and June 2014. It aims to document the results, reflect on the lessons learnt and provide a basis for further dissemination to other municipalities in Nepal.



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LIST OF ABBREVIATIONS

ASEM	Advisory Services in Environment Management
BPPMS	Building Permit Process Management Software
C ³	Creating Competence for Competition
CD	Capacity Development
CSO	Civil Society Organization
CSP	City Sanitation Plans
DTCO	District Treasury Controller's Office
DUDBC	Department of Urban Development and Building Construction
ECP	Environment Code of Practice
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMF	Environmental Management Framework
EO	Executive Officer
Eol	Expression of Interest
ESMF	Environmental and Social Management Framework
ETP	The Emerging Towns Project
FM	Financial Management
GDP	Gross Domestic Product
GIS	Geographical Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoN	Government of Nepal
GRC	Grievance Redress Committee
ID	Institutional Development

IEC	Information Education and Communication
IEE	Initial Environmental Examination
IPT	Integrated Property Tax
LCCI	Lekhnath Chamber of Commerce & Industries
LDTA	Local Development Training Academy
LED	Local Economic Development
LGCDP	Local Governance and Community Development Program
LSGA	Local Self Governance Act
MCC	Municipal Coordination Committee
MCPM	Minimum Condition and Performance Measure
MIS	Management Information System
MoFALD	Ministry of Federal Affairs and Local Development
MoLD	Ministry of Local Development
MoUD	Ministry of Urban Development
MPPW	Ministry of Physical Planning and Works
MST	Municipal Support Team
MSWM	Municipal Solid Waste Management
MuAN	Municipal Association Nepal
MYIP	Multi-Year Investment Plan
NBC	National Building Code
NEFIN	Nepal Federation of Indigenous Nationalities
NGO	Non-Governmental Organization
ODFA	Open Defecation Free Area
OSR	Own-Source Revenues
O&M	Operation and Maintenance
PAD	Project Appraisal Document
PCO	Project Coordination Office
PIM	Project implementation Manual

PMT	Project Management Team
PPP	Purchasing Power Parity
PSC	Project Steering Committee
PST	Project Support Team
REAP	Revenue Enhancement Action Planning
RLC	Regional Learning Center
SIA	Social Impact Assessment
SMF	Social Management Framework
SNUSP	Support to National Urban Sanitation Policy
SUNAG	Sub-National Governance Program
SWM	Solid Waste Management
SWMTSC	Solid Waste Management Technical Support Center
TDF	Town Development Fund
TLO	Tole Lane Organization
ToR	Term of Reference
UDLE	Urban Development through Local Efforts
UDTC	Urban Development Training Center
UGDP	Urban Governance and Development Program
UN-HABITAT	United Nations Human Settlement Program
VDC	Village Development Committee
WB	World Bank

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PREFACE

The Emerging Towns Project (ETP) under the initiative of the Urban Governance and Development Program (UGDP) is a first step towards supporting Nepal in the transition brought about by the ongoing urbanization in the country. The project in its initial phase helps to improve planning, delivery and sustainable provision of basic services and priority infrastructure in six participating municipalities, while improving systems and procedures and capacitating personnel of key central agencies associated with the urban sector.

Thus contributing to required changes in the sub-national governments' setting, UGDP supports the central level with new concepts and thereby supports the Government of Nepal's vision for balanced urban development and strengthened local governance in the country, as outlined in the National Urban Policy.

The following chapter depicts the urban scenario in Nepal and its growing challenges. Urbanization is by far the biggest driving force for social, economic and cultural change. Intended long-term impacts of the program depend highly on the successful development of capacities and institutions within the urban sector. UGDP and its partners are committed to addressing the urban transformation with an adequate strategy, based on the principles of governance and with a clear vision for Nepal's urban future. The enhanced capacities of all participating institutions will ultimately help introduce reforms in the development and implementation of new policies in the urban sector and enhance their specific roles.

This report is meant to compile the information and knowledge generated and to report the major achievements in terms of capacity building and institutional development. Moreover, it explains the approaches and where and how we expect future impacts.

A list of outcomes and products is included in the Annex.

Institutional Development Report

1. INTRODUCTION

1.1 URBAN SITUATION IN NEPAL

Nepal is both the fastest-urbanizing and the least-urbanized country in South Asia. Only about 24 percent of its population is currently living in towns and cities, but with an annual growth rate of more than 5 percent on average since the 1970s. Consequently by 2025, one-third and by 2035 half of the nation will reside in cities. The fastest-growing

urban settlements, with populations below 100,000 and growth in excess of 4 percent, include Damak and Itahari (eastern Tarai), Banepa (central hills), Byas, Baglung and Tansen (western hills). At the same time, Nepal is recognized by the UN as amongst the world's 48 least-developed countries in terms of socio-economic indicators. In 2011, it was ranked 108th in the World Gross Domestic Product GDP rankings, with a purchasing power parity (PPP) per capita GDP estimated at US\$1,260.

Itahari, one of the fastest-growing cities



Urbanization and the state of the economy are thus the major challenges for the country — and at the same time, part of the solution: significant contributions to GDP growth and poverty alleviation have been made in urban areas. The spatial-demographic transition has been accompanied by an equally important spatial-economic transformation. Urban areas now generate about 65 percent of the GDP, based on the latest available estimates, compared to only 29 percent in 1975. Urban poverty declined from 22 percent to 15 percent between 1995/96-2010/11. But urbanization also creates new challenges. UN-HABITAT reported in 2007 that 59.4 percent of urban dwellers were living in slum-like conditions,

mainly because they had insufficient access to sanitation and other basic services. The dense urban areas, with an increasing number of people living within ever-shrinking spatial limits, face many challenges in terms of quality of life for its citizens.

There have been some important changes in terms of approaches used to face the urban challenge: the Ministry of Urban Development was recently founded to address the special requirements of the towns and cities of Nepal. Many towns have established good practices and modernized their administration. And in recent years, new tools, such as the periodic plan, and structures, such as citizens' committees to ensure transparency and participation, were introduced to the urban sector. The National Urban Policy, passed in 2007, is an important document that demonstrates the interest of the central government to support a more sustainable and socially inclusive urban growth.

However, political instability, an unfavorable business climate for private-sector development, and an internationally uncompetitive, remittance-dependent economy have suppressed economic growth. The country is caught in a prolonged period of political instability which — together with lack of transparency, weak infrastructure and labor-market failures — is still perceived as the main constraint for private-sector development. To make things worse, there have not been local elections in Nepal since 1997. Nepal thus needs to leverage the comparative advantages of its cities to break the cycle of economic stagnation and use the cities to gain competitive advantages. Only vibrant and competitive cities can attract high-return investments and generate the higher-productivity jobs required to accelerate growth.

In May 2014, to the existent 58 municipalities, another 72 were added, which led to a sizeable increase in urban population, but that spatial transformation has still not been captured in the politico-administrative definition of urban areas. DUDBC, aware of the challenges when categorizing the newly characterized urban areas, is working on a new definition of urban settlements that also emphasizes urban geographic features, dominant economic activities and other urban criteria such as population density and location.

The public sector in urban areas faces many challenges. While adequate infrastructure and services are necessary for social well-being and local economic development, in most cases they are not sufficient. The shortcomings of municipal infrastructure include water supply, sanitation and solid-waste management, which are of utmost importance to ensure livable cities. Moreover, these basic infrastructures and services are important assets for economic development and preserve the attractiveness of urban areas, particularly for tourist cities.

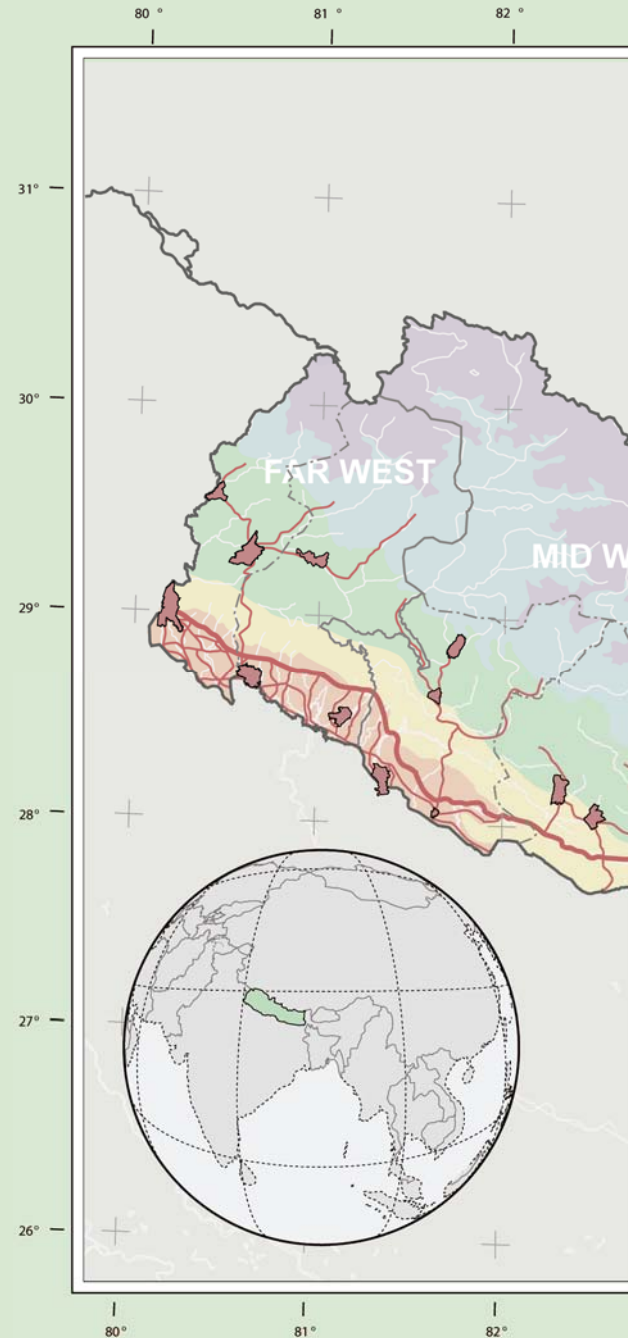
Infrastructure is generally provided only by sector-specific initiatives and interventions, which help the city acquire the infrastructure needed — but at the same time, coordination among central agencies, local authorities and the private sector causes high-transaction costs instead of strengthening the local administration.

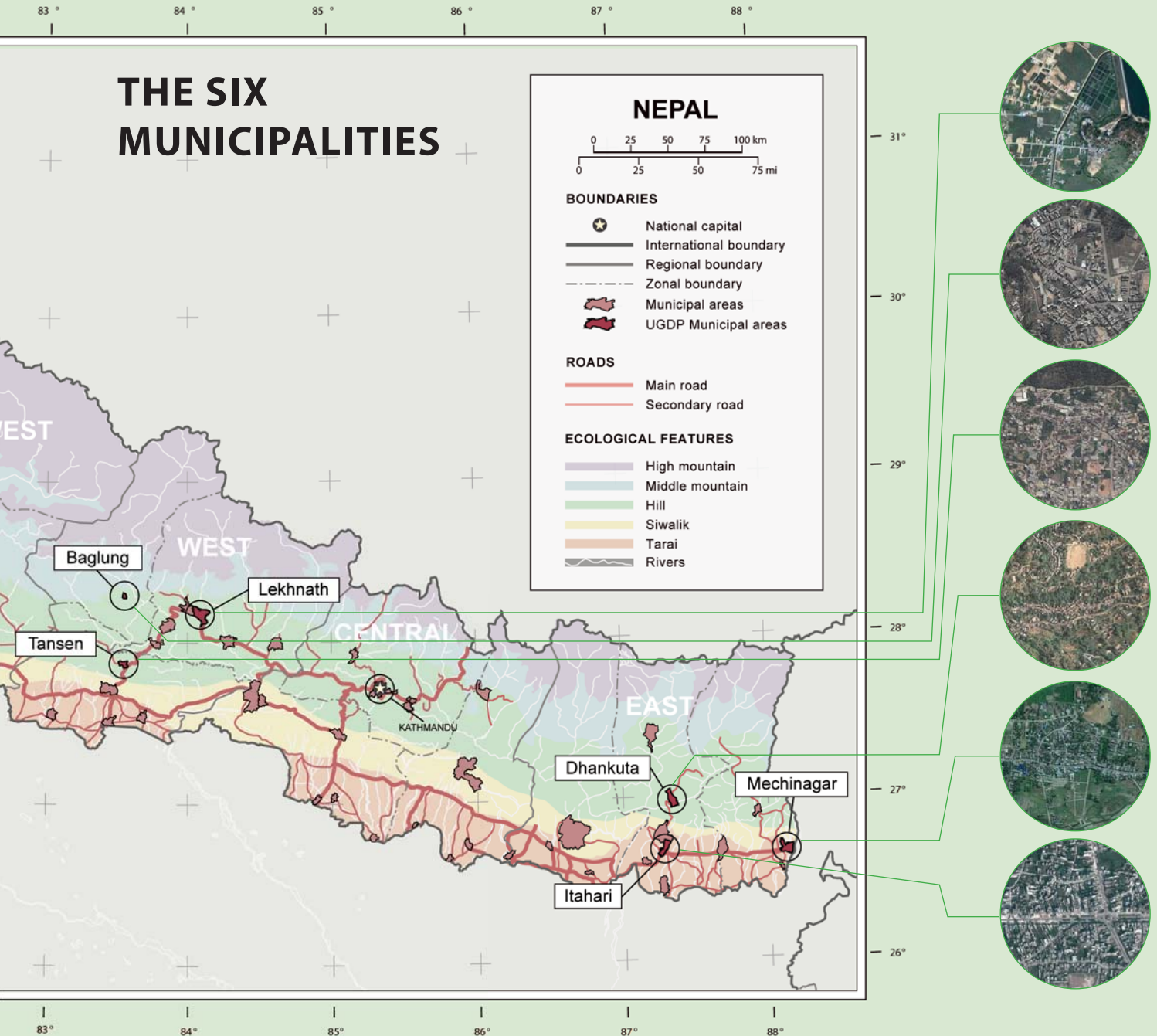
The lack of sufficient funds at the local level has led to the creation of a vicious cycle that hampers the desire for local self-administration, which has been envisaged by the Local Self-Government Act (LSGA) in 1999. As municipalities are not sufficiently equipped with budget and staff, many duties cannot be executed by their own administration. This leads to a high dependence on the central level. Consequently, the local staff cannot acquire the needed competencies and thus continue to be dependent on external support, which then results in a continual lack of effective planning and in inadequate infrastructure. This is particularly harmful when trying to ensure sustainable urban development in light of the current urban-growth patterns. Rapid urbanization is thus intensifying the municipal infrastructure-deficit, while urban planning lags behind the dynamics.

To overcome this vicious cycle, capacities need to be developed on the ground to ensure that the municipality can enhance its role as a service provider and as a facilitator of development while taking the lead in sustainable and inclusive planning.

(based on WB 2013)

Figure 1
The six UGDP
municipalities





BAGLUNG MUNICIPALITY

मध्यपहाडी व्यापारिक तथा पर्यटकीय शहर, सुन्दर सम्बृद्ध साँस्कृतिक बागलुङ नगर

Baglung Municipality lies in Baglung District, Dhaulagiri Zone, of the Western Development Region. It covers an area of 18.35 sqkm. According to the 2011 Census data, its population has been estimated at 29,360. The population grows annually by 3.48 percent, and along with that growth has come an increase in commercial activities in Baglung Municipality.

Baglung Municipality



	2001	2011
Population	20,852	29,360
Population density (per sqkm)	1,136.3	1,600.0
Households	4,847	7,848
CBS 2001 & 2011		

The opening of the Mid-Hill Highway has led to increased migration into Baglung from the rural areas. Baglung is a historic city and it has religious importance because the Kali Gandaki river passes through it. The famous temple of Kalika Bhagwati also lies within the municipal area. Baglung Municipality has the potential to develop into a

commercial center for the western hill regions while still maintaining its history. The opening of the road to Jomsom, one of the major trekking routes and pilgrimage destinations, and the opening of the Mid-Hill Highway through Baglung has improved the municipality's connectivity at large. The potential for developing tourism in Baglung and its surrounding areas is significant. Baglung's vicinity to Pokhara Valley is both an advantage and a disadvantage because services and opportunities in Pokhara are relatively better and thus the city may draw away potential tourists to Baglung.

Because of its hilly terrain, infrastructure investment has been difficult in Baglung Municipality. The condition of the ring road is very poor and sometimes even impassable during the rainy season. Its improvement is of the highest priority for the municipality and the people of Baglung, as it will not only

provide access for the poor and deprived communities in the hinterland but also enhance commercial and touristic activities by strengthening rural-urban linkages.

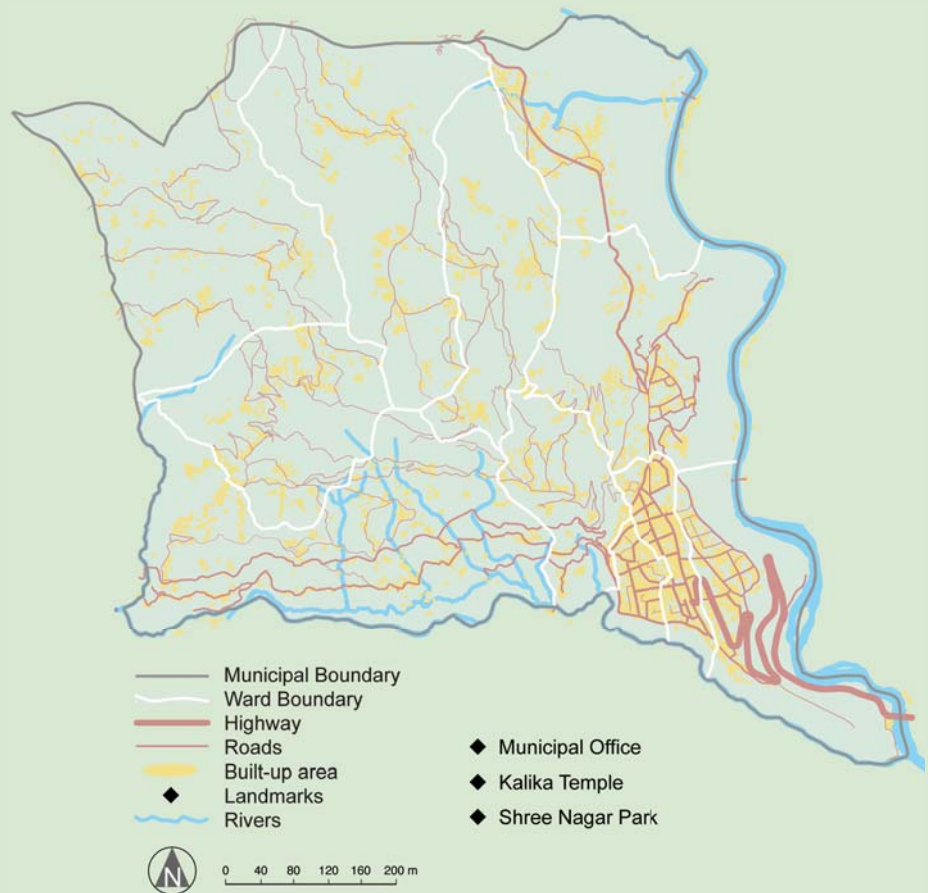
The urban core of the municipality is located on the flat land above the Kali Gandaki river and at the foot of the western hill. The run-off passes through the town before descending into the Kali Gandaki, and in the rainy season, the storm water often floods the city's core area.

The municipality was established in 2053 B.S. and it prepared a periodic plan in 2067 B.S. Exploring its natural beauty and other potentials, Baglung aims to be a 'beautiful, progressive and culturally enriched commercial and touristic city'. According to the last five years' record, the average revenue per year was Rs 26,365,257 and the expenditure, Rs 34,767,652.

The municipal administration of Baglung Municipality was ranked 13th in Nepal for its performance and was awarded an additional grant of 25 percent last year. Its citizen charter is effectively implemented and has been published on the web. Communication was improved by

implementing various strategies for dissemination of information, which has also helped to incorporate the needs of the poor and disadvantaged communities in planning and implementation. To convey the municipality's messages it has used

Figure 2
Map of Baglung
Municipality



the radio and local newspapers; the municipality also invites members of the public and stakeholders to public hearings, council meetings, progress-review meetings, ward meetings and the like. To improve its communication capacity even more, Baglung needs to focus on building platforms to improve its networks with disadvantaged communities, women's and children's organizations, and dalit and ethnic community organizations.

The municipality has shown concern in regards to environmental protection. It has established a sub-section within the administration, with a dedicated staff, to look after the municipality's solid-waste management; the waste is collected primarily from the urban-core areas. Furthermore, the municipality has already conducted pilot ventures for composting, purchased a landfill site and is currently conducting an environmental-impact-assessment study.

Recently the office of the municipality has moved into its own building. The new building will also house a server-based MIS.



Baglung is a historically important region which has the potential to develop its touristic and small-scale and cottage-industry sectors. A forward-thinking approach has been the most important driving force for the development of the municipality. We have already banned black plastics and introduced a participatory approach in solid-waste management. For the improvement of sanitation, hygiene and health, the municipality has asked its citizens to have at least one toilet per house. The municipality is ready to be declared an 'Open Defecation Free Area', and to be ranked among the first ten municipalities to be so declared. An urban health clinic is already operating in the municipality. Baglung's plans and programs focus on including poor and disadvantaged communities into the ongoing development through social mobilization and through a poverty-alleviation fund. Integrated Property Tax (IPT) has also been implemented in the municipality. A ring road, a drainage system, a landfill site, a Sahid Smriti Park and a bus park are the major urban infrastructures required. If these projects are successfully implemented, the future of Baglung municipality will be bright.

Yadu Nath Poudel, Executive Officer of Baglung Municipality, March 2013

DHANKUTA MUNICIPALITY

धनकुटा नगर स्वच्छ, सुन्दर, समुन्नत शहर

Dhankuta Municipality is located in the beautiful hilly region of Dhankuta District, Koshi Zone, of the Eastern Development Region. It covers an area of 48.21 sqkm and is divided into nine administrative wards. It is the regional headquarter of the Eastern Development Region. According to the 2011 Census data, the population is 26,440. The annual growth rate of Dhankuta Municipality is 2.49 percent. Among its different ethnic groups, the Aathpaharia Rai is the major ethnic group.

Dhankuta Municipality encompasses two major market settlements – Dhankuta and Hile Bazaar – which lie 13 km apart. Dhankuta Bazaar functions as an important administrative, educational and health-service center, whereas Hile Bazaar is a vital trading center. Hile is famous for its scenic beauty and the panoramic view it offers of Mt Everest, Makalu, Lhotse and Kumbhakarna. Dhankuta is one of the major nodes in the corridor that leads from Biratnagar and Itahari via Dhankuta to Terathum and Sankhuwasabha districts. Thus, it is also one of the major transit cities between the Tarai and mountain regions of Nepal.

Along with the population growth, the commercial and construction activities are also growing in Dhankuta Municipality. Financial activities, such as the opening of bank branches etc., are increasing every year. Dhankuta is famous for its traditional handmade clothes and its tea estates, and Hile is famous for its

tongba, which is a local beer made out of millet. Thus, the municipality has the potential to develop even more its agricultural and commercial sectors.

Due to their scenic beauty and favorable climatic conditions, both

**Dhankuta
Municipality**



	2001	2011
Population	20,668	26,440
Population Density (per sqkm)	428.7	548.4
Households	4,789	7,204
CBS 2001 & 2011		

Dhankuta and Hile have the potential to develop as hill stations. Dhankuta could serve as a tourist hub for trekkers and mountaineers and as a base station for the Makalu region.

To develop further, Dhankuta Municipality needs to overcome

many challenges. The hilly location and sloppy terrain mean that improving infrastructure and urban development are difficult. Except for wards 5, 6 and 7 and some parts of ward 1, the rest of the areas are sparsely populated. Thus, the cost for providing infrastructure in dispersed settlements is very high. The unavailability of flat land in Dhankuta limits its expansion. With regards to providing basic services, the extreme shortage

of drinking water is the major issue. It is both expensive and technically difficult to construct drinking-water supply systems from existing sources because the water needs to be pumped from source locations that lie at low altitudes.

Dhankuta Municipality was established in 2035 B.S. It has a good collaboration with communities, TLOs, municipal citizens and other stakeholders. It holds public hearings and public audits on a regular basis and facilitates the access to savings and credit schemes for the urban poor. Dhankuta Municipality is advanced in using media for the dissemination of information. The municipality broadcasts live public hearings and question-and-answer sessions for citizens unable to participate in those events. It also has a good network of women's organizations. The municipality already has a capacity-development plan, citizen charter and urban-information center. The practice of collecting Integrated Property Tax in Dhankuta municipality will be strengthened in the near future. According to the last five years' record, the


Figure 3
Map of Dhankuta Municipality



average revenue per year is Rs 55,302,431 and the expenditure is Rs 51,323,000. The average growth rate of its own-source revenue in the last five years (2007/2008-2011/2012) was 15.81 percent. Because of the municipality's good performance in FY 2067/68 B.S., it received an additional 10 percent grant from MoFALD for the FY 2069/70 B.S. The vision of the municipality defined in the periodic plan is to make Dhankuta a 'clean, beautiful and progressive city'.

In line with this vision, Dhankuta Municipality is dedicated to keeping the city clean and beautiful. To address the growing problem of solid-waste management, it has already constructed a landfill site and has constructed a composting chamber and recyclables storage facilities that are already operating. The municipality manages waste collection primarily in the Dhankuta and Hile market settlements. This intervention and effort from the municipality has placed Dhankuta ahead of other municipalities as far as solid-waste management goes. Because of the work

the municipality does and the bazaars' optimal location, the municipality has the opportunity to attract more donors and conduct planned development activities such as land pooling, building regulation and local-area planning. The municipal periodic plan formulated in 2065 B.S. is under implementation.

 *The municipal periodic plan defined the vision of a 'clean, beautiful and progressive city of Dhankuta'. To achieve this goal, we have considered the existing potentials and challenges of the municipality and we have scrutinized such diverse aspects as urban infrastructure and physical development, culture, tourism, education, health, poverty alleviation, environment- and disaster-management, economy, finance, and institutional development. Dhankuta municipality aims to implement its sectoral plans and programs comprehensively for the economic and social progress and prosperity of its citizens.*

Kumar Koirala, Executive Officer of Dhankuta Municipality, March 2013

ITAHARI MUNICIPALITY

समुन्नत नगर प्रतिको हाम्रो जिम्मेवारी – बसोवास योग्य, ब्यापारिक हरित ईटहरी

Itahari Municipality is located in a strategic node along the East-West Highway and the North-South corridor of Sunsari District in Koshi Zone of Nepal's Eastern Development Region. It covers an area of 42.37 sqkm within the Tarai belt. According to the 2011 Census

data, the population is 74,501. It is one of the fastest-growing cities in Nepal, with an annual growth rate of 6.1 percent, which is more than four times higher than the national average of 1.4 percent.

Itahari has several geographic advantages. Because Itahari lies between the major industrial town of Biratnagar and the well-developed city of Dharan, its economic development can grow as part of the Dharan and Biratnagar industrial corridor. Due to the competitive advantage of its strategic location for business and the availability of fertile land, more and more people are migrating to the municipality. The influx has changed Itahari from a predominantly agriculture-based municipality to one where non-farm-based businesses and industrial activities are increasing by the day. The dramatic population increase in Itahari Municipality has had a direct impact on service delivery, infrastructure and facilities. The municipality is overwhelmed by different tasks in service delivery, especially the vital registration section. In light of the population growth and the development trend of land sub-division and urban sprawl, the municipality needs to develop growth-control strategies to deal with the urban densification and to preserve urban agricultural land.

There are other problems that need to be addressed as well. Due to the flat terrain and the heavy rainfall that the municipality

Itahari Municipality



	2001	2011
Population	41,210	74,501
Population Density (per sqkm)	972.6	1758.3
Households	8,624	18,270
CBS 2001 & 2011		

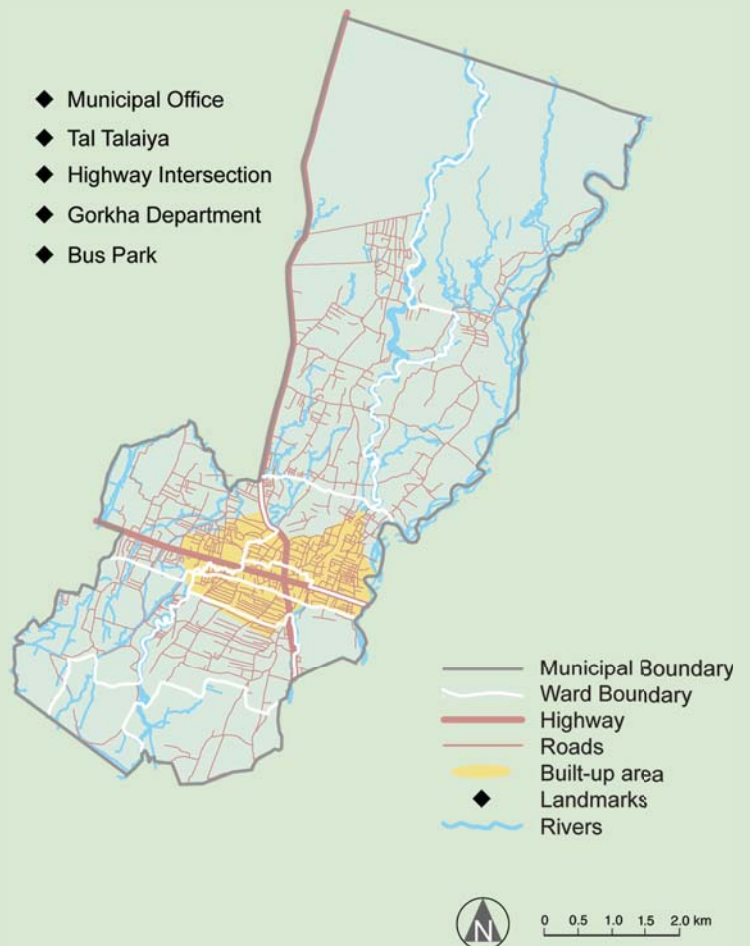
experiences, the management of surface run-off has been a major issue. Some portions of the city, for example, experience serious water-logging during the rainy season because of the absence of drainage interceptors along the highway. The lack of proper drainage systems in the municipality sometimes leads to various environmental- and health- related problems, such as outbreaks of waterborne diseases, etc. Apart from this, there are many infrastructure-related issues that need to be addressed as well.

The municipality was established in 2053 B.S., with the municipal area divided into nine wards. The periodic plan prepared in 2064 B.S. now needs updating. The vision of Itahari Municipality is to be a 'livable, commercial and green progressive city'. According to the last five years' record, the average revenue is Rs 87,169,709 per year and the expenditure is Rs 80,024,444. The growth rate of own-source revenue in the five years between 2007/8 to 2011/12 was 17.41 percent.

Itahari Municipality has done well in certain areas: for example, it has taken steps to minimize environmental degradation by banning plastic bags in the municipal area; a penalty system is implemented strictly in case of violation of the rules. Another commendable achievement is the fact that the municipality has been practicing an Integrated Property Tax system for the past nine years.

But there are still challenges that the municipality needs to overcome. The opportunities for an ordered and planned development lie in introducing a land-pooling concept

Figure 4
Map of Itahari
Municipality



and implementing new building regulations: in particular, the issuing of building permits needs to be modernized. The municipality can deliver better and faster services by introducing new IT technology, such as

municipal MIS and an improved communication- and reporting-system. The municipality now faces the task of meeting the growing needs of an increasing population. To do so, adequate office space, staff and office equipment will be needed.



With the vision of a 'livable, commercial and green progressive city', Itahari municipality is moving forward in its development venture. The municipality, along with citizens, is carrying out the development work through participatory and partnership approaches. The municipality has built the East-West Lokmarga, a drainage system and the Inner Link Road; among its important achievements have been its efforts to improve the agro-market-management system, its conservation efforts and its management of Tal-Talaiya. The municipality hopes to realize its aims of turning Itahari into an 'open-defecation free area', where even poor people have access to drinking water. It also hopes to turn Itahari literate, child-friendly and senior-citizen friendly.

The major problem the municipality faces is that there are no local representatives in the municipality and the overall unfavorable political situation of the country makes it hard to conduct local elections, without which it is difficult for citizens to avail of the services provided by the local government. Apart from this, there are difficulties in managing waste, a lack of strategies for mobilizing own sources and difficulties in attracting personnel with new ideas, creativity and skills.

Ganesh Karki, Executive Officer of Itahari Municipality, March 2013

LEKHNATH MUNICIPALITY

सात तालको बगैचा शहर

Lekhnath Municipality lies in the Pokhara Valley, within Kaski District, Gandaki Zone, of Nepal's Western Development Region. The municipality is named after the famous poet Lekh Nath Poudyal. It covers an area of 77.45 sqkm, 8 percent of which is covered by water bodies. According to the 2011 Census data, the population of the municipality is 58,816. Its annual population growth rate of 3.58 percent is very high compared to the national average of 1.4 percent.

Lekhnath Municipality possesses a number of lakes and forests, which provide it with unique features and rich natural resources. The periodic plan envisions Lekhnath as the 'Garden City of Seven Lakes'. The two biggest lakes, Begnas and Rupa, are already popular among tourists, while the five smaller lakes, Khaste, Depang, Maldi, Niureni and Gunde, have still not been explored for their touristic potential. The municipal populace expects the lakes to be the spine of the touristic and hence economic development and hopes they will be conserved even as they are developed into tourist draws.

Lekhnath, rich in natural resources and bio-diversity, possesses strong potentials for economic development and income generation through eco-tourism. Because it has both flat and hilly landscapes, as well as water bodies, Lekhnath Municipality has a great diversity of natural features that can be further explored

and used for tourism. It is blessed with lookout points that provide spectacular views of the Annapurna range. Recreational activities such as boating, trekking, cycling and pony riding are already on offer by private enterprises. In combination with the provision of other facilities, these can contribute

**Lekhnath
Municipality**



	2001	2011
Population	41,369	58,816
Population Density (per sqkm)	534.1	759.4
Households	9,362	14,937
CBS 2001 & 2011		

to enhancing the attractiveness for tourism and enhance public revenues in the long run. Lekhnath's proximity to Pokhara is both an advantage and a

disadvantage: services and opportunities in Pokhara are relatively better, but due to its uncontrolled proliferation, Pokhara is likely to gradually lose its charm for tourists.

In 2007, the Lekhnath Chamber of Commerce & Industries (LCCI) and Lekhnath Municipality, with support from GIZ initiated the Local Economic Development Program. As Lekhnath has the competitive advantage of fertile land and a unique natural landscape, six local products (orange, poultry, fish, coffee, vegetables and honey) were identified as potentials and further investments were channeled accordingly. In addition, there are many potential resources in Lekhnath Municipality, which can be further explored and taken into consideration for LED.

Lekhnath Municipality's potential for developing tourism is determined by the popularity of the tourism services, facilities and infrastructure provided by Pokhara. In order to attract visitors and increase revenue, Lekhnath Municipality needs to strategically invest in the tourism sector, for which large investments are required. If Pokhara and Lekhnath are considered as one single entity from the sub-regional development perspective, and development



Figure 5
Map of Lekhnath
Municipality

interventions are designed to complement each other – creating a win-win situation for both — more benefits can be reaped from their potentials.

But along with developing its touristic places, Lekhnath must also preserve them. Even though the lakes seem to be the biggest attraction points, and the resources with the most potential in the municipality, Lekhnath needs to be cautious when driving development in the regions near the lakes, due to the associated environmental implications.

Lekhnath Municipality was established in 2053. For the planned development venture, the municipality prepared a periodic plan in 2007, which has already completed its first cycle of five years and now requires updating. When updating the plan, the municipality needs to take into account the emerging needs of the municipality. The vision of the ‘Garden City of Seven Lakes’ confirms the belief that the lakes offer the people of Lekhnath diverse economic opportunities that can enhance the revenue of the municipality. According to the last five years’ record, the average revenue per year is Rs 24,034,985 and the expenditure is Rs 23,101,531. During the last five years (2007/8-2011/12) the aggregate growth of its own-source revenue was 25.42 percent.

Lekhnath Municipality is one of the leading municipalities in local economic development. It has promoted many local entrepreneurs and has helped poor and disadvantaged groups to gain access to savings and credit schemes. The partnership-development section is primarily engaged with communities in social mobilization, poverty reduction and economic

development.

The municipality building is housed in spacious premises and is equipped with a Local Area Network. The municipality has highly motivated and academically sound staff, who communicate well with citizens and other stakeholders and collaborate with communities (TLOs).

The municipality uses a systematic approach when issuing building permits — it issues permits at three different levels: approval up to the plinth level; approval for superstructures and a completion certificate.

But there is much more it needs to do. The population growth and the process of urbanization have further created sub-divisions of the land and sprawl development is prevalent in the municipality. In the absence of land-use plans and policies, haphazard sprawl is on the rise in Lekhnath. This

Begnas Lake



will not only cause loss of agricultural land but also pose a threat to the lakes. With urbanization and changes in consumption patterns, there has also been an increase in waste generation. The lack of a landfill and solid-waste-management system

within the municipality is yet another challenge that needs to be addressed urgently. To bring about these developments and to improve environment protection in general, more institutional development is required.



Most of the urban centers have become increasingly congested, resulting in lack of open space, haphazard growth, inadequate infrastructure facilities and unhealthy living conditions. Nonetheless, Lekhnath Municipality is a new and emerging urban centre and still has the scope for planned development.

*Lekhnath municipality is a picturesque municipality, which is located in Pokhara valley area and which has been envisioned as **The Garden City of Seven Lakes**. The lakes are the outstanding resources of the municipality: the peaceful and scenic ambience make Lekhnath a most favorable destination for tourism in the future. Integrating public satisfaction with good governance and expediting infrastructure development to cater the basic needs of the increasing population are the major challenges of the municipality. The municipality has been engaging with different sector-development approaches, with the support of different ministries (MLD, MUD- DUDBC) and donor agencies for physical development, human resource development and institutional development.*

The Urban Governance and Development Program fosters the municipal approach of developing the municipality as a garden city and promotes it as a tourist destination. Tourism will be the principal component of the municipal economy in the future. It is believed that UGDP will be a milestone in the sectoral development of the municipality, with physical development, capacity development and institutional development along with the formulation of guidelines for the authorities to direct future growth.

Dambaru Dahal, Executive Officer of Lekhnath Municipality, March 2013

MECHINAGAR MUNICIPALITY

मेचीनगर नेपालको पूर्वी द्वार, कृषि र पर्यटन विकासको आधार

Mechinagar Municipality is a transit town in eastern Tarai, strategically located at the Indian-Nepali border. It is the eastern gateway to Nepal from India and Bangladesh. Located in Jhapa District of Mechi Zone, Eastern Development Region, the municipality covers an area of 55.72 sqkm. According to the 2011 Census data, the population is 57,545. The population growth rate of Mechinagar is not remarkably high, with an annual growth of 1.61 percent.

Because it is a border town, Mechinagar's economy is highly governed by the cross-border flow of people, transit activities and the trade of goods and services. All of these mean the municipality has immense potential for increasing its economic activities. Moreover, its naturally rich and fertile land, located in the Tarai belt, can be further used for growing commercial crops and developing agro-enterprises and agro-processing industries. However, the existing municipal infrastructure is unable to meet the needs of its growing population. Three major settlements were brought under the jurisdiction of one municipal administration, Mechinagar, in 2053 B.S. These three are Kakarvitta, Ittabhatta and Dhulabari. The integration has made it more difficult for the municipality to balance and distribute municipal resources. Furthermore, the other settlements are almost semi-independent and also compete with Mechinagar economically.

Since its establishment, the town of Mechi (Mechinagar) has tried to serve its citizens in a challenging environment. The DUDBC supported the preparation of the municipal periodic plan in 2011. The vision of the municipality has highlighted tourism and agriculture as the major drivers of the urban

**Gate at Kakarbhitta,
Mechinagar
Municipality**



	2001	2011
Population	49,060	57,545
Population Density (per sqkm)	880.5	1,032.8
Households	9,926	13,181
CBS 2001 & 2011		

economy. Through the Rural-Urban Partnership Program, the municipality has effectively mobilized the communities for different development activities. It has established some good practices such as an NGO Coordination

Committee at the municipality that monitors NGO activities and thus avoids duplication of efforts. The municipality plans to declare itself as an 'Open-Defecation-Free Area' and towards this end, it has laid the groundwork for raising awareness about the need for sanitation and other pilot projects. In order to conduct an ordered and planned development, the municipality requires

Figure 6
Map of Mechinagar Municipality



new building regulations. The issuing of building permits especially needs to be modernized and with the support of UGDP the municipality has begun using a software system for managing the issuing of permits. The municipality is also running a maternal childcare center and urban health centers. The municipality has worked towards the banning of plastics within the municipality and has worked to raise awareness about the 3-R (reduce, reuse, recycle) principles. Nonetheless, there are still many challenges in terms of managing waste – especially the hazardous wastes from hospitals, which is yet another major concern. According to the last five years' record, the average revenue of the municipality per year is Rs 109,773,501 and the expenditure is Rs 99,822,143.



The individual identities and spatial separation of its three major settlements — Kakarvitta Dhulabari and Ittabhatta — within Mechinagar Municipality has created a great challenge to the municipality. Coupled with resource constrains, it is difficult to balance development equally in the three settlements.

As Mechinagar is a strategically located border town, many people from India and Bangladesh come to Dhulabari for shopping. By providing better services and entertainment, the visitors might want to extend their stay in the municipality, which can eventually contribute to the municipality's revenue generation. Thus, the municipality has to strategically plan for this sector. Another potential for the urban economy is the agriculture sector. Due to the lack of agro-processing plants, agro-products are directly exported to India, without their being further processed. By supporting the establishment of agro-processing plants within the city, the economic development of the municipality can be enhanced.

Bhim Prasad Poudel , Executive Officer of Mechinagar Municipality, March 2013

TANSEN MUNICIPALITY

पर्यटकीय नगरी तानसेन

Tansen Municipality is located in the beautiful hilly area of Palpa District, Lumbini Zone, of the Western Development Region. It covers an area of 21.72 sqkm and is divided into 15 wards. According to the 2011 Census data, the population is 29,095. It is a growing city with an annual population

growth rate of 3.6 percent, which is more than double the national average of 1.4 percent.

Tansen is famous for its pleasant climate, natural beauty and cultural heritage. In the past, Tansen was well known for its services in the areas of health and education: the mission hospital in Bhushaldada, for example, serves not only patients from the neighboring districts, but also patients from India.

Tansen Municipality



	2001	2011
Population	20,431	29,095
Population Density (per sqkm)	940.7	1339.5
Households	4,813	8,411
CBS 2001 & 2011		

The town, already a tourist destination, has the potential to develop its tourism industry even more. Shreenagar Dada, located at a height of 1,331 m, offers a panoramic view of mountains such as Machhapuchere. The municipality has numerous historical and religious sites. For example, the Narayansthan area, located in the core of the city, comprises three tourist draws: Narayansthan Temple, a sunken stone spout (currently under threat from encroachment of public space) and a green-belt area, which is currently unused. Apart from these sites, Tansen is famous for its Bhagwati Temple, Palpa Durbar, Main Gate, Bijaya Stambha, Sitalpati, Tudikhel and Birendra Park. A mere 16 km away from Tansen Municipality lies Rani Mahal, which is located in a beautiful site along the Kali Gandaki River. This palace, built by Khadga Shumsher in memory of his dear wife, is often referred to as the 'Taj Mahal of Nepal'. Parvas Lake, Satyawati Lake, and Bhairavsthan – a temple that houses the world's largest trishul (a

trident) – are also popular tourist destinations in Palpa District.

Besides tourism, Tansen has potential for growth in other areas as well. It is famous for its special textile called 'dhaka' and bronze utensils called 'karuwa.' To show how important the karuwa is to Tansen's identity, a big statue of a karuwa has been erected in front of the municipality building. Apart from this, Palpa possesses fertile land that is very suitable for coffee and vegetable production.

Tansen Municipality is the country's third-oldest municipality, established in 2007 B.S. The municipal building is located in the beautiful foothills of Tansen Bazaar, in front of an area of open space called Tudikhel. The municipality has its own municipal building, with a large hall, and is easily accessible to the citizens. For the planned development venture, the municipality prepared a periodic plan and formulated a vision: the vision of Tansen municipality is to develop the city as a 'tourism city'. In order for the municipality to achieve its vision, it needs to improve certain services it provides: it could, for example, promote home-stay initiatives and cultural-promotion activities to attract national as well as

foreigner visitors. The average growth in own-source revenue over the last five years (2007/8-2011/12) was 35.60 percent. According to the last five years' record, its average revenue per year was Rs 53,199,027 and its expenditure was Rs 40,917,337. Out of 15 wards within the jurisdiction of the municipality, ten

Figure 7
Map of Tansen
Municipality



wards have an urban character, and the rest are more rural.

With the increasing population and changes in lifestyle, the municipality is facing new challenges in managing the town and keeping it clean. The municipality is extremely concerned

about strengthening its solid-waste-management setup, and it has already constructed a landfill site, which is in the early stages of operation. It has also started a European-Commission-funded 'Towards Zero Waste' project with support from the Municipal Association of Nepal (MuAN). But there are other areas of service delivery it still needs to work on. Among the most pressing issues that the citizens of Tansen would like the municipality to address is that of the scarcity of drinking water.



Apart from the challenges of population growth, migration and increasing urbanization, the municipality is facing new challenges such as waste management, market management and provision of infrastructures such as road, drainage, sewerage, drinking water and so on. In order to tackle all these challenges, it is necessary to focus on the institutional-development aspect of the municipality and drive the development according to the spirit of local self-governance. The unparalleled natural beauty of Tansen and its rich art, history and culture can be used to attract foreign as well as domestic tourists and to develop Tansen municipality as a tourist destination. In order to do this, the horizon of physical, social and economic development aspects must be widened by including more women, children, senior citizens, the disabled and marginalized people in the municipality's development stream.

Because the country is hobbled by political crisis, it is very challenging for the municipal staff to balance the undertaking of their political and administrative tasks. The lack of political representatives is adversely affecting the running of the local government, but the municipality is trying its best to provide good governance by putting the people at the center of development. It has been involving its citizen in the planning, implementation, operation and maintenance, and evaluation and monitoring of development ventures. Along with an increase in its own-source revenue, the municipality is also receiving support from donors like the World Bank and European Commission for infrastructure development and solid-waste-management, respectively. These projects have also helped in building the capacity of municipal staff and administration. It is very important for the municipality to develop human resources in order to improve urban planning, management and good governance.

Niran Bhattarai, Executive Officer of Tansen Municipality, March 2013

1.2 WRAP UP: URBAN CHALLENGES FOR CAPACITY DEVELOPMENT

MST supports the six emerging towns with capacity development that helps them to introduce and implement new systems and procedures in their municipalities. MST provides local, regional and central training, which improves knowledge management while at the same time assisting in local participatory urban development. MST works with four dimensions of development: human resources, organizations, networks and systems, which are the four dimensions that bring about changes in institutional developments. The main challenge in accomplishing this goal is to create a better and inclusive urban management plan. This includes improving information flows and better communication between multiple stakeholders and between central level and municipalities.

MST had conducted a Rapid Assessment of the six participating municipalities to determine the strengths and weakness and the needs and necessities of these municipalities. As MST's focal objective lies in institutional strengthening and capacity development, the assessment conducted measured the functionality of municipal administrations and their capacities. The assessment was done through a questionnaire that assessed the organizational structure, section-wise terms of reference, individual assessment of existing staff, working methodology, existing pace, assets and IT equipment. Due to this assessment by MST, the planning and designing of required actions for training

concepts, procurement plans for IT equipment and so on was possible.

One general challenge in the municipalities is the lack of motivation. Staff of the municipal office state that self-motivation is necessary as well as self-realization of responsibilities, accountability and ownership towards their duty. Municipalities are supposed to have a performance-based reward system, but this has not been practiced. The lack of incentives is posing a challenge for staff to perform at their best.

The available physical space and equipment of municipal offices also hinders efficient implementation of capacity development. The offices of the six municipalities are often inadequate in space to provide a comfortable working environment. They do not have enough room for all the staff or are old and deteriorating. The municipalities

do not possess individual ward offices for all their wards, which prevents the municipality from providing full local service to all its wards' residents. IT equipment are insufficient and barely working. In Baglung Municipality, at the time of the Rapid Assessment, there were only three computers, one of which was 14 years old.

In terms of work being performed by the municipality, a format for a reporting system is missing, thus the works being accomplished every day cannot be effectively monitored. Individual sections of the municipality need an internal reporting system which would then be submitted to the executive officer. Municipalities are also supposed to develop and implement a citizen report card system which would assess an individual citizen's satisfaction regarding the service provided by municipality.

The accounting sections of all the municipalities need to have their capacity developed further. The accounting personnel are often in need of training on long-term accrual

accounting methods so that this can be better implemented. At the same time, essential basics are missing in that section. There is no automatized billing system, the staff members of this section are not often trained on the computer and the section often lacks the required accounting software. The sections in the six municipalities have acquired software but due to the lack of training and the general lack of human resources these are often not in use.

In terms of providing training, MST developed a matrix of necessary skills that should be developed through training for the municipality, focusing on aspects that directly support the municipality to tackle administrative, social and managerial challenges they face. Some of these include: training in management skills, public service efficiency, conflict resolution, communication and reporting skills, updating database and websites, computer training skills (advanced and basic) for staff and ward secretaries, filing system/management skills, counseling techniques and GIS, communication and record updating.

Certain tasks needs to be carried out for the planned development of the municipalities. These tasks are seen as urban challenges because municipalities often do not have the proper manpower or the equipment to meet and complete these tasks. Some of these tasks include: revision of the periodic plan, preparation of digital maps, the municipal profile, land use and local area action plan, digitization of building permits, and the revision of building and planning bylaws. All of these need to take into consideration the continuous urban growth and new demands from the citizens.

This is only a summary of the challenges that are generally common amongst all six municipalities participating in UGDP. It is important to note that these differ from municipality to municipality. However, the challenges vary according to the municipality and are unique because of their different geographical location, different employees, different methods of working and so forth, making it necessary to provide tailor-made solutions and the possibility for feedback and monitoring regarding measures in capacity development. What all municipalities have in common is their need for intense support and long/medium term backstopping to improve their capacities.

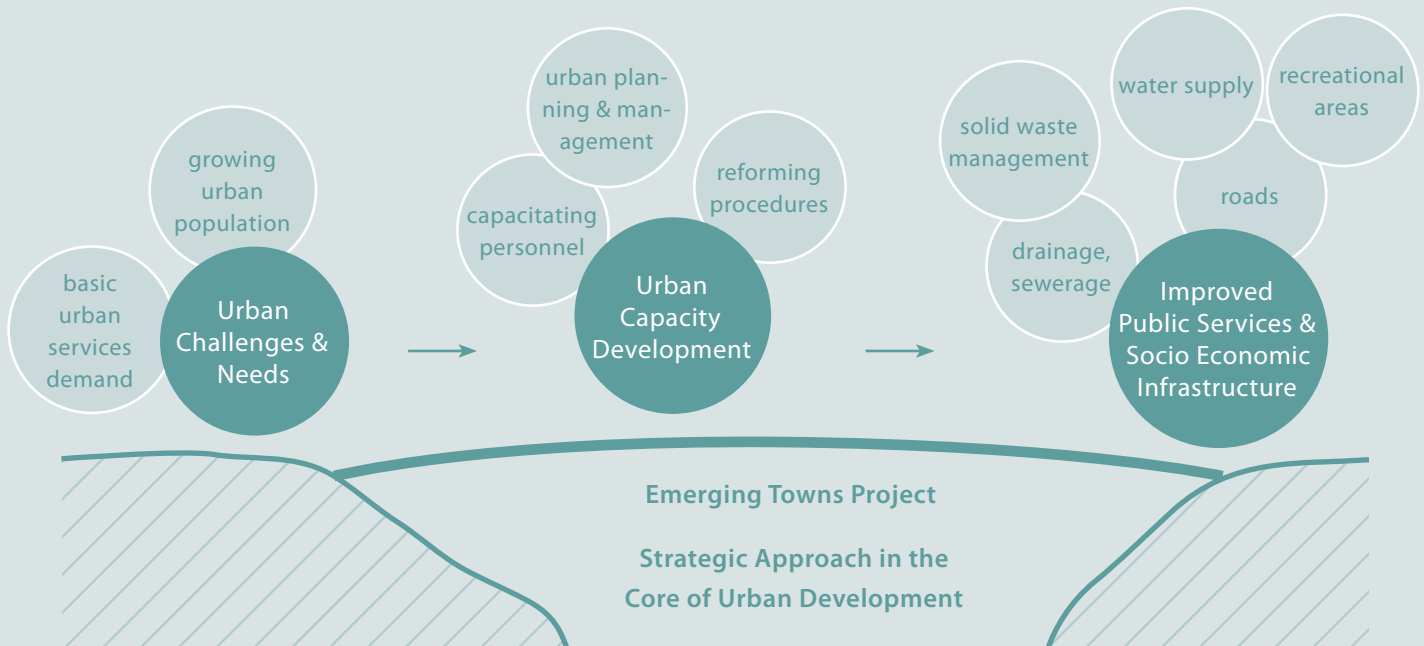
2. URBAN GOVERNANCE AND DEVELOPMENT PROGRAM (UGDP)

2.1 UGDP IN THE CONTEXT OF AN URBANIZING NEPAL

The described process of rapid urbanization has created an immense pressure to the municipalities of Nepal to cope with the growing demand for efficient service delivery and to grant a sustainable urban development. However, municipalities are struggling to address the increasing urban needs,

apart from political instability, due to inadequate financial resources and technical capacities. During the late 1980s, at a time when donors' or other external support was absent in the urban development arena of Nepal, German Cooperation started to provide technical support to municipalities in various aspects by supporting the *Urban Development through Local Efforts Program*, UDLE. The German Government continued its support from 1987 onwards without interruption, while in 2003 the Asian

Figure 8
bridging urban challenges and development strategy



Development Bank joined the urban sector in Nepal. Eventually, the World Bank after a long absence from the sector, since the early 1990s, re-entered the area of urban development in 2011. With the Urban Governance and Development Program (UGDP), it started a new initiative with intense preparatory work.

This government program is financed by the World Bank, supported with in-kind technical advisory services by GIZ and co-financed by the Government of Nepal, with contributions from the municipalities and communities, consistent with GoN's urban policies and priorities. The Emerging Towns Project (ETP) is a first step to supporting Nepal in its urban transition under the initiative of the UGDP. The project helps to improve the capacity of the participating municipalities to plan, implement and fund urban development activities.

Under the local governments' responsibilities fall such crucial services as water supply, drainage, sewerage, roads, recreational areas, solid waste management and the like. In the current context of the ongoing urban transition, municipalities need to be capacitated to face the challenges from a growing population and demands for basic urban services. The project therefore intends to improve the capacity of the participating municipalities in delivery and sustainable provision of basic services and priority infrastructure, putting local institutional development at the core of the strategic approach.

The project recognizes that towns and cities are the enabling environments for social and sound economic development of Nepal in the 21st century. While urban management and urban

governance are equally important, the best way forward would be to create a comprehensive urban management plan that follows a strategic vision and uses participatory strategies. Hence, to be able to face the most pressing challenges in the municipalities, adequate capacities are needed to improve the ways in which urban areas are planned, equipped and managed.

2.2 INSTITUTIONAL ARRANGEMENT

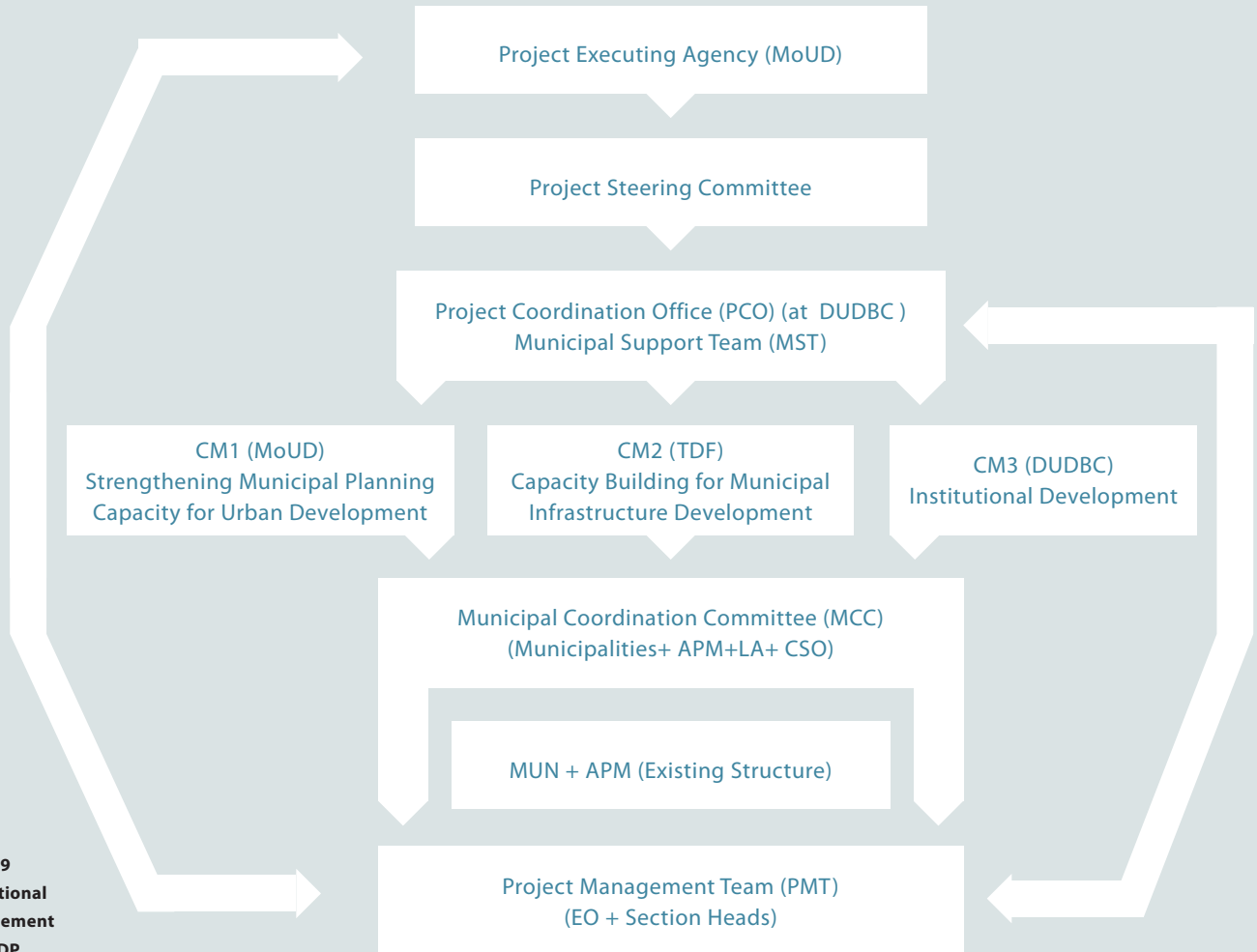


Figure 9
Institutional
Arrangement
for UGDP

2.3 PROJECT COMPONENTS

Component 1: Strengthening Municipal Planning Capacity for Urban Development

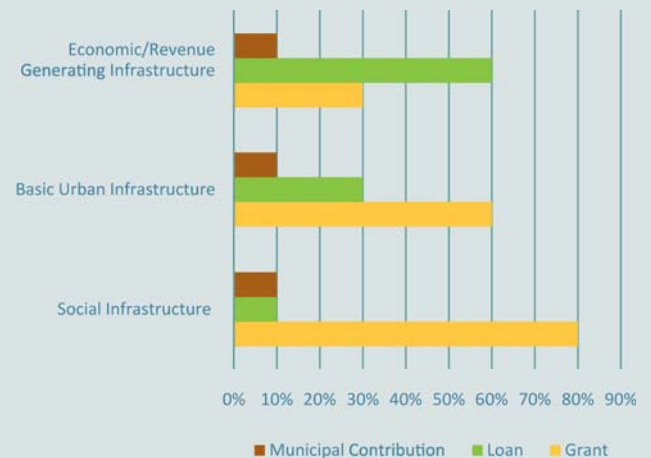
Through this component, municipal grants are provided to the municipalities for diverse types of small scale activities. The budget can be assorted to improve municipal services and infrastructure, operation and maintenance (O&M) of existing infrastructure, social mobilization, community development and capacity building. At least 35 percent of capital expenditure has to be allocated for pro-poor and community-oriented schemes. As in component 2, all sub-projects under component 1 are scrutinized thoroughly to ensure that they do not create negative environmental or social impacts. US\$5 million is allocated by the UGDP-ETP for this component, the executing agency for this component being originally the Ministry of Federal Affairs and Local Development (MoFALD). As in the meantime the Ministry of Urban Development (MoUD) was established, responsibilities were shifted to this new ministry.

Component 2: Capacity Building for Municipal Infrastructure Development

The primary objective of this component is to assist municipalities in developing infrastructure that will lead to improved services

and greater socio-economic benefits for residents and businesses in the respective municipality. The three types of infrastructures under this component are social infrastructures, urban /utility infrastructures and revenue generating /commercial infrastructures for which the types of sub-projects and loan and grant distribution varies. The details are provided in the table below:

Figure 10
Loan Grant Mix



Social Infrastructure	Basic Urban Infrastructure	Economic/Revenue Generating Infrastructure
<p>Drainage (bridges/culverts if part of drainage)</p> <p>Public toilets</p> <p>Slum area improvement (water, road, drainage, solid waste, and access roads to hamlets of the poor communities)</p> <p>SWM (collection, transportation and disposal including equipment)</p> <p>Sanitation programs</p> <p>Pre-primary schools</p> <p>Libraries/reading halls (book bank for poor children)</p> <p>Health centres/health posts</p> <p>Fire station</p> <p>Aged rest-houses/ orphanages</p> <p>Water pollution (including sewerage, waste water treatment plants etc.)</p> <p>Social housing</p> <p>School buildings (hostels for girls and physically challenged)</p> <p>Green zones/parks/ play grounds</p> <p>Municipal / Ayurvedic hospitals</p>	<p>Roads and bridges</p> <p>Drinking water</p> <p>Preservation of natural, cultural, archaeological, or heritage sites</p> <p>Slaughter house</p> <p>Street lightings</p> <p>Municipal buildings</p> <p>Community buildings and rest houses</p> <p>Sports, stadium, recreational area</p> <p>Crematoriums</p> <p>Museums</p> <p>Protection of natural resources, including controlling air, and noise pollution, public land protection works, river cuttings/floods/soil erosion control, preservation of rivers, streams, ponds/deep water wells/lakes/stone spouts; and plantation on road sides</p>	<p>Bus parks and parking spaces for rikshaws, horse carts, trucks etc.</p> <p>Cottage, medium and small industries</p> <p>Tourism</p> <p>Haat bazaar/market fair centers/ exhibition centers</p> <p>Land pooling</p> <p>Supply of electricity and communication facilities</p> <p>Generation of electricity/distribution of electricity</p> <p>Irrigation</p> <p>Commercial investments such as hotels, business centers, shopping complexes are not prescribed to municipalities in the LSGA 1999, thus will not be eligible for TDF financing; rather they need to be financed fully by private sector.</p>

The distribution of funds to these municipalities is based on the evaluation of the preparedness of pipeline sub-projects, project -management capacities, financial sustainability, loan-carrying capacities, etc. For the execution and implementation of this component fund flows through Town Development Fund(TDF).

Component 3: Institutional Development

The main objective of this component is to provide support in the institutional strengthening of participating municipalities, Ministry of Federal Affairs and Local Development, Town Development Fund, Ministry of Urban Development, Department of Urban Development and Building Construction and various project-implementing units established for implementing the projects. The total fund for this component is US\$ 6.63 million, out of which the World Bank and GIZ have contributed US\$ 3.63 million and US\$ 3.0 million respectively.

The implementing agency for this component is DUDBC. The PCO, located in the DUDBC, leads this component in consultations, assessments, drawing up capacity-development plans and institutionalizing programs and systems with the respective stakeholders. The GIZ-funded Municipal Support Team, located in the premises of DUDBC, works in close coordination and consultation with the PCO primarily for the Institutional Development of the municipalities.

2.4 STAKEHOLDERS IN UGDP

The Urban Governance and Development Program (UGDP) is based on the cooperation of two ministries, MoFALD and MoUD (with DUDBC and TDF), and two development partners, the World Bank and GIZ. The component 'Institutional Development' is jointly assisted by the World Bank and GIZ. GIZ outsourced its contribution to a consultant consortium, which established the MST. With six selected municipalities participating in the UGDP-ETP, MST works on the challenges and opportunities of the urban sector in Nepal. The total population of the six municipalities — Mechinagar, Itahari, Dhankuta, Lekhnath, Baglung and Tansen — was approximately 280,000 in 2010, and a sizable percentage of these are expected to benefit, directly or indirectly, from the project.

DUDBC

DUDBC is responsible for the physical planning and development of urban and urbanizing areas in Nepal. The present-day DUDBC was constituted in 2000 by merging the Departments of Housing & Urban Development and Building, which were the principal government agencies engaged in urban planning and development for around three decades. Key functions and responsibilities thus include the formulation, planning and implementation of urban policies; formulation, planning and implementation of housing plans and policies; design construction, repair and maintenance of government buildings; and supporting the Town Development Committees.

An institutional assessment of the DUDBC has revealed that the agency is constrained by certain functional overlaps with the MoFALD in areas of local planning and support to urban local governments. It attempts to strengthen its policy orientation with regard to urban development, the coordination with other entities in the urban sector and the interaction with municipalities. Over the long term, by recasting its roles and functions and strengthening its capabilities, the DUDBC is designated to play the key role in the ongoing urban transition of Nepal along with urban governments and administrations,

especially in urban policy-setting and monitoring. However, the departmental efforts and investments in urban infrastructure projects have been limited and isolated in many instances, requiring a review of its approach. The department is aligned with the National Urban Policy (2007), but its implementation is still slow due to the geographical challenges and the lack of investment for strategic projects.

The DUDBC now belongs to the Ministry of Urban Development (MoUD), which was established in 2069 B.S. It is responsible for the policies related to urban development and urban infrastructure development; for the formulation of urban projects and programs and their implementation, monitoring and evaluation.

strengthening. As part of the reforms, a uniform financing policy has been developed. To ensure greater local ownership and sustainability of investments, the municipalities provide own or community cash contribution of about 10 percent of the total sub-project cost. They will also have to meet certain standards with regard to key financial ratios, as well as establish that they possess or are willing to establish adequate fiduciary systems.

TDF

The provision of loans for improving key infrastructure is routed through TDF to strengthen existing institutional systems for financing municipalities' infrastructure requirements. The TDF is an autonomous agency, set up with GIZ assistance in 2043 B.S. and owned by GoN, and mandated to provide financing and technical support for urban infrastructure development. The TDF, with WB and GIZ support, has developed a Business Strategy and Action Plan, which serves as a roadmap for addressing immediate critical issues and longer term institutional



**DUDBC Office,
Babarmahal**

SUNAG Program

GIZ's support to the urban sector in Nepal has been a significant long-term commitment. The urban support components in SUNAG derive essentially from its predecessor program, Urban Development through Local Efforts. UDLE was a joint program of the Governments of Nepal and Germany with the main objective to enable municipalities to initiate and manage sustainable urban development with the participation of the local population. For over two decades GIZ supported urban programs and contributed to urban management, primarily in the areas of financial management, urban hygiene and environment education, urban planning, organization development, social inclusion and poverty reduction. Moreover GIZ contributed to policy reforms in the urban sector at central government levels, and linked closely with the Ministry of Local Development and the Department of Urban Development and Building Construction. MST, located at the DUDBC, is meant to feed-in lessons

from these GIZ-supported projects when supporting UGDP in developing institutional capacities.

3. CAPACITY DEVELOPMENT (CD) ACTIVITIES

3.1 CAPACITY DEVELOPMENT IN UGDP

Given the current situation of the urban sector in Nepal, an overall strategy for sound urban development has to be both comprehensive and start from different ends. Three categories were found relevant for describing UGDP's approach for improving the sector: institutional, structural and capacity-wise.

Local institutions, though they are favored by national laws such as the LSGA, are struggling to cope with their tasks and depend heavily on support from the central level.

Structurally, Nepal is well-equipped with organizations and departments that look after urban development and the specific issues within the sector. However, there is little coordination among these entities, and most of them operate on the central level with weak communication channels between them and the municipalities.

The central level thus has to also come into the focus of activities in the field of institutional development. For the successful implementation of the project, the previous focus on component 3 as the institutional development component was extended towards also supporting the central agencies in components 1 and 2, namely in terms of the use of the block grant and the development of infrastructure sub-projects.

Working on long-term institutional development, the project started initiatives to develop more systematic approaches in the municipalities, both in regard to the management as well as the development of capacities and also to improve communication and reporting with the central level. At the beginning of the project, the municipalities and central stakeholders were consulted to prioritize the most important and urgent activities, following the Institutional Development (ID) related activities as outlined in the Project Appraisal Document (PAD). Also, the result framework, especially after its review in 2070 B.S., determined important outcomes for the development of capacities and for the enhancement of institutional efficiency.

Based on the most pressing needs in the participating municipalities, the MST works along five outcome areas, which are part of two main sectors, i. e. (a) urban management and (b) financial management.

Urban Management (UM) includes physical planning, infrastructure and service provision and the improvement of administrative performance. Under Financial Management (FM) fall the areas of revenue enhancement and asset management. Asset management is closely linked to operation and maintenance (O&M), strategic planning (e. g. for the preparation of resource maps) and eventually urban development. Another important link between UM and FM is the potential increase of revenues through the improved provision of services.

The revision of the Results Framework recognized the efforts for improving these aspects in the municipality and set the preparation of O&M plans and revenue enhancement as core indicators for the Project Development Objective (PDO).

ID activities have been subject to frequent revisions throughout the progress of the project. It was found that the capacities at the municipal level were weaker than it had been assumed when the project was designed and that the central-level agencies also lacked institutional capacities to support the local administration. The lack of capacities on the local level for planning and implementation of local-level sub-projects demanded that institutional capacity development also be viewed in the context of component 2.

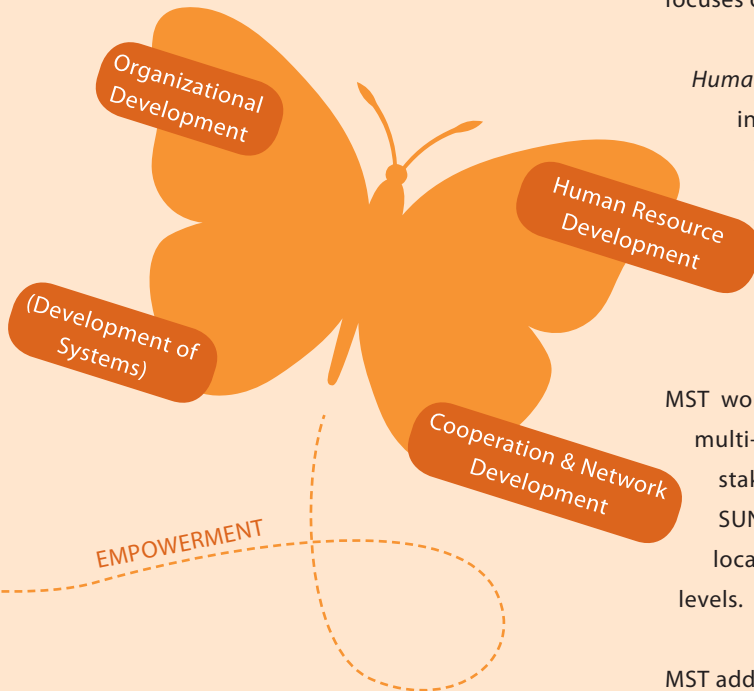
3.2 DIMENSIONS AND PROCESSES FOR CAPACITY DEVELOPMENT

Figure 11
The 'capacity works butterfly':
four dimensions
of capacity
development

Focusing on sustainable long-term institutional and capacity development, **MST works with 4 dimensions of development:** human resources, organizations, networks and systems. These four jointly determine any long-term changes in institutional

development. MST contributes to the further development of trainings.

To achieve the desired impacts on institutional development, a number of levels and processes need to be aligned and combined with each other. The four dimensions of capacity development, as shown in the accompanying figure, combine the four different focuses on development.



Human resources are here understood mainly as local staff; institutional development pertains to the municipalities (here: organizations); networking refers to the networking between partners and independent stakeholders in the urban sector; and the systems refer to the overall framework given, modified and monitored by the national-level bodies.

MST works in the first three dimensions and hence adopts a multi-level and multi-focus approach. It will be left to other stakeholders (MoUD, MoFALD and the support through SUNAG and UGDP) to ensure that positive impacts achieved locally will contribute to improved urban governance on all levels.

MST addresses a number of stakeholders and actors in the urban

DIMENSION	FOCUS	ACTORS	Activities
Human Resource Development	Promote abilities and skills of municipal staff	Mun. Officers DUDBC UDTC / RLCs LDTA	Develop training modules / curricula development Deliver trainings and orientations in cooperation with training institutions Document and incorporate feedback to training modules/curricula
Institutional / Organizational Development	Develop systematic approaches to improve urban management & governance	Municipalities DUDBC	MIS, Knowledge & process management, Systematic/periodic review of positions and responsibilities
Development of cooperation and networks between institutions and partners	Strengthen cooperation and collaboration among involved actors	MoUD, MoFALD, DUDBC, LDTA, UDTC, RLC, Municipalities , LGCDP, TDF, Donors	Exchange and communication with partners Provision of systematic information flows Periodic meetings
Beyond the work of MST, the set-up of UGDP aims at improvements in the sub-national government system, where the municipalities will play a crucial role. Hence, the fourth dimension will be addressed adequately by other stakeholders.			
System Development in Policy Field	Support improvements in the sector for national policies	PCO MLD MPPW (SUNAG/GIZ) UGDP/WB)	Listed actors contribute to improving <ul style="list-style-type: none"> • legal system (laws, bylaws, ordinances, guidelines) and • processes (reporting, information flows)

Table 1
Four dimensions
of capacity
development, their
respective actors
and activities

sector with different activities. These activities can be consecutive or parallel; they can be based on each other or mutually impact each other. The succession of required steps that will be taken to achieve the desired impacts is further outlined in Chapter 4.

Processes for Supporting Capacity Development

In line with the four dimensions of CD and considering specifically the tasks of the MST in UGDP and SUNAG, three core processes have been identified that require long-term and constant support.

Training, in its broader sense of knowledge facilitation, is an essential part of human-resource development and it also improves administrative performance. Training will thus also help in developing institutions that deal with the local level and improve the systems of the central level.

Management Information System (MIS) is a key for the betterment of information flows and to promote efficient and effective management.

The establishment of a functional MIS in each municipality will have an impact on all levels and especially improve the use of resources and the planning of outcomes.

Eventually the area of urban development as a process will highly benefit from both training and MIS. Direct support in this area shall be given to, for example, committees and other stakeholders concerned with the urban development of the municipalities. This process is meant to integrate UGDP's component 2, i. e. the improvement of infrastructure, and shall facilitate the implementation of the planned activities. It specially supports the implementation and maintenance of infrastructure projects. Urban development is here understood as an active process that considers the different stages of planning and implementation, including decision-making and the allocation of funds. Though 'urban development' is a broad term with many connotations, it is used here to illustrate the importance of this holistic process. The support of MST, however, is limited to the facilitation of the required progress and to provide advice to the actors involved. Ultimately, all municipalities shall develop a rational and transparent system of capital financing of urban infrastructure embedded within the overall intergovernmental fiscal framework, as described in the objective of component 2. It should be noted that the complex scenario of the municipalities include a significant amount of pre-designed tools and formats such as the Periodic Plan, IPT software, now the Accrual Accounting System, and the like. MST was requested to work with these tools rather than introducing more templates or model forms. The challenge is making the existing ones efficient and workable. Institutional capacities will be developed in line with the given scenario and

to support the improvement of standards and processes, e. g. through linking important sectors through MIS and developing standardized frameworks.

UGDP activities related to Capacity Development can be clustered into 5 outcome areas that are part of two main management sections: (a) urban management and (b) financial management.

Urban Management (UM), including urban planning and service provision, is an important sector for institutional development and for improving the municipal administrative performance. Under financial management (FM) fall the areas of resource revenue and asset management. Asset management is also closely linked to strategic planning and urban development. Another important link between UM and FM is the potential increase of municipal income through revenue generation with improved service provision.

Figure 12
Clustered sections
of institutional
development in the
municipalities



3.3 UGDP ORIENTATION AND TRAINING

Orientation Workshop on the Project Implementation Manual (PIM)

The Project implementation Manual (PIM) provides comprehensive guidelines for the implementation procedures of the UGDP. At this early stage, when municipalities were not fully aware of the procedures, an introduction to the manual was a crucial step forward for the Program's implementation. Thus, at the outset of UGDP operation, a workshop provided a comprehensive orientation on the PIM to the concerned municipal staff. The program was organized in February 2012 in the Lainchour/Malla Hotel, Kathmandu, for two days for a total of 24 participants from all 6 municipalities.

The workshop also served for collecting feedback and further clarification among participants and trainers regarding this central document. As

UGDP is a newly designed program, queries and essential inputs regarding the PIM and its implications were received during the workshops that helped its review and improvement afterwards.

The most important aspects of the PIM for the local level include the preparation and the implementation of sub-projects under components 1 and 2. Hence, the content disseminated during the workshop was:

- Guidelines/Rules of Engagement for the Three Components
- Project Management and M&E
- Social and Environmental Safeguards
- Financial Management
- Financial & Economic Analysis of Socioeconomic Infrastructure Sub-Projects
- Procurement

The participants from the six participating municipalities were executive officers, engineers, social and environmental development officer, account/revenue officers. Apart from the local level participants, central level representatives from DUDBC, TDF, WB, then MLD, PCO and MST also joined and contributed in the workshop. The main resource persons were primarily from the PCO, namely its management and the MST.

The workshop's methods were based on interactive presentations, discussion, group work and hands on exercises, e. g. for filling out the social and environmental screening checklists. A Nepali translation of the PIM was distributed to the municipal participants. After the workshop, a series of reviews and discussion within the PCO took place to incorporate the recommendations from participants and UGDP stakeholders and finally MST provided a fully revised version of the PIM.

UGDP Orientation at the Local Level

Orientations on UGDP to larger groups of stakeholders at the local level were conducted at different stages. As the major institutional arrangement at the local level, Municipal Coordination Committees (MCC) were formed in all participating municipalities. During the orientation programs, the purpose of UGDP and its objectives were introduced, institutional arrangements at the local level explained, and the components under the program and the respective fund allocations provided. The three categories for sub-projects under component II were detailed, providing all relevant information such

UGDP orientation in Tansen Municipality



as their respective loan and grant ratio, interest rate, loan-repayment period and the conditions to be accepted (technical, economic, environmental and social safeguards, financial viability, etc.). The established Municipal Coordination Committees, under the chairmanship of the executive officers and including the Project Management Team (PMT), functions as the receptor and disseminator of the information provided. In the second round, more specific orientations were provided for selected members of MCC and PMT in all six municipalities, and the following aspects were presented and discussed in detail:

- Social and environmental safeguards to be considered for block grant and sub-projects under component II;
- Economic and financial analysis;
- Project-wise (as per their priority) tentative loan amounts and their installment up to the period based on the categories of the sub-projects;
- Alternate financing;
- Monitoring and evaluation;
- Grievances to be addressed during

planning and implementation of sub-projects and structure of Grievances Redress Committee (GRC) and their role and responsibility;

Eventually, as another requirements for ensuring the smooth implementation of the sub-projects, Grievances Redress Committees (GRC) were formed in all six municipalities.

The third orientation program was organized for the members of the GRC to make them familiar with the project itself. The role and responsibility of the GRC were explained and discussed in more detail.

The series of orientations and short trainings for stakeholders, municipal staff and members of the newly established institutions helped develop capacities for various crucial aspects such as the demands for sub-projects' approval. Moreover, municipalities gained insight into the implementation modalities of UGDP and their own responsibilities in the program. However, as executive officers are frequently changing and since the representatives from stakeholder groups change from time to time, there is a frequent demand from the municipalities to continue and re-conduct these brief orientations.

Training on Environmental Safeguards

Understanding the different environmental aspects when selecting and implementing projects was the main priority for a training held on environmental safeguards, including the Initial Environment Examination (IEE), Environment Impact Assessment (EA), Environment Management Framework (EMF) and Environment Code of Practice (ECP). The lessons learned help the municipal environmental officers and other staff to use the trained observation skills not only for UGDP, but also beyond for other municipal projects and interventions of any scale. This training thus addressed the pertinent global and national issues on environment protection at the local level. The Environmental Management Framework (EMF) developed during the project preparation provides the central aspects for environmental considerations and guidelines for implementing all projects under the program.

In order to familiarize the municipalities with the EMF and to put this framework into practice, a three-day training course on environmental management was conducted at the UDTC in November 2069. The main objective of the training was to capacitate the concerned municipal staff in applying the EMF when preparing any sub-project under components 1 or 2. The training, which provided opportunities for the staff to deepen their knowledge of potential environmental impacts, also helped to understand environmental affairs in the municipality and empowered the staff in charge to meet the UGDP

requirements. The following contents were delivered in the training:

1. Overview of the EMF;
2. Relevant environmental policies of the Government of Nepal;
3. Environmental screening in the context of UGDP;
4. Overview of Initial Environmental Examination (IEE), Environmental Impact Assessment (EIA) and Environmental Code of Practice (ECP);
5. ToR Preparation for IEE;
6. Environmental Management Plan (EMP);

Identifying social and environmental issues at Fewa Lake



During the training, participants worked in groups and practiced the use of the environmental-screening checklist, prepared environmental-screening reports for potential socio-economic infrastructure projects and also prepared Terms of Reference for IEEs. In order to provide hands-on practical training, a case study of Fewa Lake was taken to allow the participants to understand the environmental issues and relate them with the content of the EMF.

potential sub-projects under component 2 after the training and submitted these to the PCO and TDF. As all infrastructure interventions in urban areas are highly environmentally sensitive, it was important to make the municipal administrations aware of addressing this sensitivity from the very beginning: i. e. during the project's identification phase until its implementation. Later, it was decided that the Component-1 infrastructure interventions would need environmental and social screening, thus MST provided a short screening checklist that shall serve for smaller projects during the implementation of block grant activities.

Presentation of group work on Environmental Management Plan

As a direct application of the new knowledge, the municipalities filled out environmental checklists for their



Training on Social Safeguards

The current urban transition is both a challenge for social development as well as an effective way to overcome poverty. Urban poverty has been declining significantly during the last decade, but the municipalities still bear great responsibilities to contribute to an equitable social development. Hence, capacities were developed by the project around social and environmental impacts caused by physical and spatial development activities.

In order to address the social aspects of UGDP adequately, a Social Management Framework was developed in the preparation stage of the project. Thus, dissemination of information, incorporated in the document to the municipalities, was the most crucial task for minimizing and mitigating potential social impacts that may occur due to project interventions.

The training on SMF was conducted jointly with the one on the Environmental Management Framework in November 2069 at the UDTC. The main objective of the training was to deepen the staff's knowledge on the SMF, so that the staff in charge of social affairs in the municipality would be able to oversee the compliance of safeguard requirements from the beginning of the project until its implementation and beyond. The details of the contents are as follows:

- Overview of SMF;
- Guiding policy and framework ;
- Social screening in the context of UGDP;
- Social Impact Assessment (SIA);
- Resettlement Action Plan, Indigenous People and

Vulnerable Communities Action Plan;

- Social safeguard steps in project cycle;
- Grievances Redress Mechanism.

In order to provide hands-on experience and relate theories to reality, a case study was selected at Phewa Lake Side in Pokhara. A site visit to an area with shops, restaurants, offices and residences was organized, where an existing, narrow 3-foot road was proposed to be widened. Participants had to observe and discuss what the conversion of this road into a motorable road would imply in terms of social and environmental impacts. Through this exercise, participants related the contents of the training with a practical case and discussed general social issues triggered by socio-economic infrastructure and eventually filled out the screening checklist formats.

The training, along with the hands-on experience, helped the participants to understand the importance of social issues in urban-infrastructure projects. The participants said that the

knowledge and skills imparted in the training were not only useful in context of UGDP, but could also be applied beyond UGDP for other municipal work. The municipalities since then have applied this knowledge by filling out social- safeguard checklists for the sub-projects under component 2 as well as component 1.

Training on Procurement

In order to strengthen the capacities of UGDP municipalities for procurement, training was conducted in two steps. During the first one in August 2069, 17 engineers, junior engineers and sub-engineers from all municipalities and two participants from DUDBC division offices were trained for two days. This first training was conducted while all municipalities were on the verge of submitting the EoI and ToR for the first batch of regular track projects for the procurement of consulting services. As a result of the training, the municipalities submitted the ToR, EoI notice, EoI submission form and EoI evaluation criteria for the regular track projects to the TDF. This was followed by a second training on 'procurement of works and goods', which again took place in UDTC, this time in November 2069, jointly with orientation on the Social and Environmental Management Framework.

The method adopted for these trainings were classroom lectures followed by exercises and interactions. The sessions were designed to encourage participants to share their experiences and build on their knowledge by allowing them to assess their gaps in the area of procurement.

The following were the major contents of the trainings:

- Procurement planning and process;
- Procurement planning practice;
- Methods of consultant selection;
- Terms of Reference and cost of consulting services;
- Preparing EoI and RFP;
- Evaluation of EoI and RFP;

During these sessions, participants undertook exercises in the preparation of procurement plans, evaluation criteria, and evaluation of consulting firms. The results of the exercises were presented and discussed.

The second training aimed at making the municipal participants capable of procuring consulting services and monitoring the contractors. It had the following major contents:

- Procurement practice of the Government of Nepal and World Bank;
- Methods of procurement and types of contract for contractors;
- Eligibility and qualification of bidders, evaluation criteria;
- Bidding documents;
- Bid opening and evaluation;
- Contract management;
- Process of procurement of goods;
- Eligibility and qualification of suppliers, evaluation criteria;
- Bid opening and evaluation, award;
- Procurement plan;
- Monitoring mechanism;
- Ethics in procurement;



**Training on
'procurement of
works and goods' in
UDTC , Nov 2012**

3.4 C³ TRAINING AND LEARNING CIRCLE PHASE I /II

C³ training – Creating Competence for competition was conducted in UDTC firstly to develop personal training skills and knowledge about modern adult-learning principles of a selected group of local trainers and stakeholders involved in urban planning in Nepal. Secondly, to develop three specific training courses and to prepare training material following C³'s training method and finally to pilot the newly developed course for stakeholders in the UGDP

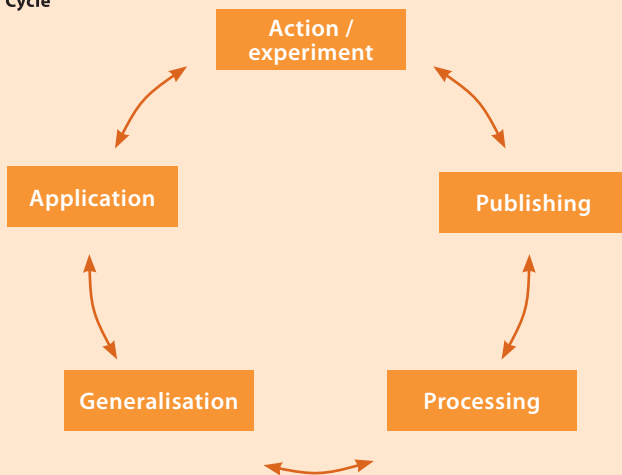
municipalities. The overall goal of the course was to help the UDTC build a pool of experts and a base of modules to provide professional training in the field of urban development in the future.

C³ Training Methodology

The Training product developed and continuously improved by GFA is called C³, which stands for **C**reating **C**ompetence for **C**ompetition. Initially designed for private sector development and focuses on the promotion of small and medium-sized enterprises, this concept has been adapted to other spheres such as the public sector and to the context of public management with a strong focus on decentralized planning and the management of specific sectors such as urban development.

To integrate new skills and behaviors, most exercises follow a proven action learning cycle (see Figure 13). The facilitator introduces a new topic briefly and starts the session with a group exercise, requiring the application of certain information to a case study or simulation exercise (**action**). After completing the group tasks, results are presented (**publishing**) and discussed (**processing**). In a next step, they are then related to the trainees' working reality, elements of the new information or technique are elaborated in a plenary session. New theories are introduced (**generalization**). Participants finally discuss how to apply newly learned concepts/ techniques in their working environment in the future (**application**).

Figure 13
Action-Learning
Cycle



C³ Training Phase I/II

The C³ Training was provided by C³ experts in Urban Development Training Center(UDTC), Pokhara, in two phases. The first phase was held from October 8-11, 2012 focusing on C³ methods and training curriculum development. Participants from DUDBC, UDTC, SUNAG and the MST gathered to discuss the current scenario of capacity development in urban Nepal. An interactive and participatory training method C³ (Creation of Competence for Competition) was introduced during the workshop and the method's general principles and quality criteria for session design, manual development and monitoring were presented. Participants furthermore experienced a C³ simulation exercise about learning and training adults as an introduction to the method and the action learning cycle. One of the results of the training was a comprehensive stock taking and presentation of over 30 training courses related to the subject held in the past few years by UDTC, DUDBC, GIZ-SUNAG and MST as well as a presentation of the results of the training demand analysis matrix (UDTC) undertaken by the MST-GFA team. As one of the outcomes of this meeting, consensus was established that there is a need to better coordinate trainings and the sharing of experience among the major training stakeholders in Nepal. Moreover, it was agreed to promote the necessity of regular trainings in the urban sector, ensuring their quality and applicability. To assure this, it was decided to establish a databank for trainers and materials. As a further major task to be undertaken jointly, the participants agreed to prepare a training matrix jointly and improve the urban training curriculum in a modular structure.

The phase II training was held between 4-14 February by GFA Consulting Group in UDTC. A pool of local trainers participated in C³ TRAINER course. The ten-day program was organized in three main parts. The first part was an introduction to the C³ training methods (C³ TRAINER). In the second part three modules were developed for three topics, namely Municipal Revenue Enhancement Action Planning (REAP), Local Economic Development (LED) as well as Project Management (PM). During this training, participants prepared three comprehensive modules on three different subjects, with detailed sessions and supporting materials, following a modular approach. The modular system allows adapting and combining different trainings and

“Learning by doing” is one of the philosophies of the C³ training methodology, which is based on experiential learning. Experiential learning focuses on the active participation of trainees, while the trainer takes a facilitator’s role rather than a traditional front-of-class teaching role. This model strengthens participants’ ability to apply new concepts and techniques to complex situations. (also see www.c3-training.de).

eventually preparing a training matrix for an urban training curriculum based on the demands from the municipalities. It is based on standard formats and a framework curriculum and keeps the modules adaptable in terms of timing, for adding on potentially new themes and for the inclusion of cross-cutting issues and inter-linkages of the individual modules. In the training, participants learned to incorporate the participatory learning cycle, and training exercises and prepared materials. The development of modules and curricula included training exercise portfolios, training agendas, templates, a manual for local trainers, designed as a 'script', with detailed activities and expected outcomes, and a work plan for the following months. In the third part these trainings were piloted in Baglung Municipality, Leknath Municipality and UDTC-Pokhara. The overview of developed modules is in the following part of report.

3.5 DEVELOPING C³ MODULES

As described in the previous chapter, a ten-day training course was organized by UGDP jointly with the UDTC following the C³ method.

During this training, participants prepared three comprehensive modules on three different subjects, with detailed sessions and supporting materials, following a modular approach. The modular system allows for adapting and combining different trainings and eventually preparing a training matrix for an urban training curriculum based on the demands from the municipalities. It is based on standard formats and a framework curriculum and keeps the modules adaptable in terms of timing, for adding on potentially new themes and for the inclusion of cross-cutting issues and inter-linkages of the individual modules. In the training, participants learned to incorporate the participatory learning cycle, and training exercises and prepared materials. The development of modules and curricula included training exercise portfolios, training agendas, templates, a manual for local trainers, designed as a 'script', with detailed activities and expected outcomes, and a work plan for the following months.

The curriculum ultimately will enable municipalities and other local stakeholders to better perform their core duties and improve their capacities, especially in regard to planning and management. Cooperation with other stakeholders will be sought

in all aspects, i. e. both technical (e. g. with the SWMTSC) and organizational (e. g. with DUDBC district offices).

To achieve this aim, trainings also need to consider cultural sensitivity and diversity, e. g. that the target group can engage in a dialogue, giving sufficient attention to the local 'discussion culture', including decision making and follow ups e. g. for action planning. As the modules are outcome-oriented, the target group has to build its capacity for clarifying tasks and responsibilities in a specific subject during the training and should finish each training at best with an activity plan they can implement in their locality.

Project Management Training

The ToT on C³ methods for urban development was held in Pokhara between 4 -13 February, 2013. During the course, a three-day training module on **Project Management for Municipal Engineers and Technicians** was developed.

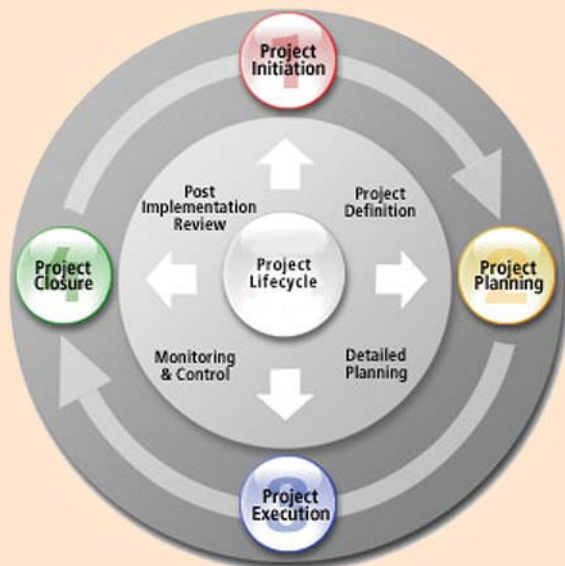
C³ (Creating Competence for Competition), an experiential (action-oriented) learning-cycle method for

training adults, has been found to be more effective than the conventional methods of conducting training. The learning objective of the PM training module is to enhance the capacities of the participants (from the public sector) to steer and supervise infrastructure project-implementation in their municipalities. The C³ PM module allows the imparting of knowledge about different phases of a project-management cycle, i.e. Project Initiation, Project Planning, Project Execution and Project Closure. As a metaphor for Project Management, a paper tower is constructed during the training so that the participants are able to get an overview of the different phases of a project management cycle through experimental learning.

This module is more focused on the Project Execution phase. To teach how projects should be managed during the construction stage, sessions are delivered on time-scheduling tools, monitoring and supervision for quality control and the financial-settlement process used in projects during construction stage.

Monitoring and Supervision (M&S) is a vital component of project management that is needed for controlling the quality of construction. As dissemination of knowledge, procedure and tools for M&S is very useful for engineers and technicians in the context of infrastructure construction in UGDP, this aspect has been deemed an area of focus. M&S is an ongoing activity undertaken by managers, project officers and/or beneficiaries to keep track of progress made in meeting objectives and to make improvements as needed. Monitoring a project is vital because it improves communication among stakeholders, sponsors, and team members regarding the project status and determines how

Figure 14
Project Management Cycle



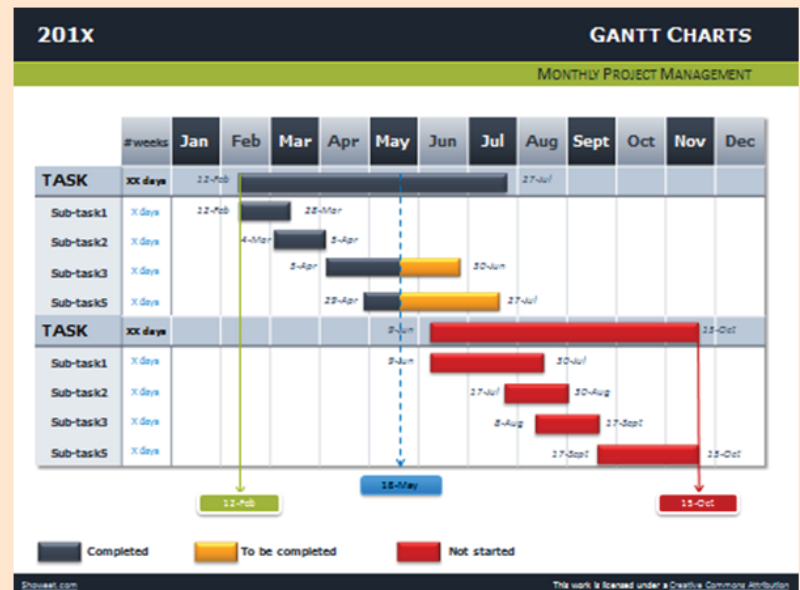
closely the initial plan of action resembles reality. It allows for the validating of any decisions made in regards to implementing changes. The monitoring results will benefit anyone who has an interest in the potential outcome of the project. Monitoring of a project also creates opportunities for making the necessary adjustments regarding resources or budget. For example, if there are more people than are required for a certain task, and a shortage of people in another area, monitoring helps to allow adjustments to be made. In this M&S session, participants will prepare the quality-control checklist to be used for different stages of project execution. The participants will have the opportunity to work, through group exercises, on preparing the checklist for monitoring and supervision required for quality control at different levels in the Project Execution phase. Those exercises will deal with various sectors of the fast-track projects being undertaken by UGDP in six municipalities.

Another session will discuss the time-scheduling technique. In this session, participants are introduced to the Gantt Chart technique for activity scheduling, time-planning and inter-activity relationship. A Gantt Chart is a type of bar chart developed by Henry Gantt that illustrates a project schedule. Gantt Charts, one of the most common tools used in project planning, illustrate the start and finish dates of the elements of a project. Some Gantt Charts also show the dependency (i.e., precedence network) relationships between activities. Gantt Charts can

be used to show current schedule status as well. Gantt Charts offer a wide range of visibility to each aspect of the project in relation to its scheduled time and scheduled resources. The participants will also have the opportunity to learn through group exercise how to prepare Gantt Charts for their selected fast-track projects.

The last topic of this module discusses the technical documents required by the finance section for account settlements. In this session, participants

Figure 15
Gantt Charts for time-scheduling technique



will be taught how to prepare a checklist of documents required by the account section of municipalities for settling the project and to prepare a format for a measurement book, interim/final-payment certificate and a project-completion certificate.

During the training, participants are also asked to take part in various physical activities to keep them energized throughout the training session. Furthermore, activities such as the paper-tower construction activity and quizzes on monitoring and supervision are carried out in groups to assess the understanding levels and brainstorming skills of participants in project-management settings.

Revenue Enhancement Action Plan Training

A municipality is considered to be at the first layer of government and is responsible for the provision of infrastructure and services for its citizens. Hence, sufficient human as well as financial resources are required and need to be planned for accordingly. As per the Local Self-Governance Act (LSGA), 1999, municipalities are authorized to collect taxes and fees, receive grants and loans, and allocate and use municipal resources for urban infrastructure and services. The law has specified taxes to be levied by municipalities, their coverage, bases and rates; and municipalities can levy a tax with the approval of the municipal council within the range specified in these laws. It is necessary to evaluate the base-rate relationship for revenue enhancement and their optimization.

Revenue Enhancement Action Plans (REAP) seek to strengthen financial and human capacities for the municipality by exploring new revenue potentials and by updating existing revenue sources.

MST used a comprehensive methodology for preparing REAPs by analysing the data of revenues and expenditures and conducting workshops with core municipal staff and stakeholders. MST conducted two workshops in the eastern and western clusters for exploring potential new revenue areas. All six UGDP municipalities identified their respective new revenue-potential areas for the forthcoming years and also identified the existing revenue sources to be updated. Details of REAP are in section 4.1.

Local Economic Development and Resource Mapping

In 2065 B.S., the Chamber of Commerce & Industries (LCCI) and the Municipality of Lekhnath initiated a Local Economic Development Program with the support of GIZ. Lekhnath has a competitive advantage in terms of the size of the municipal area and the fertility and diversity of the land. The six potential products identified for strategic economic development were oranges, poultry, fish, coffee, vegetables and honey. On the basis of the identification, further investments were channeled accordingly and a number of activities were derived for the marketing of the products.

Since revenue generation needs to be enhanced in UGDP and in recognition of the fact that there are many other potential resources in Lekhnath Municipality that need to be further explored, the municipality was selected to carry out the first training course on Local Economic Development (LED).

As a part of the ToT on methods and module development, a module on LED was developed and delivered in Lekhnath Municipality on 12-13 February 2069. The one-and-a-half day program targeted municipal staff, the Lekhnath Chamber of Commerce and other entrepreneurs involved in economic activities in Lekhnath Municipality. The module incorporated a discussion on the past LED strategies and activities and the spatial mapping of existing and potential resources, reviewed and prioritized LED sub-sectors, mapped LED stakeholders and formulated action plans for three prioritized sub-sectors.

Key staff from Lekhnath Municipality, the Lekhnath Chamber of Commerce and Industries and some local entrepreneurs participated in the training.

Seven resource persons from MST, UDTC, LDTA, GIZ-SUNAG and one freelance consultant participated in the development of the training, following the C³ Method, and also facilitated the training.

Results:

As initiatives for LED had already been undertaken in Lekhnath Municipality some years ago, the participants were familiar with the topic. This provided a good starting point for reviewing the progress and for identifying further potentials to expand the scope of LED in Lekhnath. The following tasks were carried out with the participants.

Revisiting past strategies and actions for LED: As Lekhnath Municipality has already been implementing LED activities, participants were asked to revisit past LED strategies and the activities of this strategy. The first

obvious finding was that the six earlier-mentioned sub-sectors identified as strategic for LED were all part of the agricultural sector.

Resource mapping: The geographic identification of resources was carried out during the training. The exercise on resource mapping helped the participants to identify spatial advantages and highlight missing linkages. The participants mapped their resources and presented the resource maps in the plenary.

Identification of potential areas and prioritization: From resource mapping and other previous exercises, potential areas for LED were identified. A prioritization exercise

was carried out that took into consideration policy-oriented, social, economic and technical criteria. The areas identified went beyond the field of agriculture, and included tourism, strategic-infrastructure development, lakes and forests. The prioritization of identified areas helped the participants to re-evaluate their perceptions of the respective importance of potential-rich areas. The participants had always considered the lakes as the most potential-rich area for LED, but the prioritization exercise led to their ranking this in the fourth place.

Stakeholder documentation: An exercise on documenting the existing stakeholders involved in LED was carried out with the participants.

Preparation of Action Plan:

The participants prepared an action plan in the three most prioritized areas, divided into three groups.

The main aim of the LED training was to help the participants analyze and guide the municipal investment on infrastructure that would support or promote either the investment from the private sector for economic activities or help the municipality to act as a catalyst for economically active groups to further their economic activities. The stakeholders, primarily the chamber of commerce, the municipality and entrepreneurs agreed, based on their previous experience, that there was a need to advance the earlier LED program.

Potential Areas for LED

क्र.सं.	उद्योग/कार्यक्रम	स्थान	तलाफ	समय	उद्योग	उत्पाद	विकास
१	आयुर्वेदिक उत्पादन कार्यक्रम	लेखनाथ नगर	२०००००	२०००	२०००	२०००	२०००
२	लेखनाथ नगर स्थित प्रखण्ड कार्यालय	लेखनाथ नगर	२०००००	२०००	२०००	२०००	२०००
३	कुटुंब विकासात्मक विकास कार्यक्रम	लेखनाथ नगर	२०००००	२०००	२०००	२०००	२०००

क्र.सं.	उद्योग/कार्यक्रम	स्थान	तलाफ	समय	उद्योग	उत्पाद	विकास
१	कुटुंब विकासात्मक विकास कार्यक्रम	लेखनाथ नगर	२०००००	२०००	२०००	२०००	२०००
२	कुटुंब विकासात्मक विकास कार्यक्रम	लेखनाथ नगर	२०००००	२०००	२०००	२०००	२०००
३	कुटुंब विकासात्मक विकास कार्यक्रम	लेखनाथ नगर	२०००००	२०००	२०००	२०००	२०००

Table 2
Prioritization of Potential Areas for Local Economic Development

Resources Identified	Aspects for Prioritization (Weighting)				Total	Rank
	Municipality	Tourist Service Charge	Business Tax	Rent Tax		
Agriculture	<p>Policy orientation (max. score: 25)</p> <p>To which level is this resource area recognized, accepted, utilized or even supported by local policies / local administration? Has there been any measures to support, protect or utilize the resources? Has the area been mentioned in the periodic plan or other planning documents? Etc.</p>	<p>Social benefit (max. score: 25)</p> <p>What is the share of local population that is benefitting from this resource area? Is it beneficial for marginalized groups? What is the social acceptance of this resource area? Etc.</p>	<p>Economic benefit (max. score: 30)</p> <p>How much investment is needed to access / make use of the resources in this area? What is the relation between cost and benefit? What are primary and secondary costs/benefits? How long is the payback period for investments? How much employment is being created? How much income is generated? Etc.</p>	<p>Technical feasibility (max. score: 20)</p> <p>Are the measures necessary to explore, access and utilize the resources technically feasible? How much of the cost for realisation, operation and maintenance will be generated? What capacities are needed for the handling of the measure? Are the necessary materials available? Etc.</p>		
Agriculture	25	25	25	20	95	1
Forest	10	10	10	15	45	5
Urban Infrastructure	25	20	10	15	70	3
Tourism	25	25	25	15	90	2
Lake	20	20	15	10	65	4

3.6 TRAINING SERIES FOR LOCAL BODIES IN NEPAL

The different activities of MST in the context of UGDP have resulted in various training materials on different topics relevant for local development in municipalities. Similarly, additional materials have been developed in the context of the Sub-national Governance Program (SUNAG) cooperating with the Local Development Training Academy (LDTA).

In order to make the materials widely available, MST has engaged in the systematization of training manuals and has prepared the materials to be published and disseminated by the partner institutions.

This demanded a process of compilation, review and finalization, which has resulted in the 'Training Series for Local Bodies in Nepal'. This comprehensive training package comprises a general trainers' handbook and 13 thematic training manuals

clustered as follows:

- **Infrastructure:** Sub-project Implementation, Operation and Maintenance, Social Safeguards, Environmental Safeguards, Technical Training
- **Finance:** Procurement Plan, Procurement of Services, Procurement of Works (incl. E-bidding), Revenue-Improvement Action Plan, Financial Management
- **Governance:** Good Governance, Participatory Planning and Budgeting, Civic Oversight and Social Accountability

The training modules follow an activity-centered participatory approach of adult learning comprising step-by-step procedures for sessions, presentations, exercises, examples and background materials; the approach combines theoretical and practical knowledge as a thorough guide to the trainer. As these training modules have been developed by taking into consideration local needs as well as current national and global issues, they will be very useful for the local bodies to channel their development interventions towards sustainable development.

An orientation on the training modules will be provided to the pool of national experts on each theme after finalization. Eventually, LDTA and UDTC will take ownership of the developed training modules and will use them for the capacity-building tasks of the local bodies.

Volumes of the 'Training Series for Local Bodies in Nepal':

**Training Series for
Local Bodies in
Nepal**

Training Series for Local Bodies in Nepal

Infrastructure

Module: Subproject Implementation

Government of Nepal
Ministry of Urban Development (MoUD)
Department of Urban Development and Building Construction (DUDBC)

Training Series for Local Bodies in Nepal

Governance

Module: Good Governance Vol 1

Government of Nepal
Ministry of Federal Affairs and Local Development (MoFALD)
Local Development Training Academy (LDTA)

Training Series for Local Bodies in Nepal

- GENERAL TRAINERS HANDBOOK

INFRASTRUCTURE

- Subproject Implementation
- Operation and Maintenance
- Social Safeguards
- Environmental Safeguards
- Technical Training

FINANCE

- Procurement Plan
- Procurement of Services
- Procurement of Works (incl. E-bidding)
- Revenue Improvement Action Plan
- Financial Management

GOVERNANCE

- Good Governance Vol 1
- Participatory Planning and Budgeting
- Civic Oversight and Social Accountability

3.7 LEARNING FROM SHIMLA

A Study Tour to an Indian City in the Himalayas

As part of the institutional development for municipalities and central executing agencies, a field visit to the Indian City of Shimla was organized, following an invitation from the programs 'Support to National Urban Sanitation Policy' (SNUSP) and 'Indo German Environment Partnership' (IGEP).

**MSWM site visit
at Hanjer Biotech
Energies Pvt. Ltd.**



Through the Delhi-based and GIZ-supported SNUSP Program, the Indian Ministry of Urban Development (MoUD) has taken proactive measures for implementing the City Sanitation Plans (CSP) that were developed under the older GIZ-Advisory Services in Environment Management (ASEM) Program, as GIZ support to the National Urban Sanitation Policy of the Government of India. Apart from this, the SNUSP program also works in the fields of waste-water management, storm-water management and water supply. It has also provided further support to several states in preparing State Sanitation Strategies. The program is currently supporting ten cities in six different states in India.

The GIZ-IGEP program provides technical assistance for managing municipal solid waste to four selected urban local bodies in four different states, including the Municipal Corporation of Shimla. Other fields of work for IGEP include the improvement of environment considerations in slums and urban climate change. Shimla possesses topographical features that are similar to many of the Nepalese hill towns. As a significant milestone in addressing its sanitation issues, Shimla has developed a City Sanitation Plan, with the help of GIZ-SNUSP project. The GIZ-consultants preparing the Shimla CSP were part of a consortium that included CDD Society, Alchemy Urban Systems Pvt. Ltd. and CEPT University. The CSP includes various short, medium and long-term measures with regard to choice of technologies,

operation and maintenance requirements, financial sustainability, participation and raising awareness.

This CSP and a number of other municipal measures were the core areas of interest when the MST on behalf of the PCO organized a regional exchange from March 4-8, 2013. Representatives from the ministries (MoUD, MoFALD, MoF), the DUDBC and the TDF as well as from all UGDP municipalities visited the city. Municipal engineers, practitioners and experts engaged in water and sanitation, and solid waste management sectors also participated in the program.

Shimla has set up decentralized waste-water treatment facilities in order to arrive at a cost-effective and functional solution. In addition, the municipal solid waste is taken care of by adopting various methods such as door-to-door collection, separation, treatment and scientific disposal. These approaches and practices were presented to the visitors and discussed during a program that focused on possible solutions in the Himalaya region for urban sanitation and waste management. Through the exchange, local capacities of India and Nepal were both enhanced: while the hosts explained their approaches, both sides then jointly discussed how best to develop and implement adequate solutions for the management and treatment of waste-water and solid waste.

The program was a mix of indoor workshop sessions with field visits and in-situ studies in order to allow the visitors to gain first-hand experience and insights to the approaches and technical aspects.

The major topics dealt with in the program were:

- Solid waste management in India and its legal framework;
- National Urban Sanitation Policy and Shimla's City Sanitation Plan;
- Solid waste management in Shimla;
- IEC strategies;
- Service-level benchmarks and indicators;
- National school-sanitation initiatives;
- Environmental improvement in slums in hilly areas.

In addition to other municipalities, three UGDP municipalities, namely, Tansen, Lekhnath and Dhankuta, have now received OBA support for waste management and for improving the sanitation situation in their respective municipalities. Thus the municipalities have an opportunity to put into application the things they learned from the city of Shimla.

4. SUPPORT IN SYSTEM DEVELOPMENT

4.1 REVENUE ENHANCEMENT ACTION PLAN (REAP)

An important prerequisite for improving the capacities of municipalities is to enhance their financial base. In this context, it is essential to evaluate the existing revenue situation, plan the forthcoming revenue-enhancement actions and implement the planned actions in order to improve municipal revenue-mobilization capacity. Therefore, six Revenue Enhancement Action Plans (REAP) were prepared for the municipalities of Mechinagar, Itahari, Dhankuta, Tansen, Baglung and Lekhnath.

Objective of REAP

The main objective of REAP is to assess the own-source revenues (OSR) of a given municipality and the potential for increasing them. On this basis, actions for the enhancement of OSR mobilization are identified and integrated in an action plan with a schedule for implementation. The objectives of REAP are as follows:

- Identify new potential revenue sources based on the analysis of the revenue-mobilization situation in the past in a stakeholders' workshop
- Prepare a Revenue Enhancement Action Plan to optimize the utilization of new and existing revenue potentials with a work-plan schedule
- Revenue projection for the next five years after the implementation of REAP.

Methodology for REAP

These specific steps are adopted during the preparation of REAP:

- Collection and analysis of information provided by the municipal staff, data from municipal records
- Consultation with political leaders, former elected officials, local businessmen, chamber of commerce representative and municipal officers
- Conduct a city-level workshop and collect the comments and feedback to finalize this plan.

Final report on REAP

The Revenue Enhancement Action Plans prepared in the context of UGDP municipalities comprise the following:

- Business tax, rent tax and annual vehicle tax for Mechinagar municipality
- Business tax, rent tax, advertisement tax and annual vehicle

- tax for Itahari municipality
- Annual vehicle tax, unclaimed (bitauri) land tax and rent tax for Dhankuta municipality
- Tourist service charge, business tax and rent tax for Tansen municipality
- Business tax, rent tax and parking fee for Baglung municipality
- Business tax, rent tax and parking fee for Lekhnath municipality.

REAP Workshop:

MST conducted REAP workshops separately for all UGDP municipalities on C³ module training, which produced a detailed action plan of at least one revenue source per municipality. The

participants of the workshop were mainly the core municipality staff from the revenue section, account section, administration section, planning section and the executive officer, municipal revenue-advisory-committee members, members from the local chamber of commerce, civil-society members, representatives from major political parties, representatives from the auditor general office, representatives from the DUDBC regional office and well-known local citizens. The workshop was very effective, saw active participation, and

Table 3
Major Own Source
Revenue Items of
Municipality

LOCAL TAXES	FEES AND FINES	PROPERTY RENTAL	OTHER REVENUES
House & land/IPT	Service Fee (Surcharges)	Shops/Building	Sand gravel sale
Vehicle Tax	Parking Fee	Bus park	Land/building sale
Business Tax	Recommendation Fee	Fish pond	Auction sale
Tenancy (Bitauri) Tax	Application Fee	Equipment/Others	Tender forms sale
Rent Tax	Appraisal Fee		Confiscation deposit
Contract Tax	Building Permit Fee		Forms and maps sales
Local Market Tax	Registration Fee		
Entertainment Tax	Tourist Entry Fee		
Advertisement Tax	Property Valuation Fee		
	SWM Service Fee		

Table 4
List of potential revenue sources identified or improvement on old sources

Mechinagar	Itahari	Dhankuta	Tansen	Baglung	Lekhnath
Rent Tax	Improvement in tax rates • Rent tax • Vehicle tax • Entertainment tax • Advertisement tax	Revisit the tax rates/ fees	Business tax	Business tax	IPT
Environment Mgmt. service Fee	Improvement in fee rates • Building permit fee • Recommendation fee • Registration fee	Mobile Business Tax collection - (door to door)	Tourist Entry service fee	IPT	Business tax
Improvement on Tax Administration	Improvement in service charge rates • Solid waste management • Green culture family card • Crematory Management	Income generation activities in public land	Rent tax to all house owners	Rent tax	Lake rental
Rate modification (Taxes, fees and service charge)		Incorporate all physical infrastructure without building permit in municipal database	Use of public land for income generation in PPT model	Update service charge on technical advisory, building permit deposit, municipal forms and others	Revisit service charge rate

contd.... Mechinagar	Itahari	Dhankuta	Tansen	Baglung	Lekhnath
Service charge on municipal services such as Drainage, Road		Update physical infrastructure of revenue section	Shreenagar park on lease	Parking fee	Rent tax
Tax-payer awareness		Rent tax	Vehicle registration and annual vehicle tax	Vehicle tax	Income generation activities in public land
PPP Model implementation			Parking management in bus terminal	Build shopping complex	Parking fees
			Cold storage building	Park improvement	Introduce lake-entry fee
			Craft village, Auto village	Solid waste service fee by volume	Temporary Vehicle Tax
			Promote Home stay business	Coordinate with other line agencies on development works	Picnic stall fee

all the participants were aware of the process of the action plan and agreed to make implementations according to the plan.

Bottleneck:

Collection efficiency mainly depends on efficient administration. The main challenge facing implementation is that all municipalities lack human-resource availability, effective

communication, proper tax- awareness education for clients, complete information of a client database and adequate machines (hardware and software).

An example of REAP is presented on pages 74 - 77.

Example of one REAP

Revenue Enhancement Action Plan on Parking Fee for Baglung Municipality

Indicator: Proposed parking fee will yield Rs 1,47,000 in the year 2070/71 B.S. (2013/14), excluding all administrative expenses to be incurred in the collection.

Achievement: From the fiscal year (f/y) 2070/2071 B.S. (2013/2014) onward parking fee will come into force.

Activities	Timeframe
1. Identification of parking lots as: a. Bus park area at ward no. 3 b. Jeep park area at ward no. 2 c. Space in front of Nepal Telecom Office	Baishakh 10-20, 2070 B.S.
2. Publicity	Baishakh 15- Asadh 31, 2070 B.S.
3. Decide the rate of parking fee : a. For bus, truck, mini-bus, micro-bus ,tractor and pickup Rs 30 per day b For cars, taxi and jeep Rs 20 per day c. Motorbike Rs 5 per day d. Decide the modality on the rebate for selected vehicles	Baishakh 15-30, 2070 B.S.
4. Issue public notice specially for stakeholders about the rates of parking fee thus fixed	Jyestha 01-15, 2070 B.S.
5. Conduct awareness campaign by effective media: a. Prepare materials of information b. Exhibit notice at parking sites c. Broadcast such notice from local f m stations d. Meet the press e. Publication of notice by local newspapers f. Notice scroll through local cable distributors g. Mobilization of Tole Lane Organizations - TLO h. Formal request to district traffic police	Jyestha 15-20, 2070 B.S.

	Responsibility	Where	Cost/Input	Means of Verification
	Yukta Subedi	Municipal area	----	Revenue Advisory Committee and Municipal council
	Yukta Subedi	Throughout municipal area and at the sites.	Rs 3000	Copies of notices, hoarding boards, pamphlets, local FM radio broadcasting
	Hari Narayan Upadhyay	Municipality Office	Rs 7,500	Advisory note of Revenue Advisory Committee and decision of municipality board and council
	Hari Narayan Upadhyay	Municipality Office	Rs 7,500	Register showing attendance of stakeholders and their minutes
	Yukta Subedi	Municipality Office	Rs 5000	Information materials, notice board at parking areas, local press coverage, date and time of information broadcast over FM stations

contd...	Activities	Timeframe
	6. Maintenance work at parking lots for providing minimum service and facility.	Jyestha 20-30, 2070 B.S.
	7. Print receipt on parking fee	Jyestha 1-30, 2070 B.S.
	8. Decide modality on how to le collect parking fee a. by using existing staff or b. by using private sector by contracting out.	Jyestha 20-30, 2070 B.S.
	9. Monitoring on the mentioned activities in the action plan	Asadh 01-20, 2070 B.S.
	10. Expenses for the payment of 15% income tax if collected through private sector	Asadh 01-20, 2070 B.S.
	11. Incentive to District Traffic Police	Bhadra 1-30, 2070 B.S.
	12. Minimum profit to private sector if contracted out	Jyestha 1-7, 2070 B.S.
	13. Leasing of private land for jeep park	Jyestha 1-15, 2070 B.S.
	14. Regularize parking fee which has been collecting by Kalika temple governing committee in the parking area of government land	Bhadra 15-30, 2070 B.S.

Table 5
Example of one
REAP

	Responsibility	Where	Cost/Input	Means of Verification
	Trilochan Giri	Parking lots	Rs 5,00,000	Parking lots to be seen as well organized
	Krishna Subedi	Municipality Office	Rs 11,000	Printed receipt
	Executive Officer and Municipal Board	Municipality Office	Rs 8,00,000	Minutes of Municipal Board
	Yukta Subedi	Municipality Office	Rs 5,000	Monitoring report
	Executive Officer	Municipality Office	Rs 3,30,000	Contract document
	Executive Officer	Municipality Office	Rs 50,000	Debit Ledger
	Executive Officer	Municipality Office	Rs 2,10,000	Contract document
	Hari Narayan Upadhyay	Municipality Office	Rs 1,20,000	Lease document
	Yukta Subedi and Executive Officer	Municipality Office	----	Municipality receipt will be used for parking fee collection

#	Municipality	Tourist Service Charge	Business Tax	Rent Tax	Parking Fee	Annual Vehicle Tax	Advertisement Tax	Total
1	Tansen	x	x	x				3
2	Baglung		x	x	x			3
3	Lekhnath		x	x	x			3
4	Mechinagar		x	x		x		3
5	Itahari		x	x		x	x	4
6	Dhankuta			x				1
	Total	1	5	6	2	2	1	17

Table 6
List of
REAPs
prepared

4.2 OPERATION AND MAINTENANCE PLANNING IN MUNICIPALITIES

Background

In a context where municipalities are always short of resources for addressing pressing developmental needs, the need for creating a plan for the operation and maintenance of the existing assets is often left out. However, a plan formulating and implementing operation and maintenance measures pays in the long run. In due course, it is good if a municipality can prepare the O&M plan for all the municipal assets and operate according to the timeline prepared for each asset. Moreover, from the very beginning of any project design, considering future O&M requirements is essential for the sustainable provision of urban infrastructure.

Operation and maintenance of municipal assets mean to plan, organize, supervise and review the services and local infrastructure such as buildings, roads, water utilities, storm-

water drainage systems, parks, open spaces, etc. The O&M of infrastructure and services is vital to ensure that the assets can reach the maximum of their anticipated service life.

The durability of services and infrastructure as well as the reduction of maintenance needs depend on both the users and providers using the facilities. A proper operation includes all activities involved in the use and the delivery of a service, while maintenance refers to all activities that ensure that the infrastructure remains in a serviceable condition; the O&M covers preventative maintenance, corrective maintenance and emergency maintenance. Hence, the O&M is expected to perform all functions necessary to maintain the system to the highest possible standards of reliability, aesthetics, longevity, safety and hygiene and to the full satisfaction of users.

Effective O&M practices help to minimize the total cost for owning the assets. Maintaining the assets will improve the overall condition and performance of the asset. Depending on the asset, a municipality can either wait to provide the maintenance until an asset breaks down or becomes dysfunctional (reactive approach), or provide routine maintenance to prevent an asset from breaking down (proactive approach). A key requirement for the implementation of a proactive maintenance strategy is the ability to anticipate when a failure will occur. Roughly speaking,

planned maintenance costs one-third less than unplanned reactive maintenance. Lack of timely maintenance leads to costly rehabilitation and reconstruction works. Moreover, the asset can sometimes have sudden dysfunctions (e. g. a blocked drainage, an impassable bridge) that have harmful impact on the users. Only for assets of low value or where the impact of failure is not significant, is additional maintenance not cost-effective, and municipalities should adopt a reactive run-to-failure strategy. However, the municipality's focus should be on maintaining the critical assets of priority infrastructure first.

The need for an O&M plan

All assets are subject to deterioration. Deterioration is progressive and influenced by

- Environmental conditions – terrain, climate and local practice;
- Use of Assets - e.g. traffic volume, axle load (of vehicles);
- Construction design and methods – design considerations and construction standards and quality.

Therefore, municipal O&M planning helps:

- To provide better and consistent levels of service for public;
- To avoid problems and potential crises;
- To reduce life-cycle costs of an asset;
- To allow for better decisions regarding resource allocation;
- To reduce risks to municipality.

How to plan Operation and Maintenance?

To ensure that operation and maintenance are continuously considered and also included in the budget, all municipalities will need an O&M plan that defines the financial and technical

requirements for all municipal assets. This plan needs to be integrated into the annual municipal plan and budgeting and approved by the municipal council. Municipalities prepare the O&M plan following the process shown below. The six major steps include:

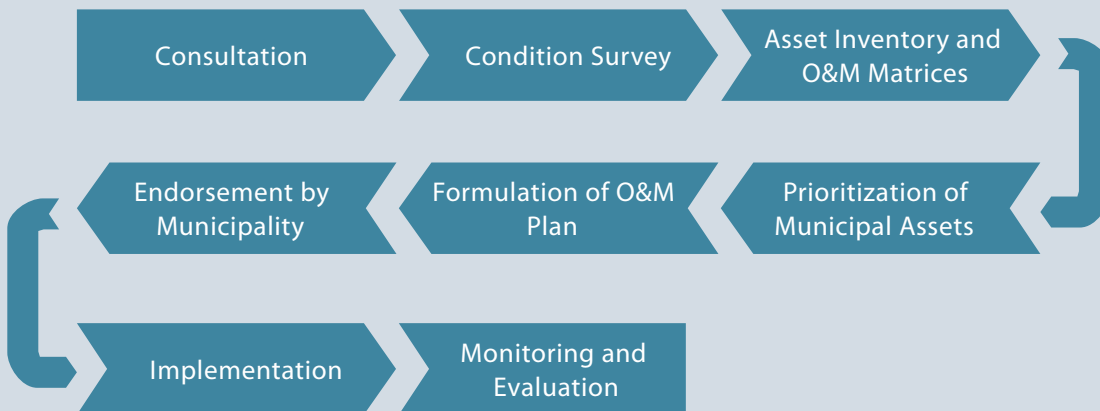
1. Consultation with municipal staff and stakeholders;
2. Data collection: field survey and reviewing of municipal information and documentation;
3. Asset-condition survey: Visual inspection in the field, classification along five categories (very good, good, medium/fair, poor, very poor);
4. Preparation of municipal-asset inventory;
5. Data analysis
 - a. Asset-condition analysis;
 - b. Preparation of O&M matrix;
 - c. Cost estimation;
 - d. Prioritization for maintenance (e.g. classification of roads);
 - e. Formulation of O&M plan and budgeting;
6. Formulation of the plan, considering

According to the provision on O&M in LSGA, the municipality may collect a service charge for repair, maintenance and management of a project from beneficiaries. The O&M of the project shall be done with the amount of the service charge collected.

continue this work and reap the long-term benefits of O&M task. in the future

Applying the concept of O&M to the sustainable urban development work of municipalities, O&M plans were prepared in Tansen, Itahari and Dhankuta municipalities. This included consultation with municipalities, inventory preparation and plan formulation according to the actual situation of municipal assets. It is anticipated that municipalities will

Figure 16
Operation &
Maintenance Plan



4.3 MULTI-YEAR INVESTMENT PLAN

Most of the municipalities have prepared their periodic plan along with a long-term vision and a development strategy that considers related policies and respective programs/projects. Most of the strategic and town-level projects that are essential for achieving the long-term goals of the municipalities are included in the Multi-Sector Investment Plan (five years) of the periodic plan. However, due to scarce financial resources, municipalities are often not in a position to implement the Multi-Sector Investment Plan. Therefore, municipalities mostly engage in short-term investment projects, which only solve their immediate needs/demands. This practice is further reinforced by the municipalities having to prepare an annual budget plan as per the LSGA, which due to its yearly scope, results in the practice of focusing on rather small-scale projects.

With the support of the central government's or donor agencies' grants, municipalities sometimes implement strategic and town-level projects that are of a bigger scale and require substantial investment. Therefore, municipalities need to take on a multi-year perspective for planning their investment in strategic projects. However, as annual transfers provided by the central government and donors are difficult to predict, this vision is not yet widely applied.

In this respect, UGDP has been providing fixed amounts of investment support for a defined time period (five years), which has provided municipalities with the opportunity to invest in larger projects and practice proper long-term investment planning. In this context, the 'Multi-Year Investment Plan' (MYIP) was introduced as a new instrument. Support was provided through MST and other stakeholders for the application and implementation of the MYIP in three municipalities (Tansen, Dhankuta and Itahari). Projects that were incorporated in this plan were selected on the basis of the municipal periodic plan, in consultation with the municipal stakeholders' representatives (Project Coordination Committee). Altogether, the MYIP has provided municipalities with a new tool to manage their long-term investment and will contribute toward more strategic planning and more realistic budgeting.

Table 7
Summary of MYIP

Summary of MYIP (Cost in Rs in thousands')

Municipality	Projects /Program	Tentative Cost	Implementation Fiscal Years and the cost				
			2014/ 15	2015/16	2016/17	2017 /18	2018/19
Tansen	Improvement of Amar Narayan Temple	38,003	6,081	0	0	0	0
	Improvement of Shrinagar Park	13,000	6,500	3,900	0	0	0
	Construction of multipurpose building	27,000	13,500	8,100	0	0	0
	Improvement of municipal roads' surfaces	139,000	69,500	41,700	0	0	0
	Agriculture Road program	9,293	1,769	1,769	1,790	1,970	1,996
	Reserve-fund program	73,498	13,967	13,967	14,164	15,581	15,819
	Revenue-enhancement plan implementation	2,600	1,600	900	0	0	0
	Dhankuta	Improvement of Haat Bazaar in Dhankuta	17,846	3,569	0	0	0
Improvement of Haat Bazaar in Hile		38,784	23,014	12,257	0	0	0
Construction of social services in Hile Bus Park		15,000	7,500	4,500	0	0	0
Agriculture Road program		18,342	3,461	3,461	3,807	3,807	3,807
Reserve-fund program		101,217	19,098	19,098	21,007	21,007	21,007
Revenue-enhancement plan implementation		2,500	1,600	900	0	0	0
Itahari	Improvement of link-road surfaces	115,370	57,685	34,611	0	0	0
	Construction of bridges	98,014	49,007	29,404	0	0	0
	Agriculture Road program	15,037	2,837	2,837	3,121	3,121	3,121
	Reserve-fund program	58,360	11,011	11,011	12,112	12,112	12,112
	Revenue-enhancement plan Implementation	3,200	2,500	700	0	0	0

Note: The tentative cost is subject to change after the final DPR

4.4 BUILDING AND PLANNING BYLAWS

In many municipalities, buildings are being constructed without clear guidance and regulation. Often, new construction is realized without respecting the historic, monumental, residential, commercial or recreational significance of places and facilities. Moreover, access to the proposed buildings is not properly taken care of. Conflicting uses can be found side by side, as facilities like cinema halls, shopping malls, vehicle-maintenance workshops or noisy factories are located adjacent to residences, hospitals or schools. Certain functions are planned without regard for the spatial characteristics – e.g. when a convenience store in a narrow road creates regular traffic jams due to the absence of parking facilities. In many cases, building construction permits are obtained from the municipality for residential uses but later the residential buildings are used for commercial purposes, such as for restaurants, lodges, polyclinics, department stores or even various kind of small-scale industries, which do not have the facilities or services required for those uses. Similarly, the re-plotting (sub-division) of land especially for residential purposes has been inappropriately taking place in certain areas, resulting in sub-standard development (small-size plots, narrow roads incapable of allowing emergency vehicles to pass through, lack of public open spaces and infrastructure facilities, etc). Apart from these issues, the minimum physical and social-infrastructure services essential for city dwellers are also not adequately available. All these factors have contributed toward

haphazard growth and an unpleasant built-environment in the cities of Nepal. The Local Self Governance Act requires municipalities to prepare and enforce appropriate strategies, policies, programs and regulations for their long-term physical development. This includes urban-expansion policies (permissible and non-permissible areas), infrastructure-investment policy, zoning, land and building-use regulations, and bylaws for group housing and apartments as well as for defining the right of way of roads.

Apart from the Kathmandu Valley municipalities, most of the other municipalities have a building-permit system with very limited provisions on the building-construction regulations. The concept of Integrated Action Planning introduced bylaws provisions, and its most common provisions were: ground coverage, right of way of the roads (not in a hierarchical order) and

the number of storeys permissible in buildings. Some of the municipalities have even developed zoning concepts and on that basis have defined provisions like minimum plot size, maximum ground coverage, setbacks, margin, maximum floor height and maximum height of the buildings. However, due to weak institutional capacity, political pressure, lack of awareness and minimal involvement of the key stakeholders in preparing the bylaws, its enforcement remains weak.

In this respect, UGDP, with the support of MST, has provided assistance to municipalities for the preparation of planning and building bylaws. In the first phase, bylaws for three municipalities (Tansen, Dhankuta and

Mechinagar) were developed while the remaining municipalities (Baglung, Lekhnath and Itahari) will be supported in the second phase.

As the most significant characteristic of the approach, MST has adopted a participatory, bottom-up approach for the preparation of planning and building bylaws, in order to ensure local ownership and increase the prospects for implementation. The methodology (please see the flowchart below) demands a leading role by the representatives of key municipal stakeholders in the form of a coordination committee, through which the provisions of the bylaws are shared with the larger civil society in the municipality. In addition, technical personnel of the municipalities are also involved in the preparation process, in order to increase their knowledge and capacities for defending and enforcing the bylaws.

Several workshops were conducted in each municipality for this purpose. Municipalities formed a 'Bylaws Preparation Coordination Committee' of municipal stakeholders and a 'Technical Team' of municipal technical staff and consultants. The committee oversaw and guided the technical team. The methodology blends the municipal stakeholders' inputs, assessment of the field condition and technical requirements (experts' inputs). The bylaws primarily recommend various land uses; permissible, restricted and special permit uses or activities; minimum plot size; maximum ground coverage; light plane, floor-area ratio; permissible maximum height and the number of storeys in buildings and the implementation of the National Building Code (NBC). It has also provisioned the right of way of

Bylaws workshop with municipal stakeholders in Mechinagar



roads, guidelines for land development, land sub-division, group housing and apartments, etc.

The bylaws take their references from the Integrated Action Plan, the existing bylaws of the municipalities and the

Methodology of bylaws preparation

Preparatory work

Study of the framework of bylaws, model building bylaws and existing bylaws of the municipality, LSGA, etc., collection of digital base map and printing of maps for field work

Orientation and workshop with major stakeholders in the municipality

- Presentation of technical aspects of bylaws and their rationale and existing bylaws implemented in the municipalities
- Group work/exercise: feedback and recommendation on zoning, use regulation, provision of bylaws for residential and other buildings, right of way of the roads, land sub-division regulation and NBC for their particular municipalities
- Formation of a bylaws preparation coordination committee
- Formation of a technical team of municipal staff and consultants
- Detailed orientation for the committee and technical team

Preparation of preliminary planning and building bylaws

- Preparation of land use and zoning map
- Preparation of preliminary provision of the bylaws based on the framework, model bylaws, existing municipal bylaws, land use, zoning maps and field information
- Preparation of land and building use regulation (permissible and non-permissible use)
- Preparation of RoW of roads
- Regulation for land sub division and housing/ apartments
- NBC

Presentation and discussion on the preliminary draft bylaws with the PCO, municipal bylaws preparation coordination committee and receiving their feedback, comments and suggestions

Preparation of the final draft by incorporating committee's feedback and comments

Figure 17
Methodology of
bylaws preparation

periodic plan and aim at guiding land development and building construction activities towards achieving the vision set by the particular municipality. In addition, the framework for bylaws drafted by the Ministry of Urban Development, Guidelines for the preparation of Building Bylaws for Town Development Committees (under draft, by DUDBC), and other relevant literature were also considered as a basis.

Preliminary draft bylaws have been presented to the PCO at DUDBC and the coordination committee along with their stakeholders. Comments, feedback, suggestions and inputs are received and relevant inputs are incorporated in the final drafts.

The final drafts are to be approved by the municipal board for implementation and enforcement. After the approval of the bylaws, municipalities should prepare an action plan to enforce and implement the action plan accordingly.

Examples of bylaw maps are on pages 88 and 90.

Urban Design Framework for the Historic Core of Tansen

The municipality of Tansen is famous for its architectural heritage. The study 'Urban Design Framework for Tansen City Core' was prepared to help achieve the city's vision as a tourist town while at the same time preserving its traditional urban fabric. The project covered the core of Tansen (i.e the Shittal Pati area and defined stretches of five roads radiating from it). The five main road stretches taken for the study lie in the neighborhoods of Ason, Makhan, Bhagawati and Taksar. These streets lie in the heart of Tansen and are valued for their traditional architectural and heritage qualities.

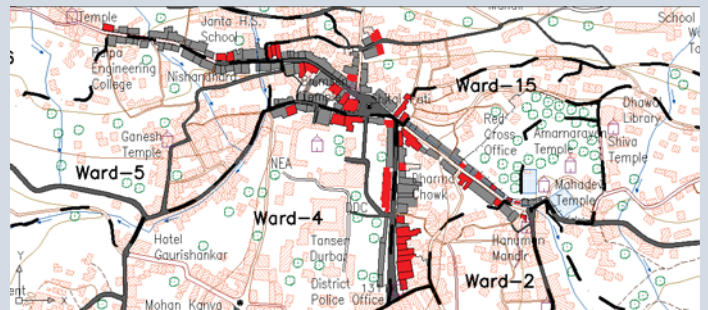
The main objective of the project was to raise awareness about the value of historical buildings and the threats brought about by transformation. Hence, the existing cityscape of the defined stretches and the façades of buildings were illustrated. Moreover, the study was prepared by conducting a series of field visits, collecting existing studies, surveying the defined streetscapes and meeting with relevant stakeholders. Interviews were also conducted with the community members regarding their views and concerns.

It was found that out of the 216 houses surveyed, 58 have been replaced by new construction that do not comply with the norms of traditional architecture. This trend is increasing. The study presents pictorial means for the analysis of the changing scenario of the built form. Basically, the newer constructions have modifications of roofs, windows and façades that differ from the

traditional architecture Tansen has long possessed.

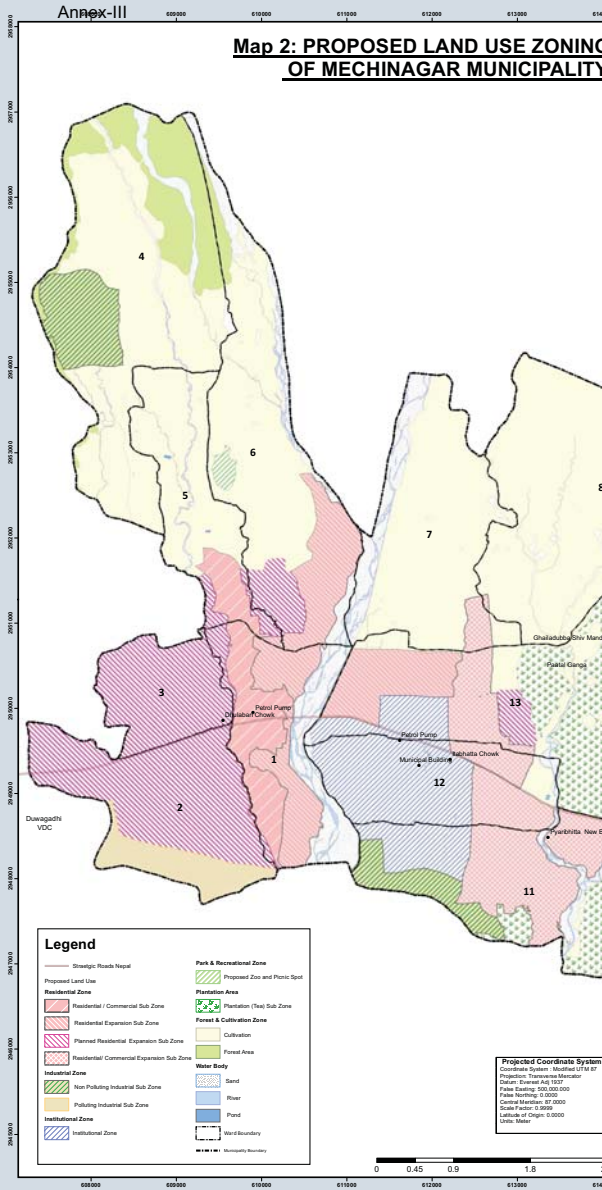
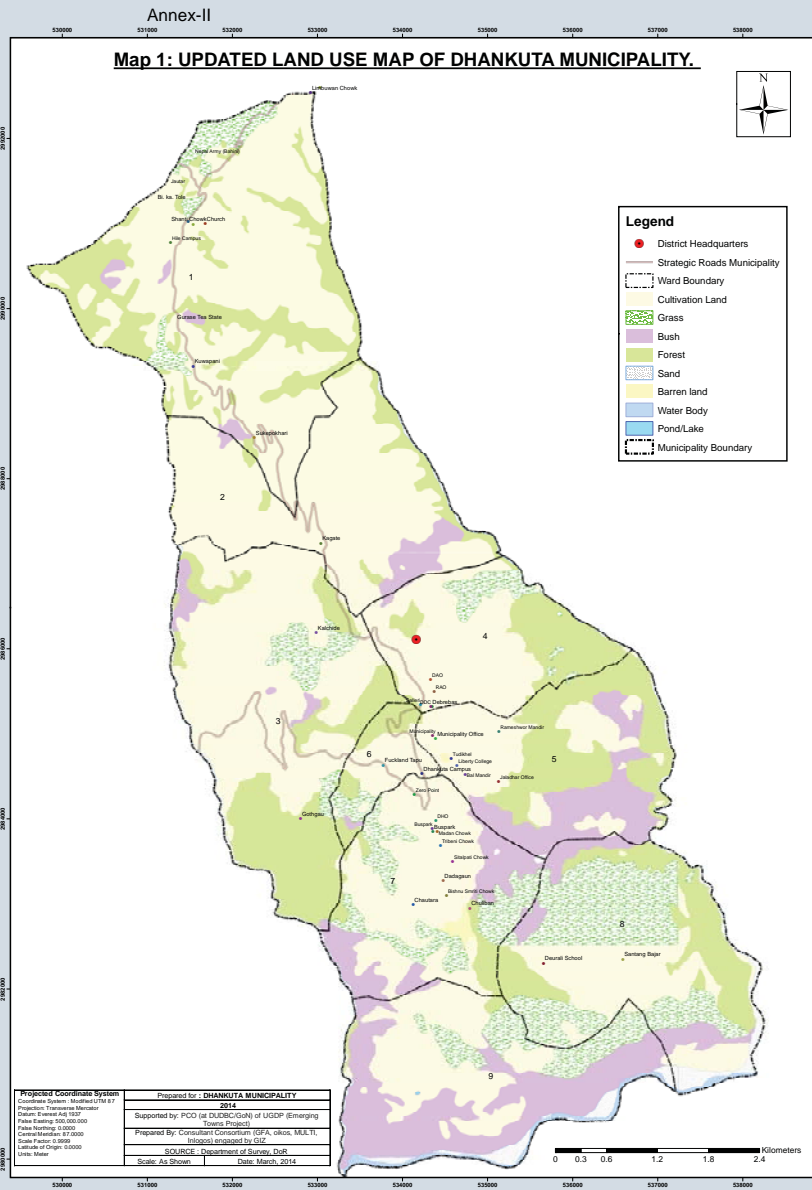
The report recommends guidelines for urban design, the architectural design of new buildings and the restoration of old buildings. On this basis, suggestions for building bylaws were drafted and it was recommended that the core area be divided into a preserved monument-zone and a traditional residential zone.

Figure 18
Buildings highlighted in grey and red are the ones surveyed for the study. The red ones are the traditional buildings that have been replaced with newer constructions.



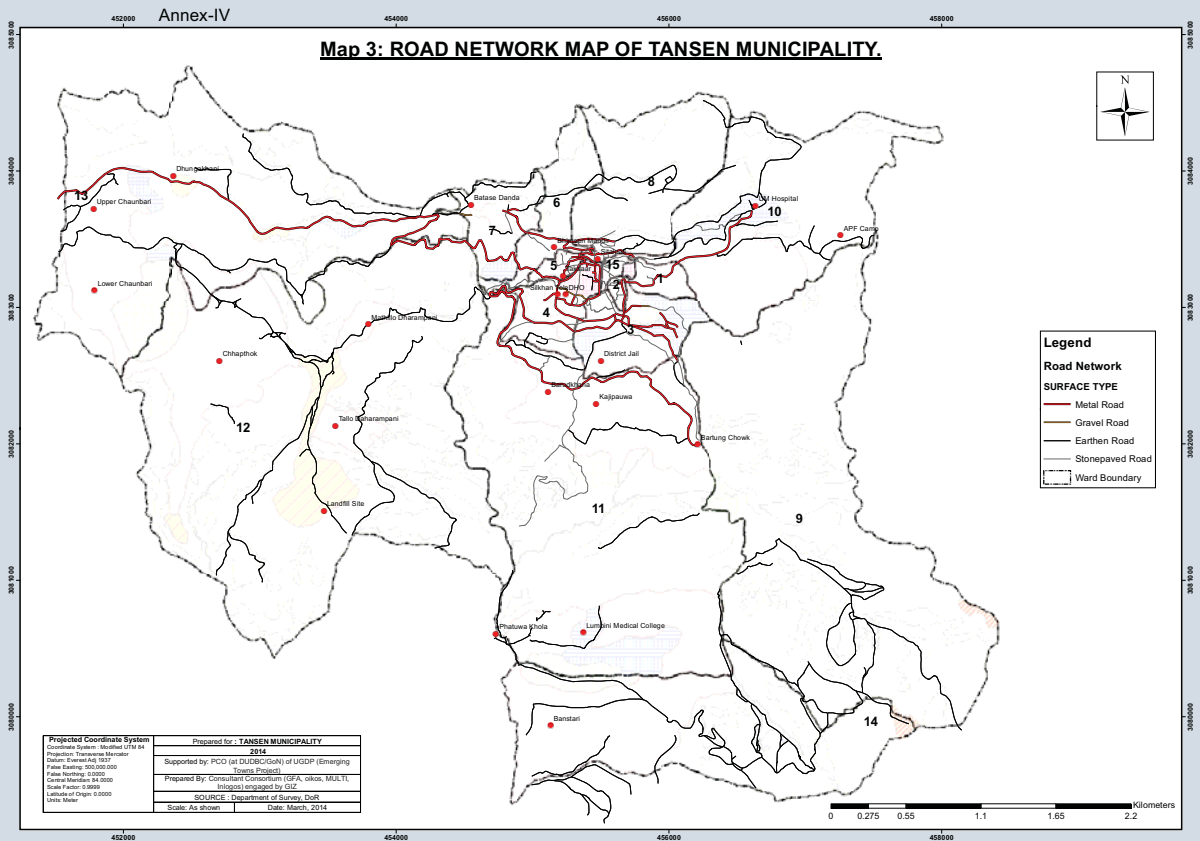
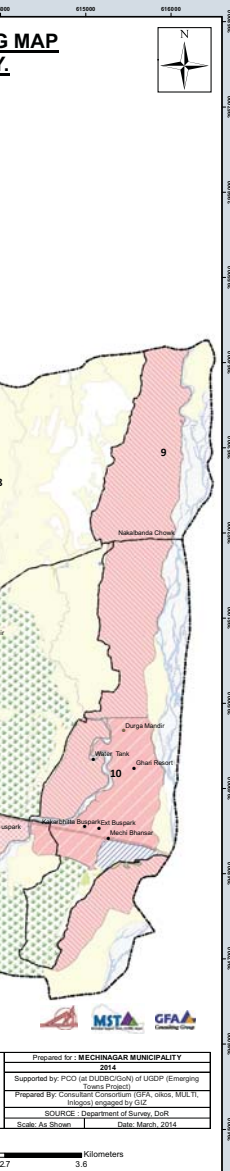
Streetscape of Bhagawati Tole
(buildings in grey are the traditional buildings replaced with new ones)





Building and Planning Bylaw Maps

- Map 1: Updated land use map of Dhankuta Municipality
- Map 2: Proposed land use map of Mechinagar Municipality
- Map 3: Road Network Map of Tansen Municipality

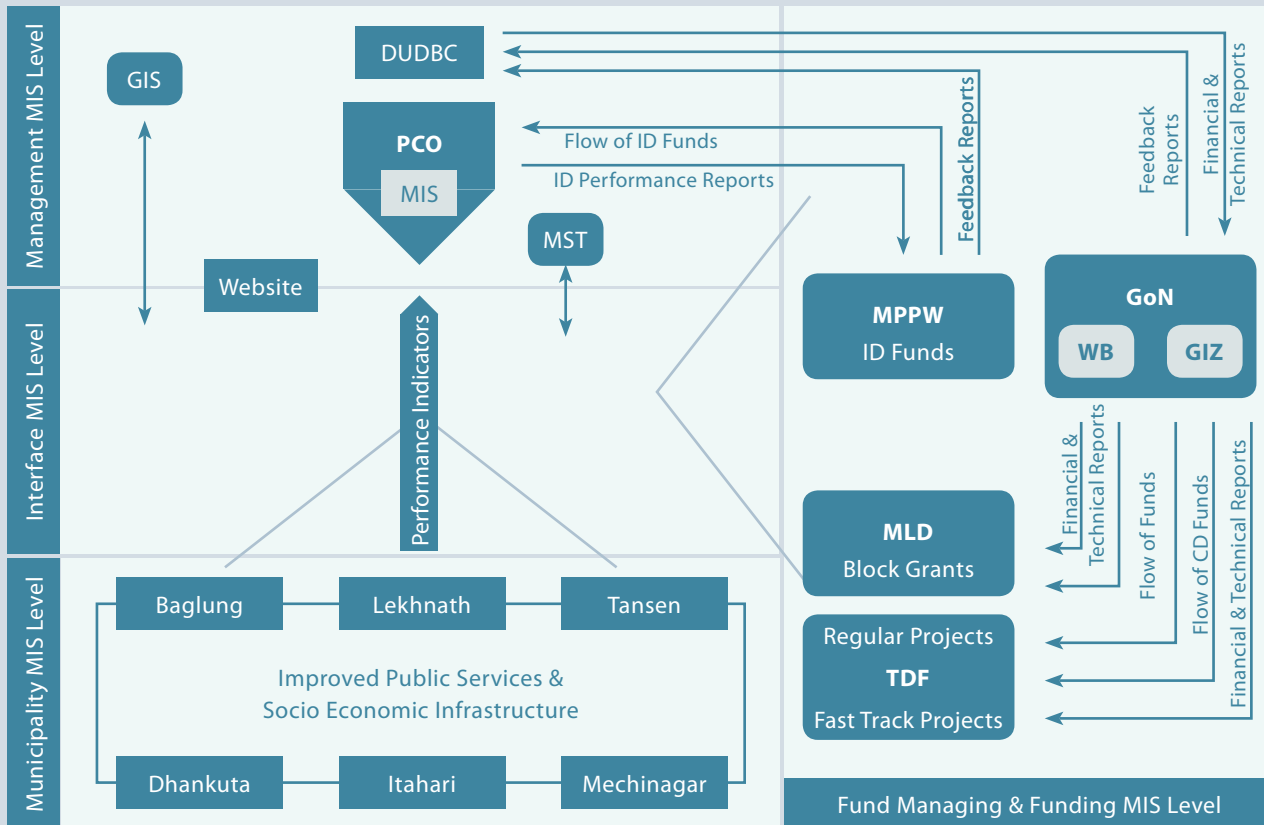


4.5 MIS CONCEPT

Figure 19
Information flow
between MIS Actors

The primary purpose of an MIS is to support management in making timely and effective decisions for planning,

monitoring, and managing a project. An MIS is essentially a system that uses formalized procedures to provide management at all levels with appropriate information from internal and external sources.



Why MIS?

The MIS needs this project as well as municipalities, which are characterized by the involvement of many actors, have to consider are that there are several levels of decision-making and several financial resources; it generally comprises four elements:

- the actors on different levels who take decisions;
- the financial, administrative and technical data and information that is useful for decision-making for the government institutions and the involved funding agencies;
- the different procedures that determine how the actors relate to the data; and
- the tools that facilitate the collection, analysis, storage, and dissemination of the data.

Interaction between municipal sections

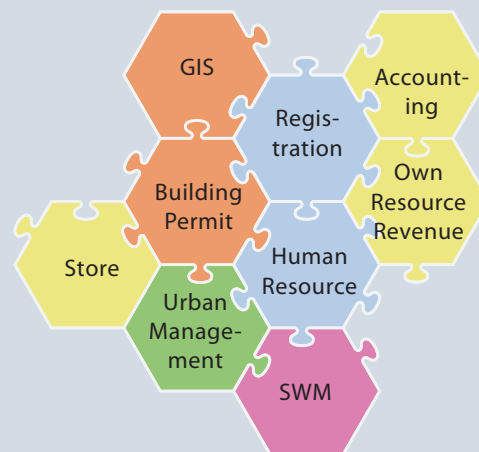
The municipalities keep their information with themselves and disseminate the information to concerned ministries on a quarterly basis; preparing for the dissemination of information can take municipalities weeks because all the sections keep their information to themselves



until and unless other sections request the specific information. Although some of the sections, such as the Account section and Tax section, and recently, the Building Permit section are using computers that have separate, atomized tailor-made software, they are not interlinked.

One of the main tasks for creating a well-established MIS is to interlink the already operational software modules with upcoming new modules. Recently the MST has interlinked two sections (the Revenue and Building Permit sections) through the establishment of a dashboard (report viewer).

Figure 20
Interaction between municipal sections



Information Flow Inside a Municipality

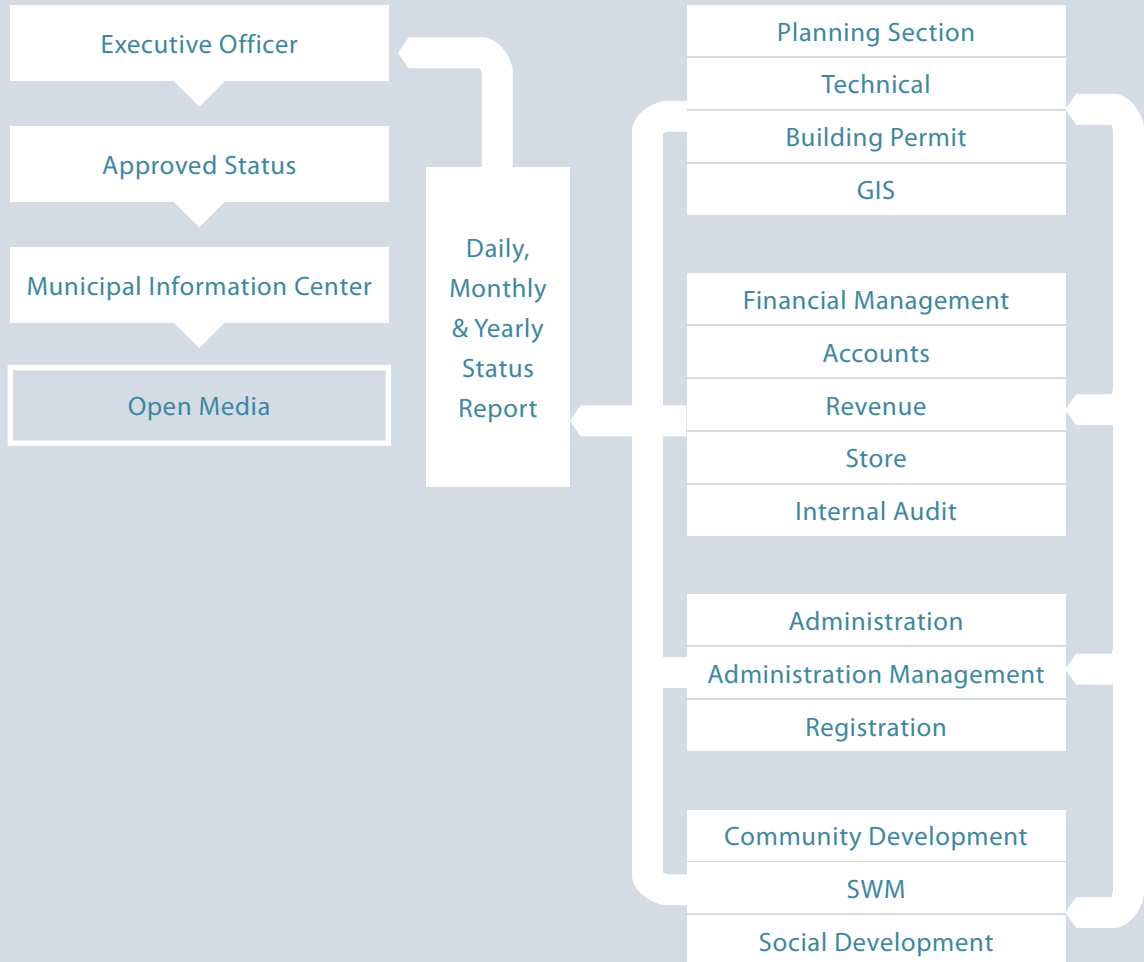


Figure 21
The basic information-flow model for the establishment of a
Municipal Information System in all six UGDP-ETP municipalities

4.6 BUILDING-PERMIT SYSTEM

All UGDP municipalities have been receiving technical support in the building-permit section for effectively implementing the National Building Code and Building Bylaws. The support is aimed to automate the process for obtaining building-permit approval, digital archiving of building drawings and maps, and verification of adherence to the Building Bylaws and National Building Code. These measures will enable safe building-construction practices and planned urban development in the municipality. They will also provide better services to people and regulate the day-to-day work of the municipality in the minimum possible time.

MST has developed and implemented the software applications for Building Permit Process Management (BPPMS), which include the complete system design, the development of custom-made software, and its installation in the municipality, followed by on the-job-training to selected municipal staff. The specific characteristics of the developed Building Permit Process Management System are that it:

- Operates in Devnagari script;
- Transforms all manually processed documents step-by- step to computerized digital format as a continuation of the manual process;
- Adds no form or formats to the computerization process;

- Provides a user interface for checklist of National Building Codes and Bylaws and assessment of compliances for individual buildings (already built and newly designed);
- Is capable of storing, retrieving, and managing electronic AutoCAD or other images and PDF formats of building drawings;
- Is integrated with the Municipal

Figure 22
Land Owner,
House Owner, Land
details with exiting
building details
from taxpayers'
database. (IPT
database)

The screenshot shows the 'नयाँ नक्साको विवरण' (New Map Details) window. It includes the following sections:

- जग्गा इकाई (Land Unit):** जग्गा इकाईको नाम (Land Unit Name), इकाया (Unit), नगरपालिका (Municipality).
- नक्साकारको नाम (Map Maker Name):** नक्साकारको नाम (Map Maker Name), इकाया (Unit), नगरपालिका (Municipality).
- नक्साकारको पता (Map Maker Address):** पता (Address), नगरपालिका (Municipality).
- जग्गाको विवरण (Land Details Table):**

खाने (Plot)	हालको बहाल नं (Current Plot No)	वास्तविक बहाल नं (Actual Plot No)	किता नं (Kitta No)	जग्गाइकाई (Land Unit)	जग्गा-घर इकाई (Plot-House Unit)	टोल (Toll)	क्षेत्रफल (वर्ग मिटर) (Area in Sq. M)	स्वामित्व (Ownership)	क्षेत्रफल विवरण (Area Details)	विभा-कडु (Division-Code)
1	192	2	2229	जुद्ध नगरपालिका			१११.२४		क्षेत्र	०-०-४.०८
- निसाना सम्बन्धि विवरण (Survey Details):** निसाना सम्बन्धि विवरण (Survey Details), क्षेत्र/उपक्षेत्र (Area/Sub-area), पत्रको स्थिति (Map Position), कक्षा नम्बरको/साथै नम्बर (Class Number/Along Number).
- निसाना हुने पत्रको मोडेल (Survey Plot Model):** निसाना हुने पत्रको मोडेल (Survey Plot Model).
- निसानाको विवरण (Survey Details):** निसानाको विवरण (Survey Details), नयाँ घर निसाना (New House Survey), निसानाको स्थिति (Survey Position), निसानाको नाम (Survey Name), निसानाको फर्मोस (Survey Form), निसाना हुने ठाउँको विवरण (Survey Location Details).

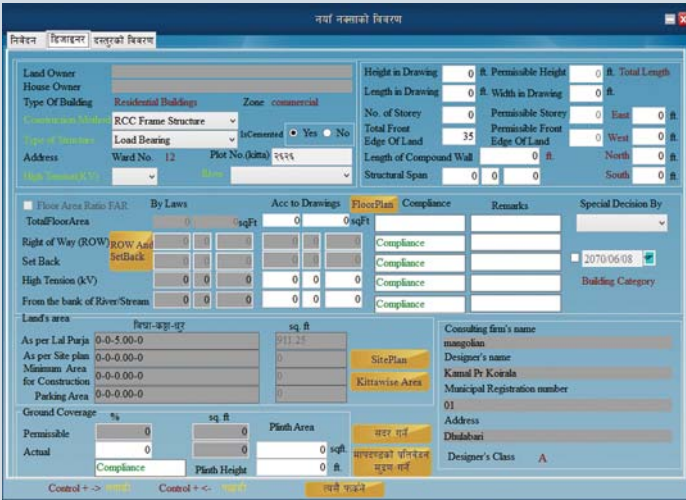
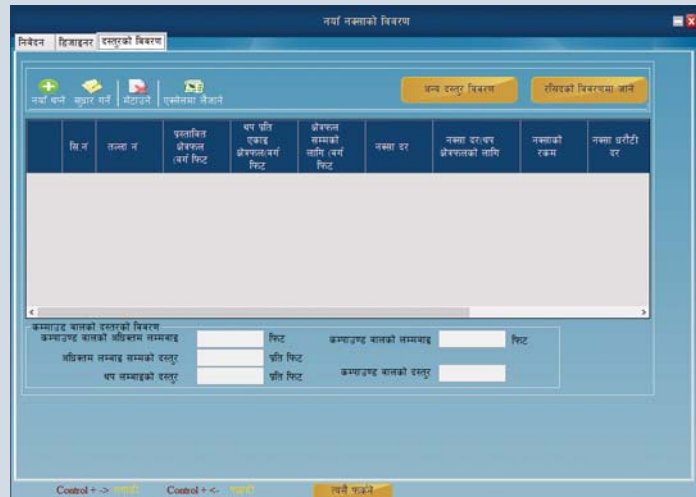


Figure 23
Detailed floor and site plan with building bylaws compliance

GIS metric addressing system and revenue sections;

- Is auto-integrated with Integrated Property Tax software for database updating
- Compatible with scanner hardware and provision of scanning maps/documents within the software
- Generate querying, report/ listing and printing functions as municipality required by the municipality and is capable of exporting to HTML, Excel, Word, PDF and other graphic formats;
- Links with multi-user municipal

Figure 24
Floor-wise area calculation for building permit fee and collection by revenue section



MIS Dashboard reporting program;

- Administrative, system and user level security plan
- Automatic and schedule database backup capability and integrity
- Flexible enough to be modified without changing its main architecture if required in the future.

The BPPMS software was tested in Mechinagar municipality and the updates of the software are uploaded regularly. A detailed on-the-job training on the operation of the BPPMS software was conducted in the municipality with the key staff of building-permit sub-section, revenue section, planning section, administration section and accounting section.

Figure 25
DPC (Plinth)
level completion
certificate report

Report

Main Report

मेचीनगर नगरपालिका
ईटाभट्टा, झापा
प्लीन्थ लेभल (डि.पि.सी.) सम्मको निर्माण गर्नको लागि दिएको
अस्थायी इजाजत पत्र

नक्सा दर्ता प्रमाण पत्र नम्बर १२४५६ मिति २०६९/१०/१०
 श्रीमान्/श्रीमती/सुश्री **नमुन ख्या** ले वडा नं (हालको) १ को **मकपिनड क्लिन** टोलमा रहेको क्लिन नं १२४५ को क्षेत्रफल ०-०-१५.००-० **बिधा-कङ्क्रेट-पुर** जग्गामा नक्सा बमोजिमको **नयाँ घर निर्माण** गरी पाउँ भनी दिनु भएको निवेदनमा स्वायत्त शासन ऐन २०७५ को नक्सा पास सम्बन्धी सबै प्रकृष्ट पूरा भइसकेको हुँदा यस ले तोकेको सम्पूर्ण नियम कानुनको पालना गर्ने शर्तमा यसै साथ दिएपछे नक्सा बमोजिम प्लीन्थ लेभल (डि.पि.सी.) सम्म निर्माण कार्य गर्ने यो इजाजत प्रदान गरिएको छ ।

स्वीकृत भएको नक्सा बमोजिम प्लीन्थ लेभल (डि.पि.सी.) सम्म निर्माण कार्य गरी सकेपछी सो भन्दा माथिको **Superstructure** को निर्माण कार्य गर्न भएता निर्माण इजाजत अनिवार्य सिन्चुपर्ने छ ।

स्वीकृत गरिएको निर्माण कार्यको विवरण

- १) **नयाँ घर निर्माण**
- २) बन्ने घरले घर्चेको क्षेत्रफल वर्गफिट, जम्मा क्षेत्रफल १५२ **वर्ग फुट**
- ३) पुरानो भइराखेको घरले घर्चेको क्षेत्रफल **वर्ग फुट**
- ४) बन्ने घरको तल्ला १
- ५) बन्ने घरको किरिम **सोड थिचरिङ**

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Flowchart of Building Permit Process Management System

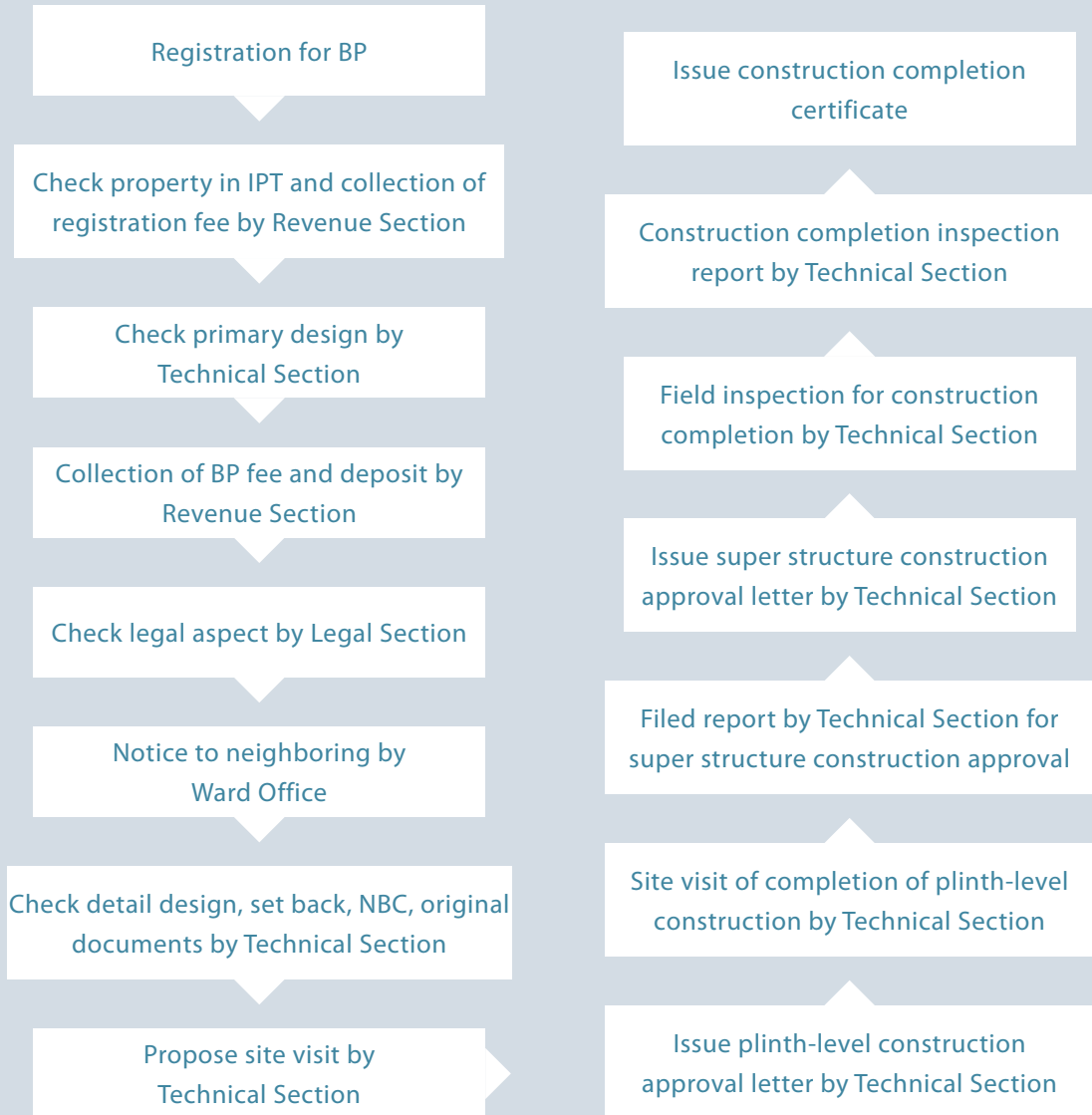


Figure 26
All major processes
of building
permit from form
registration to
construction
completion

4.7 RESOURCE MAPPING

All municipalities are required as per the Local Self Governance Act, 1997 to prepare resource maps before commencing periodic planning. Resource maps provide a systematic approach for the spatial assessment of a certain municipal area by identifying, analyzing and evaluating important local resources, and their potentials and weaknesses as well as further interrelations. Resource mapping allows for better decision-making and helps municipalities in subsequent planning activities — e.g. Periodic planning processes, formulation of infrastructure projects, Local Economic Development (LED) plans, revenue-enhancement planning, etc.

Resource Maps are used to:

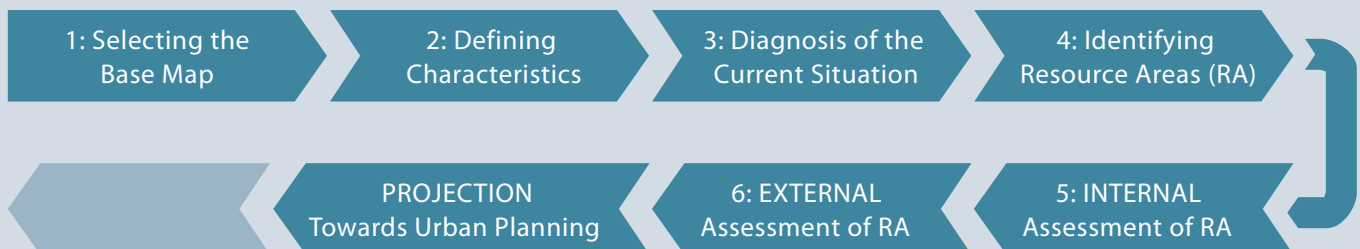
- identify and locate resources spatially;
- get an overview of the resource potentials of the area;
- identify the advantages and disadvantages of the area;
- visualize the missing infrastructure linkages and formulate infrastructure investment plans;
- support the successive formulation of strategies and action plans;

- enable urban development either in new directions or by enhancing positive features of the existing situation.

STEP 1: Selecting Base Maps

- Find out available informative maps in the municipality;
- Examples: up-to-date satellite image; Google Maps, digital-base map, maps from other sources; approximate scale of 1:15.000.

Figure 27
Steps for preparing
Resource Maps



STEP 2: Defining the Characteristics

- Hold meeting with stakeholders to discuss the purpose and methods of preparing resource map;
- Develop common understanding among local stakeholders on assessing the local situation;
- Define scale between 1: 5,000 up to 1: 15,000 depending on the purpose and details required for

mapping;

- Define/use standard code for mapping e.g: color, lines, symbols, graphical codes for each feature (DUDBC's mapping code that can be the basis)

STEP 3: Diagnosis of the Current Situation

- Overlay transparent paper on base map and identify and draw dominant zones, land uses and features through site visits, discussions with local stakeholders and reviews of available maps;
- Diagnose different elements and their features, such as
























topography, flood-prone areas, density, economic and environmental conditions,etc;

- Identify key economic, social, environmental functions and infrastructure facilities;
- Use appropriate color code in map;
- Resource Mapping layer-1 is ready.

STEP 4: Identifying Resource Areas

- Add another layer of transparent paper and identify particular resource areas/clusters and their specific locations, taking into consideration economic, social, environmental functions;
- Identify territories for the respective resources and estimate boundaries and map and number the types of resource areas;
- Resource Mapping layer-2 is ready.

Table 8
Example of legends

 Residential	 Main road
 Commercial	 Secondary road
 Agriculture	 Minor path
 Public	 Hospital
 Mixed (residential-commercial)	 Post office
 Mixed (residential-agricultural)	 Bus terminal
 Mixed (residential-governmental)	 Police
 Industry	 Restaurant area
 Forest	 Public administration
 Water	 Financial institution
	 Military complex
	 Factory
	 Cultural site

STEP 5: Internal Assessment of Resource Areas

- Add another layer of transparent paper and assess each resource area on the basis of internal factors: a) their importance b) their functions and c) the stakeholders involved;
- Assign symbols for each criteria accordingly;
- Illustrate these on the map in a new layer;
- Resource Mapping layer-3 is ready.

STEP 6: External Assessment of Resource Areas

- Assess resource areas in regard to external factors: a) interrelations with other resource areas(positive/negative), b) their accessibility and c) their vulnerability;
- **green line** - positive interrelations between two resource areas;
- **red line** - negative interrelations between two resource areas;
- Resource Mapping layer-4 is ready.

Concluding Step: Projection

After assessment, further development and restriction areas can be clearly marked:

Protection (P)

- Valuable resource areas to be protected (e.g., natural conservation areas, environmentally sensitive areas) through appropriate measures such as land-use control can be marked with the given symbol;

Containment / Internal Development (C)

- Valuable resource areas that seem to be worthwhile to intensify development in but have negative effects

on neighboring areas can be

marked with the given symbol.

These areas have to be internally developed through establishing growth boundaries, densification and limiting infrastructural development beyond the boundaries;

Extension / growth (E)

- Areas with a high-value and further potential to be developed, which can be supported through measures facilitating and steering growth through land use and infrastructure, can be marked with

Figure 28
Analysis Technique

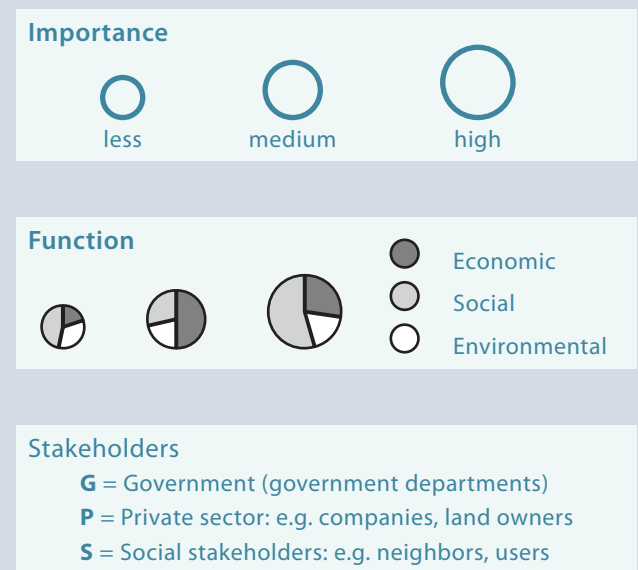
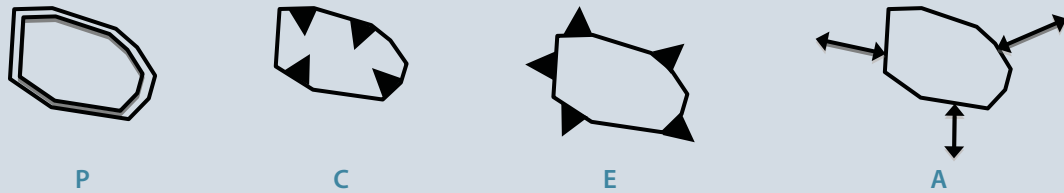


Figure 29
Projection



the given symbol;

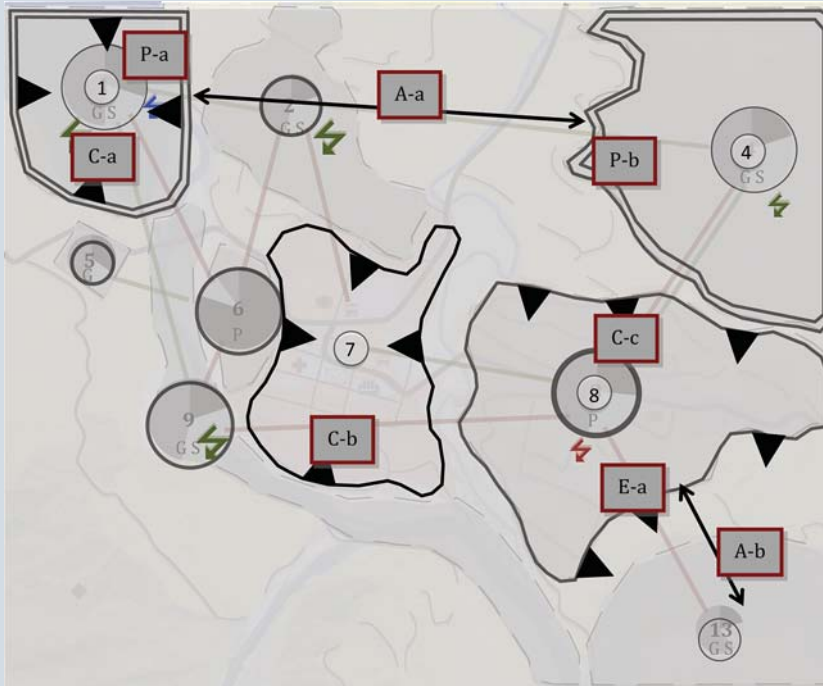
Improving Accessibility and Connectivity (A)

For resource areas that have a high potential but whose accessibility/ connectivity has to be improved

through construction of infrastructure, improvement of public transportation, etc:

- Map accordingly and Resource Mapping layer-5 is ready;
- On the basis of this map, further development plans can be formulated.

Figure 30
A Complete
Resource Map



5. SUPPORT IN MUNICIPAL SERVICE DELIVERY AND SOCIO-ECONOMIC INFRASTRUCTURE

5.1 INSTITUTIONAL ARRANGEMENT AT THE LOCAL LEVEL

UGDP-ETP's objective is to help the municipalities improve their capacities for providing services and infrastructure. This is to be achieved by involving the municipalities and concerned stakeholders in the identification, formulation, implementation, grievance-redressal and the monitoring of project activities in all three components. The institutional set up ensures that this can be systematically achieved at the local level:

Municipal Coordination Committee (MCC)

The MCC is an apex-level body comprising of the Executive Officer, representatives from political parties and civil society, including NGOs, disadvantaged communities and representatives of vulnerable groups, including women and other stakeholders.

The tasks of the committee includes

coordinating with different stakeholders, ensuring the participation of a broad range of stakeholders, planning of preparation and implementation, supporting consensus-building among key stakeholders and ensuring effective communication at the municipal level. The MCC meets at least once a trimester to deliberate on local development issues that need to be addressed under the UGDP-ETP, to review the progress, to help resolve major city-level issues and the bottlenecks in the implementation of larger-scale sub- projects for the benefit of the municipal population.

Project Management Team (PMT)

The PMT comprises the Executive Officer (EO) as the Project Coordinator, assisted by four section chiefs: (1) Technical (Planning and Engineering), (2) Finance/Account, (3) Social/Community, and (4) Administration; and others as deemed to be required to facilitate the achievement of the project's objectives. One of the section heads acts as a focal person assisting the Project Coordinator to administer the PMT and ensure coordination, communication and facilitation of the project works. The PMT reports to the PCO on behalf of the municipality on the respective components through the EO. PMT is primarily responsible for the following tasks:

- Prepare annual work plans and the implementation schedule for each;

- Facilitate the coordination with PCO, other sections and stakeholders for effective Project Implementation;
- Create partnerships among the stakeholders, particularly between the private sector, civil society and relevant line agencies;
- Implementation of activities under Component-1, Component-2 (socio-economic infrastructure) selection and screening of the sub-projects, procurement, financial management, monitoring and evaluation;
- Undertake project promotion and awareness building in municipalities and their partners in the project.

to social issues that may arise in the plan-preparation and implementation phases. All grievances and objections regarding the social aspects of the project will be referred to the project Grievances Redress Committee (GRC).

The composition of the GRC at Municipal level is:

- Chairperson (non-official and eminent citizen) nominated by Municipal Board

Figure 31
Institutions established in the municipalities

Project Support Team (PST)

PPST is a small, dedicated team in each project municipality consisting of municipal staff and/or consultants/experts on contract basis to assist the PMT in the day-to-day project-management and implementation activities. It also includes activities relating to procurement, financial management, safeguard compliance, monitoring and reporting, etc. The PST has been formed in all municipalities.

Grievances Redress Committee (GRC)

As per the project document, GRC has been formed in each municipality to address complaints/grievances related



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- Representative from TLO/User group
- Representative from NEFIN
- Representative from Dalit organizations
- Representatives from CSO
- Representative from women's organizations

The Executive Officer acts as the convener and the Social Development Officer documents the GRC processes and procedures.

The various committees and teams mentioned above are entitled to receive support from PCO, TDF and MST for program-related affairs.

5.2 BLOCK GRANT: SERVICE-DELIVERY IMPROVEMENT

The projects and programs under component 1, such as Service-Delivery Improvement, are implemented through a block grant. The block grant is an IDA/WB financed additional municipal grant for a period of five years. The amount of this grant allocated to each participating municipality is based on the government's detailed formulas and guidelines that take into account variables such as population, area, poverty, internal-revenue efforts and performance (MCPM). The main objective of this component is to provide the six participating municipalities with additional discretionary funds to expand local investment. These investments can be used for the creation, repairs and maintenance of minor capital assets, social-mobilization activities and capacity building of municipality staff and stakeholders. The idea behind this is to immediately show improvements in local service deliveries in the municipalities and encourage them to participate and strengthen their institutional capacities for providing improved public service deliveries as envisaged in the National Urban Policy. This component will, over time, also help to reform local legislation and will also capacitate the systems in order to improve transparency, predictability and rationality of the grant system for municipalities. At least 35 percent of the capital expenditures under the grant needs to be set aside for pro-poor and community-oriented schemes targeting vulnerable groups, women and children.

Previously, the executing agency was the Municipal Management Division (MMD) of the Ministry of Federal Affairs and Local Development. This responsibility has been transferred to the newly established Ministry of Urban Development. The implementing agencies are the six participating municipalities.

The IDA/WB financed municipal grant is transferred to the six municipalities following the existing Inter-Government Fiscal Transfer (IGFT) system through the respective District Treasury Controller's Office (DTCO). The fund is utilized in accordance with the Municipality Grant Operation Procedure 2067 B.S. (2011), which stipulates rules for utilization and reporting of all municipal grants. The grant can be used for acquisition or establishment of capital assets, capital work, maintenance and operation of these or existing assets — activities that are in line with the functional mandate

of local municipalities. The grant is fully discretionary within these parameters and is subject to compliance with a list of activities prescribed for the Environmental and Social Management Framework (ESMF). Municipalities are also free to use the grant to supplement finances required for larger sub-projects they proposed to TDF.

six municipalities for a five-year period is given in the following table.

Out of the allocated amount for five years, each municipality received a grant in each fiscal year for infrastructure and various programs for targeted groups, such as for women, children, disadvantaged communities, e. g. through training or others. Apart from that this, the block-grant amount is used for the salary of project engineers hired by the municipalities for this program.

The proposed amount of municipal grant for each municipality is based on the existing norms for allocation of MoLD block grants. The amounts proposed for allocation to each of the

Table 9
Municipal grant for
a five-year period

Municipality	Municipal Grant	
	Rs million (approx.)	US\$ million
Baglung	35.39	0.49
Dhankuta	41.73	0.58
Itahari	72.73	1.01
Lekhnath	74.23	1.03
Mechinagar	98.34	1.37
Tansen	37.58	0.52
Total	360	5.00

5.3 SOCIO-ECONOMIC INFRASTRUCTURES

UGDP's support to socio-economic infrastructure development is geared towards providing improved services and greater socio-economic benefits for residents and businesses. The support combines grants and loans for construction and technical-assistance grants for studies and project management.

For the financing of investment costs, different mixes of loan-grants are provided, according to different types of infrastructure:

Economic / revenue-generating infrastructure:

- 10 percent municipal contribution
- 60 percent loan
- 30 percent grant

Basic urban infrastructure:

- 10 percent municipal contribution
- 30 percent loan
- 60 percent grant

Social infrastructure:

- 10 percent municipal contribution
- 10 percent loan
- 80 percent grant

As part of the project's contribution to the improvement of local institutions, it also aims to lay the foundations for a rational and transparent system of capital financing of urban infrastructure embedded within the overall intergovernmental

fiscal framework. It supports expansion and/or rehabilitation of core service infrastructure and strategic economic infrastructure.

For the implementation of this component, the municipalities have identified and prioritized the sub-projects. For the immediate implementation of some sub-projects, categorized as Track 1 sub-projects, TDF has given support to the municipalities for the Detailed Projects Reports.

For regular track projects (Track 2), GIZ and MST have taken the responsibility for the planning of the agreed-upon infrastructure sub-projects in the municipalities. This includes field investigations and surveys, conceptualization of sub-projects and developing Detailed Project Reports (DPR) with technical designs and drawings, bills of quantities, cost estimations and bid documents. MST

facilitated an extensive assessment and revision process of all documents in order to ensure full compliance with requirements from UGDP and the GoN regulatory framework. In addition to the sub-project concepts, MST also developed Environmental Management Plans (EMP) in order to assess potential environmental and social impacts and respective mitigation measures.

5.4 OVERVIEW OF URBAN PROJECTS

A. Projects in Itahari

A1. Improvement of the Link Road (Track 2)

Although there is a lot of demand for improving the roads in Itahari, only a few kilometers are black-topped or have a permanent surface, owing to the shortage of funds within the municipality. In this context, the municipality has decided to improve the 6.11 km Link Road from Gaisar Kholatoli to Bramhapur, which will be of benefit to many people. The road surfaces will be improved and the road will have a footpath on both sides of it, drains on both sides and cross-drainage facilities with RCC pipes. The objective of this sub-project is to improve access to different locations, create linkages between rural and urban areas, contribute to economic development and support the generation of micro-enterprise activities.

Total project cost: Rs 116.84 million

A2. Construction of Two Bridges (Track 2)

In the context of road improvement, two bridges connecting all 15 km of the Link Road will be constructed. The bridges are located over the Tengra Khola and Kheti Khola. Considering the existing river-bank conditions and the flood levels, a 20 m single-span bridge has been designed for the Kheti Khola Bridge and a 25 m one for the Tengra Khola Bridge. The Tengra Bridge

has been designed as a skew bridge to avoid excessive land acquisition. The objective of this sub-project is to improve access to different locations, create linkages between rural and urban areas, contribute to economic development and support the generation of micro-enterprise activities.

Total project cost: Rs 53.38 million

Bridge site, Itahari



B. Projects in Mechinagar

B1. Beautification of the City Gate (Track 1)

Mechinagar Municipality, in the eastern Tarai, has the advantage of being a border town with India. Its economy is governed by the cross-border flow of people, including tourists and transit activities and trade of goods and services. Thus the city is known as a gateway city as well. The existing entrance gate to the city is in bad condition, with a simplistic design that does not work well enough for an entrance welcoming tourists and visitors into Nepal. For that reason,

City Gate,
Mechinagar



Mechinagar Municipality is improving the entrance gate in order to enhance the city image and to serve as a landmark of the municipality.

Total project cost: Rs 14.05 million

B2. Improvements of the Gokul Marga (Track 1)

As in other municipalities of Nepal, the existing infrastructures of this municipality are also not sufficient to cater to the needs of a growing population. Investment in road infrastructure has been a high priority for the municipality, but due to the shortage of funds that challenge has not been adequately addressed. In this respect, the municipality has prioritized the improvement of the Gokul Marga. The Gokul Marga is a strategic road lying almost in the center of Mechinagar and stretching north-south, connecting the agro-production areas in the north and south. For many years, the stretch has attracted migrants, leading to a growth of settlements along this stretch. The objective of this sub-project is to improve access between different locations, increase social amenities, contribute to economic development of the citizens and provide support in increasing the area's own-source revenue. The major components include the black-topping of the road surface, necessary improvements of the sub-grade and base courses as well as construction of side drains and cross-drainage works.

Total project cost: Rs 64.81 million

C. Projects in Dhankuta

C1. Improvement of Haat Bazaar in Dhankuta and Hile (Track 1)

The weekly market (Haat bazaar) takes place in Dhankuta and Hile on separate days. Many farmers from the municipality and adjoining villages bring all kinds of agro and domestic products, meat etc. to sell in this bazaar. The Haat Bazaar is put up on the ground, without basic amenities, and during rainy seasons both customers and sellers face very difficult situations. The objective of this sub-project is to provide better facilities and services for sellers and buyers, improve the environmental condition of the site and its surrounding areas and contribute to local economic development. **Total project cost: Rs 56.55 million**

C2. Basic Service Facilities in Hile Bus Park (Track 2)

Direct bus services are available to upper hilly towns, market centers and village settlements via Hile from many cities of the country. As Hile also has trading business with five districts and various other market centers, (in the upper hilly regions) direct bus services are available from Hile to those settlements. Due to the absence of parking facilities in Hile, heavy vehicles such as buses, trucks and mini buses are parked haphazardly and the market is congested almost all the time. Therefore, a bus-park facility has been prioritized by the municipality. The project site is located in the southern part of Tongba Chowk, at an elevation of 1,920 m. The municipality owns five ropanies of land in the heart of Hile market, and in this respect the municipality has planned to construct a bus station with basic service facilities like a ticket counter, waiting hall, rest rooms for senior citizens, public

toilets, surface-water drainage facilities and street lights. The objectives of this project are to provide basic service facilities to all travellers, avoid haphazard parking in the market, ensure smooth traffic and generate additional own-source revenue.

Total project cost: Rs 15.04 million

**Above: Haat Bazaar,
Hile, Dhankuta**

**Below: Dhankuta
Haat Bazaar**



D. Projects in Tansen

D1. Amar Narayan Temple Area Conservation and Development (Track 1)

Above: Amar Narayan Temple, Tansen

Below: Existing Road, Tansen

The objectives of this sub-project are to conserve and improve the Amar Narayan Temple complex through the renovation of the temple,

develop the spaces and provide drainage, a waste-management system and water supply. All these activities will help improve the local environment, discourage public land encroachment and provide better services to city dwellers and tourists. The first construction phase includes the renovation of the Amar Narayan Temple complex and the development of the green area as a park. The second phase includes, in the long term, new facilities such as a guest house for pilgrims (Dharmashala), a museum, a wedding stage (Bibaha Mandap), Vedashram and a nursery.

Total project cost: Rs 38.02 million



D2. Improvement of Existing Roads (Track 2)

In line with the newly established Operation and Maintenance Plan, various road stretches in Tansen Municipality will be improved. The sub-project's objective is to enhance accessibility for the municipal population, connect health facilities, market areas, educational institutions, agro-product collection centers, and similar facilities. The existing road surfaces of the following locations will be improved and side drains and cross drainage structures will be provided: Prabas to Baghkhori (1.01 km), Bandevi to Laxmi School (1 km), Mission hospital to Eye hospital (1.61 km), Gauri Shanker to Holandi (0.72 km) and Buspark to Mission Hospital (1.91 km). The total length of road construction is around 6.25 km.

Total project cost: Rs 125.52 million



D3. Shrinagar Park Improvement (Track 2)

Shrinagar Park, at a height of 1,525 m, in Tansen, is known as the crown of the town. There have been some efforts in the past to develop the park. Now, with the support of UGDP, Tansen plans

to develop the area for tourism and recreation, which will then eventually contribute to the municipal revenue. Construction will be based on a master plan for the development of Shrinagar, with features such as a children’s park, a botanical garden, facilities for picnics and landscaping. Moreover, the view tower, which is under construction, will be completed and the walkways and the parking area of the park will be improved.

Total project cost: Rs 13.28 million

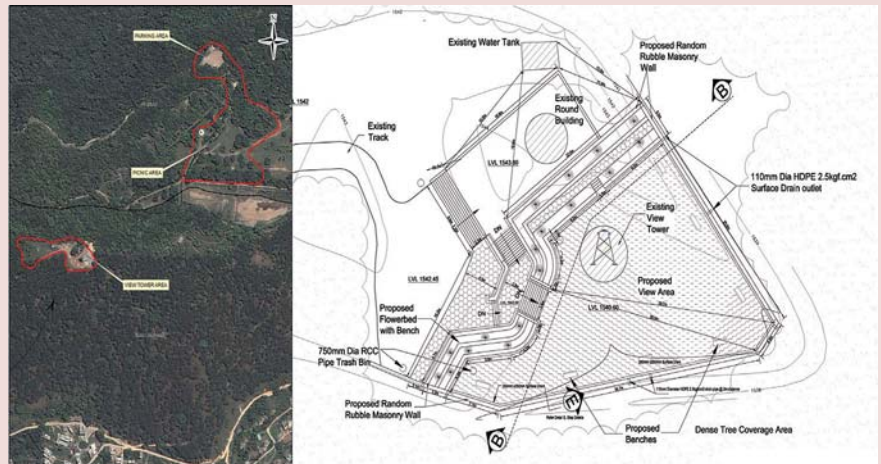
D4. Multipurpose Municipal Building (Track 2)

The building, administered by the municipality, will contain shopping facilities and a guest house as major components. The building adjoins Birendra Park. The sub-project is expected to raise municipal own-source revenue. The two- storeyed construction, on a total land area of 366.45 sqm will be approximately 35 m by 5 m, with commercial space on the ground floor and a meeting hall with other meeting facilities and a guest house on the first floor.

Total project cost: Rs 29.03 million

Above: Multi-Purpose Building, Tansen

Below: Shreenagar Park, Tansen



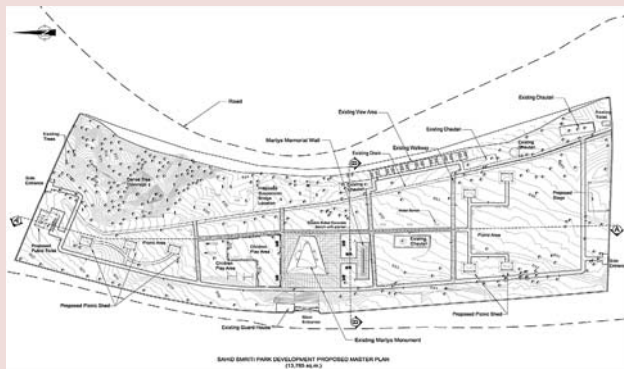
E. Projects in Baglung

E1. Development of Shahid Smriti Park (Track 2)

The sub-project aims to preserve open public spaces and provide a recreational area for the municipal and regional population and thus promote leisure and tourism. Based on a master plan for the development of the park, covering

Above: Sahid Smriti Park, Baglung

Below: Access Road, Baglung



an area of about 29 ropanies (14,760 sqm), its scope covers the Martyr's Monument (Shahid Stambha), viewing decks, some shades, a program stage, seven picnic spots, walkways, sanitation facilities and other services.

Total project cost: Rs 14.81 million

E2. Improvement of Access Road (Track 2)

Baglung Municipality is rapidly growing into its peripheries. Portions of the Mid-Hill Highway also pass through parts of Baglung Municipality. Making use this opportunity provided by the changing times, the municipality has decided to improve the 18-km-long access road and thereby enhance opportunities for economic activities and other services for the surrounding communities. During phase 1, road stretches of 7.23 km will be improved, including: a) Municipality Access Road (Mid-Hill Highway to the municipality (0.73 km), b) Municipality Building to Bholatakura (1.91 km) and c) Thulswara to Sim (4.6 km). The sub-project improves the access of deprived communities in particular, in addition to the communities in the remote areas of the municipality. Other beneficiaries include the people living in the surrounding villages (VDCs). The sub-project also contributes to strengthening the rural-urban linkages. The major components include the black-topping of the road surfaces and making necessary improvements to the sub-grade and base courses; construction of a side drain, retaining structures and cross-drainage works.

Total project cost: Rs 206.05 million

F. Projects in Lekhnath

F1. Improvement of Mandare Park (Track 2)

The sub-project for improving Mandare Park, the access point of the southern part of Begnas Lake, will greatly benefit this area. The objective of the sub-project is to contribute towards promoting tourism activities in and around Begnas Lake. This will help enhance the revenue of the municipality as well. The area of the project is approximately 105 m by 125 m. The scope of the work includes landscaping, paving and other elements (picnic spots, fountain etc.) that help to enhance the ambience of park.

Estimated cost: Rs 5.76 million

F2. Improvement of Existing Roads (Track 2)

The existing surface conditions of roads at different locations in the municipality need to be improved. This includes both inner-city as well as peri-urban areas where urban growth is taking place and hence areas in which construction activities have been increasing. This will help to improve transportation and access to municipal services for the distant communities. The beneficiaries of the sub-projects include disadvantaged communities, besides the adjoining Village Development Committee's population. Construction works include black-topping of the road surfaces, with necessary improvement of the sub-base and base courses, bituminous pavements, embankments, cross-drainage works, retaining structures, road fixtures, etc. The proposed improvement includes improvement along a total of 8.05 km of the existing roads: Oil Nigam to Rithe Pani (3.19 km), Dahar No. 3 (1.05 km), Dahar No. 4 (0.87 km), Wada Sewa Kendra To Deurali Khola (0.79 km), Buddha Tole To Dadapari (0.79 km) and

Universal Chowk to Kholako Chheu (1.36 km).

Total project cost: Rs 150.34 million

F3. Improvement of Barah Chhetra (Track 2)

Barah Chhetra is a peninsula located in the north-east part of Begnas Lake. The project area is about 24,000 sqm. Besides having recreational potential, the small forest hillock has religious importance. After the implementation of the project, the area will attract local people as well as other visitors. The sub-project aims to promote tourism in and around Begnas Lake, which will help enhance the revenue of the municipality. The sub-project incorporates picnic sheds, public toilets, water supply, landscaping, improvement of docking areas,

**Existing Road,
Lekhnath**

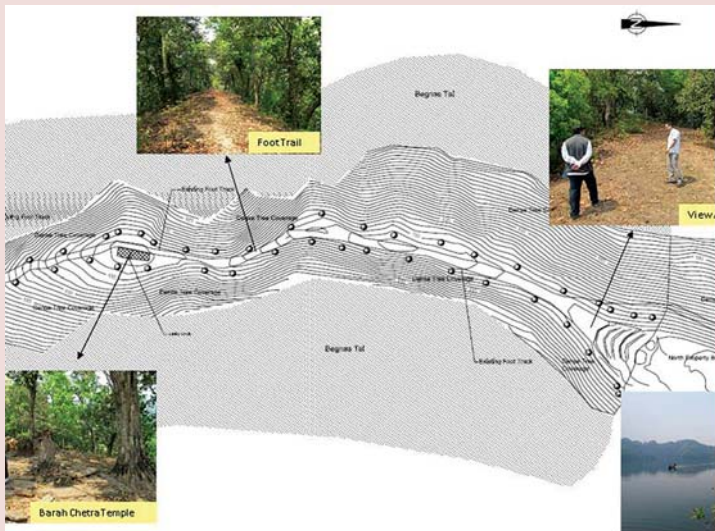


Institutional Development Report

viewing area improvement, shops etc. This sub-project is also a part of the greater concept of integrated development of the seven lakes in Lekhnath.

Total project cost: Rs 11.74 million

Barah Chhetra, Lekhnath



6. ANNEX

6.1 MST - LIST OF DOCUMENTS

WORK PACKAGES AND ACTIVITIES	PRODUCTS
WORK PACKAGE 1: INSTITUTIONAL DEVELOPMENT	
1.2 Support for Improving Institutional and Procedural Arrangements in Municipalities	1.1.1 Report: Rapid Assessment of Municipal Administrations in 6 Municipalities 1.2.1 Orientation Material: Project Implementation Manual (PIM) 1.2.2 Orientation Material: Social and Environmental Safeguards 1.2.3 Orientation Material: Urban Governance and Development Program (UGDP) 1.2.4 ToR of UGDP Municipal Committees and Safeguard Focal Persons 1.2.5 Report: Feedback on PIM Orientation
1.3 Municipal Bylaws	1.3.1 Proceedings Report: Planning and Building Bylaws 1.3.2 Planning and Building Bylaws for Mechinagar Municipality 1.3.3 Planning and Building Bylaws for Dhankuta Municipality 1.3.4 Planning and Building Bylaws for Tansen Municipality 1.3.5 Urban Design Framework for Tansen Municipality
1.4 Resource Mapping	1.4.1 Concept for Resource Mapping in Municipalities of Nepal 1.4.2 Draft Formal Guideline for Resource Mapping
1.5 Policy Support	1.5.2 Report: Review of Long-term Planning Strategies
1.6 Municipal Base maps	1.6.1 Municipal Basemap of Lekhnath Municipality 1.6.2 Municipal Basemap of Baglung Municipality 1.6.3 Municipal Basemap of Tansen Municipality 1.6.4 Municipal Basemap of Itahari Municipality 1.6.5 Municipal Basemap of Mechinagar Municipality 1.6.6 Municipal Basemap of Dhankuta Municipality
1.7 Documentation	1.7.1 Institutional Development Report

WORK PACKAGE 2: TRAINING	
2.1 Identification of Training Needs	2.1.1 Report: Training Needs Assessment and Concept 2.2.1 Training Material: Social Safeguards 2.2.2 Training Material: Environmental Safeguards 2.2.3 Training Material: Procurement of Works and Goods 2.2.4 Training Material: Procurement of Services 2.2.5 Training Material: Operation and Maintenance of Municipal Assets 2.2.6 Training Material: Project Management 2.2.7 Exercise Material: Sub-project Planning 2.2.8 Report: Training Procurement of Services 2.2.9 Report: Training Revenue Enhancement Action Plan (general and in 6 municipalities) 2.2.10 Report: Project Management and O+M of Municipal Assets
2.2 Trainings Conducted	2.3.1 C ³ Modules: Local Economic Development (LED) 2.3.2 C ³ Module: Revenue Enhancement Action Plan (REAP) 2.3.3 C ³ Modules: Project Management (PM)
2.3 Training of Trainers (C ³)	2.4.1 General Trainers' Handbook 2.4.2 Training Module: Sub-project Implementation 2.4.3 Training Module: Operation and Maintenance 2.4.4 Training Module: Social Safeguards 2.4.5 Training Module: Environmental Safeguards 2.4.6 Training Module: Technical Training 2.4.7 Training Module: Procurement Plan 2.4.8 Training Module: Procurement of Services 2.4.9 Training Module: Procurement of Works 2.4.10 Training Module: Revenue Improvement Action Plan 2.4.11 Training Module: Financial Management 2.4.12 Training Module: Good Governance Vol 1 2.4.13 Training Module: Participatory Planning and Budgeting 2.4.14 Training Module: Civic Oversight and Social Accountability

WORK PACKAGE 3: MUNICIPAL INFRASTRUCTURE SUBPROJECTS	
3.1 Pre-appraisal of Sub-Projects	<p>3.1.1 Pre-appraisal Reports for 10 Infrastructure Sub-Projects in 6 UGDP Municipalities</p> <p>3.1.2 Project Concept Briefs of 22 Infrastructure Sub-Projects in 6 UGDP Municipalities</p>
3.2 Detailed Project Reports (DPR)	<p>3.2.1 DPR: Baglung Municipality: Road Improvement</p> <p>3.2.2 DPR: Baglung Municipality: Shahid Smriti Park Development</p> <p>3.2.3 DPR: Tansen Municipality: Upgrading of Existing Road in Urban Areas</p> <p>3.2.4 DPR: Tansen Municipality: Multi-Purpose Building</p> <p>3.2.5 DPR: Tansen Municipality: Shrinagar Park Improvement</p> <p>3.2.6 DPR: Lekhnath Municipality: Barah Chhetra Improvement</p> <p>3.2.7 DPR: Lekhnath Municipality: Picnic Spots and Amusement Zone at Mandare Park</p> <p>3.2.8 DPR: Lekhnath Municipality: Upgrading of Road in Urban and Peri-Urban Areas</p> <p>3.2.9 DPR: Itahari Municipality: Upgrading of Link Road</p> <p>3.2.10 DPR: Itahari Municipality: Construction of Bridges on the Link Road</p> <p>3.2.11 DPR: Dhankuta Municipality: Basic Service Facilities at Hile Bus Park</p> <p>3.2.12 Draft DPR: Itahari Municipality: Construction of Agro Market</p> <p>3.2.13 Draft DPR: Mechinagar Municipality: Construction of Mini Market in Dhulabari</p> <p>3.2.14 Draft DPR: Mechinagar Municipality: Construction of Agro Market</p> <p>3.2.15 Pre-feasibility Report: Tansen Municipality: Water supply</p> <p>3.2.16 Pre-feasibility Report: Tansen Municipality: Dewats</p> <p>3.2.17 Pre-feasibility Report: Dhankuta Municipality: Hile Water Supply Project</p> <p>3.2.18 Pre-feasibility Report: Dhankuta Municipality: Balmandir-Sitalpati-Yakchana Road Project</p>
3.3 Environmental Management Plans (EMP)	<p>3.3.1 EMP: Baglung Municipality: Road improvement</p> <p>3.3.2 EMP: Baglung Municipality: Shahid Smriti Park Development</p> <p>3.3.3 EMP: Tansen Municipality: Upgrading of Existing Road in Urban Areas</p> <p>3.3.4 EMP: Tansen Municipality: Multi-Purpose Building</p> <p>3.3.5 EMP: Tansen Municipality: Shrinagar Park Improvement</p> <p>3.3.6 EMP: Lekhnath Municipality: Barah Chhetra Improvement</p> <p>3.3.7 EMP: Lekhnath Municipality: Picnic Spots and Amusement Zone at Mandare Park</p> <p>3.3.8 EMP: Lekhnath Municipality: Upgrading of Road in Urban and Peri-Urban Areas</p> <p>3.3.11 EMP: Dhankuta Municipality: Basic Service Facilities at Hile Bus Park</p>

3.4. Social and environmental Safeguards	<p>3.4.1 Report: Social and Environmental Assessment Report for Municipal Sub-Projects</p> <p>3.4.2 Report: Field Verification of Safeguard Compliance and Mitigation Plan for Municipal Block Grant Projects (2068/69 B.S.)</p> <p>3.4.3 Report: Field Verification of Safeguard Compliance for Municipal Block Grant Projects (2069/70 B.S.)</p> <p>3.4.4 Report: Field Verification of Safeguard Compliance for Municipal Block Grant Projects (2070/71 B.S.)</p> <p>3.4.5 Report: Scrutinization Report of Safeguard Screening Checklists for Municipal Block Grant Projects (draft)</p>
3.5 Project Implementation Brochures	<p>3.5.1 UGDP Project Implementation Brochure: Central Level</p> <p>3.5.2 UGDP Project Implementation Brochure: Lekhnath</p> <p>3.5.3 UGDP Project Implementation Brochure: Baglung</p> <p>3.5.4 UGDP Project Implementation Brochure: Tansen</p> <p>3.5.5 UGDP Project Implementation Brochure: Mechinagar</p> <p>3.5.6 UGDP Project Implementation Brochure: Dhankuta</p> <p>3.5.7 UGDP Project Implementation Brochure: Itahari</p>
WORK PACKAGE 4: MUNICIPAL FINANCE	
4.1 Revenue Enhancement Action Plans (REAP)	<p>4.1.1 Revenue Enhancement Action Plan: Lekhnath Municipality</p> <p>4.1.2 Revenue Enhancement Action Plan: Tansen Municipality</p> <p>4.1.3 Revenue Enhancement Action Plan: Baglung Municipality</p> <p>4.1.4 Revenue Enhancement Action Plan: Mechinagar Municipality</p> <p>4.1.5 Revenue Enhancement Action Plan: Itahari Municipality</p> <p>4.1.6 Revenue Enhancement Action Plan: Dhankuta Municipality</p>
4.2 Multi-Year-Investment-Plan (MYIP)	<p>4.2.1 Multi-Year-Investment-Plan: Itahari Municipality (Integrated Document REP/O+M/MYIP)</p> <p>4.2.2 Multi-Year-Investment-Plan: Dhankuta Municipality (Integrated Document REP/O+M/MYIP)</p> <p>4.2.3 Multi-Year-Investment-Plan: Tansen Municipality (Integrated Document REP/O+M/MYIP)</p> <p>4.2.4 Multi-Year-Investment-Plan: Tansen (full version)</p>

WORK PACKAGE 5: IMPROVEMENT OF MUNICIPAL INFRASTRUCTURE AND SERVICE DELIVERY	
5.1 Operation and Maintenance Plans (O&M)	5.1.1 Operation and Maintenance Plan: Tansen Municipality 5.1.2 Operation and Maintenance Plan: Dhankuta Municipality 5.1.3 Operation and Maintenance Plan: Itahari Municipality 5.1.4 Inventory of municipal Assets for Mechinagar Municipality
WORK PACKAGE 6: MANAGEMENT INFORMATION SYSTEM	
6.1 Concept of Management Information System for Municipalities	6.1.1 Report: Concept for Management Information System (MIS) in Municipalities
6.2 IT Needs Assessment	6.2.1 Report: General IT Needs Assessment for UGDP 6.2.2 Report: IT Needs Assessment for REAP and O+M
6.3 Building Permit Software (in Nepali)	6.3.1 Building Permit Process Management Software: Software Code 6.3.2 Building Permit Process Management Software: Operation Manual
WORK PACKAGE 7: MONITORING AND EVALUATION	
7.1 Concept for Monitoring and Evaluation (M&E)	7.1.1 Report: Guidelines for Results-based Monitoring (RbM) 7.1.2 Report: Proposal for Establishing a Monitoring System in Municipalities 7.1.3 Report: M+E and Beneficiary Counting

6.2 PROJECT INFORMATION BROCHURE (PIB)

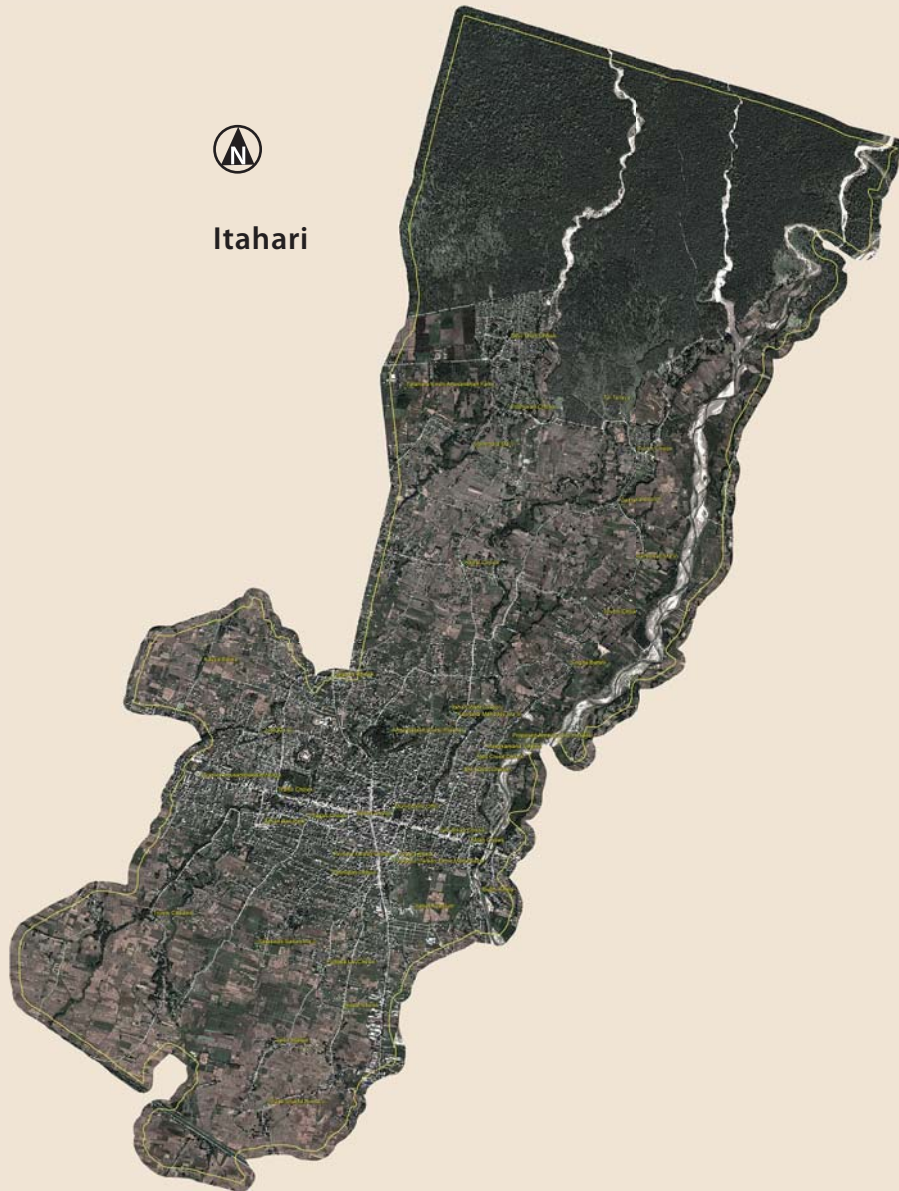


6.3 SATELLITE IMAGES OF THE SIX MUNICIPALITIES





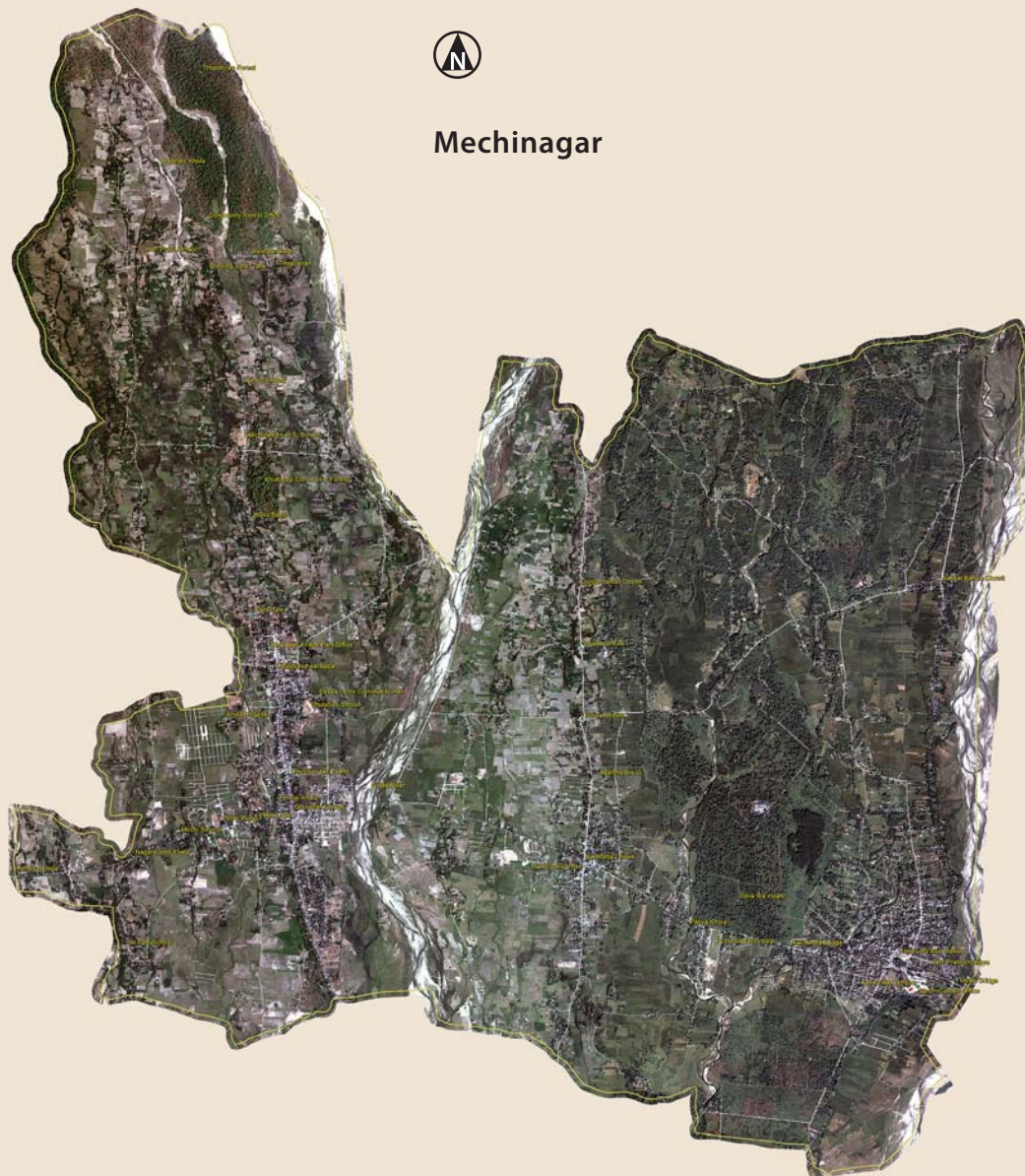
Dhankuta





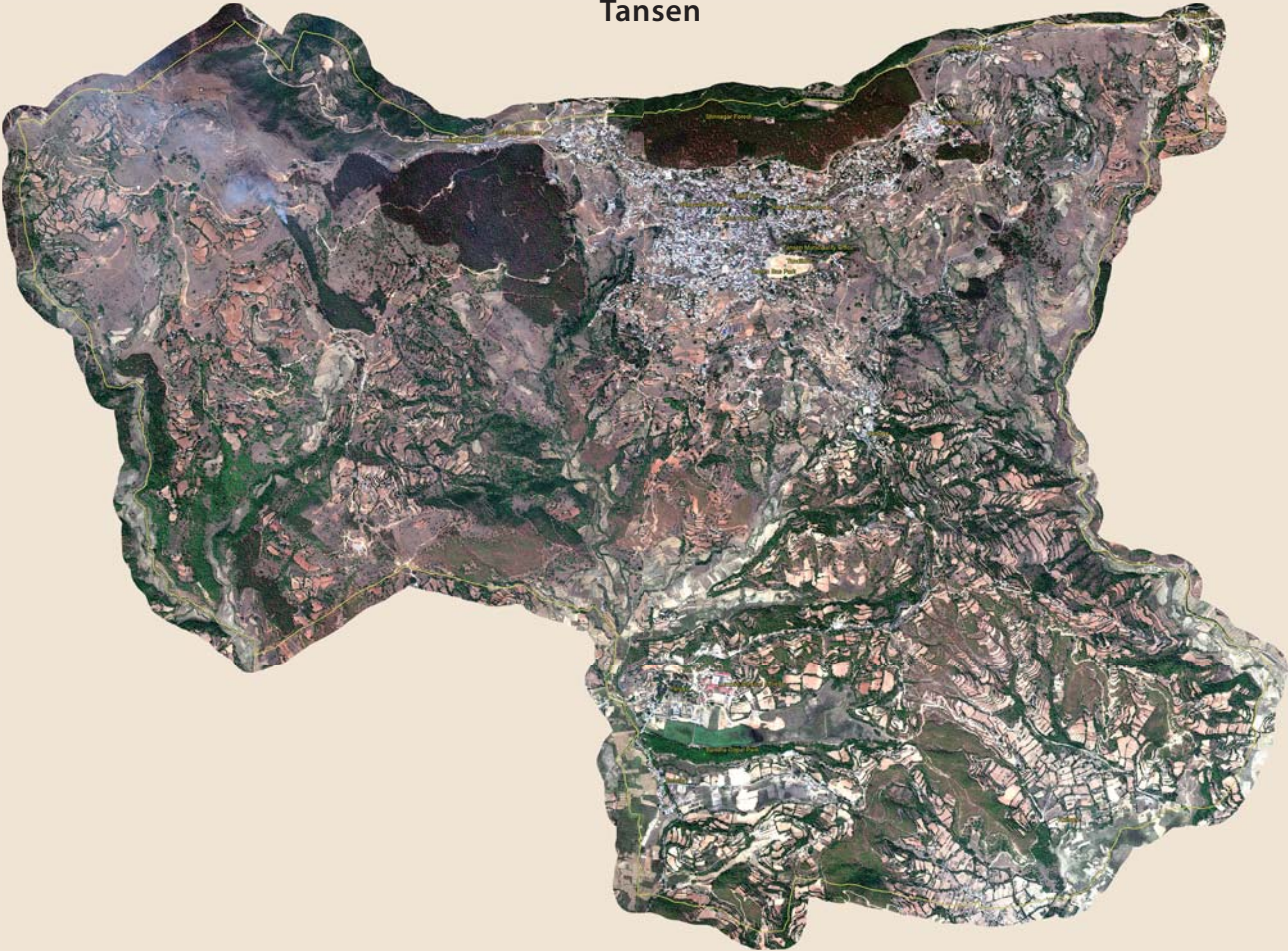
Lekhnath







Tansen





The Municipal Support Team (MST) is part of Germany's support to Good Urban Governance in Nepal and has been engaged by GIZ on behalf of the German Ministry for Economic Development and Cooperation (BMZ). The contract for MST was awarded to a consultant consortium (GFA, oikos, MULTI, Inlogos), to provide direct support to the Project Coordination Office (PCO) of the Urban Governance and Development Program, UGDP. The PCO, located in the Department for Urban Development and Building Construction, DUDBC, assists emerging towns in implementing UGDP as a first step of the program. MST, under the guidance of the PCO, takes a special responsibility for the area of institutional development (ID) and is part of GIZ's Sub-National Governance Program (SUNAG). MST comprises the following members:

Carsten Zehner: Team leader / Urban and Regional Planner

Dr. Alexander Jachnow: Former Team Leader / Architect

Arjun Koirala: Deputy Team Leader, Advisor / Urban Planning and Infrastructure Development

Iswar Lal Joshi: Advisor / Urban Planning and Land Development

Sunil Prasad Pradhan: Advisor / Municipal Finance, Monitoring and Evaluation, and Information Technology

Bandana Sharma: Advisor / Urban Planning, Safeguards and Capacity Development

Pranip Ratna Bajracharya: Finance and Administration Officer

Sila Gole: Office Secretary

Roshan Lama: Office Assistant

Kopila Nepal: Office Support Staff





DHANKUTA



TANSEN



BAGLUNG



LEKHNATH



ITAHARI



MECHINAGAR

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