

Guiding Principles towards Harmonized Local Governance and Community Led Local Development Approach

Background

Multiplicity of approaches and partners in the local development conducted through the communities has led to confusion at times, and more often duplication of activities. This on the one hand has reduced the effectiveness of such programmes and on the other hand has increased the social transaction costs of the communities. A single member of the community is sometimes engaged in as much as 10 different groups engaging himself or herself in weekly and monthly meetings, which are made mandatory to receive any benefits from the programme that creates such groups. While there is much deficiency in the donor funded programmes, the line agencies of the government also functions in more or less similar ways.

Nevertheless, a quite revolution of community led local development, embedded in Nepal's own socio-cultural fabric, has taken roots and cannot be understated. The contribution of local youth clubs, mother groups, forestry users groups and many other user's groups during this revolution has been phenomenal. Community led local development can tentatively be defined as an approach where citizens and communities (kind of groups stated earlier) either individually or collectively prioritize, implement and fulfil their basic needs through a collective action. Some concrete examples can be user's committees working together to construct a road /trail bridge/water supply schemes, youth clubs or mother groups engaged in social awareness programmes through social/community mobilisation, members of forest users groups coming together to discuss how to manage its resources, participatory planning processes of the DDCs/municipalities etc. Past experiences show that Community driven programmes were among the least disturbed even during the peak of armed conflict. This needs to be supported and strengthened. Therefore, its obvious that some basic harmonization among all the partners is needed in this arena. This paper on the guiding principles on harmonization is an effort along that direction.

Government's policy on harmonization

The need to harmonize approaches for the effectiveness of aid and the provision of government service delivery to the community cannot be undermined. **Foreign Aid Policy 2004** of the Government emphasizes on this very fact and expects that all development programs and projects are brought under the ownership of the government. To avoid duplications, as is what is happening at the field, aid agencies are requested to coordinate with Foreign Aid Joint Coordination Committee to reduce possibility of such duplication and gradually shift towards funding sector strategy through SWAp modality. This will require better coordination and harmonization of approaches at different harmonization levels as specified in the Foreign Aid Policy - 2004. Similarly, the **Three Year Interim Plan** enunciates the devolution policy wherein local government will take responsibility of all local level services and development activities through harmonized approach among state and development actors/partners. The name of the new implementation game is "demand led participatory development".

Objectives of the Guiding Principles

The principle objectives of the guiding principles are as follows:

- Avoid duplication and overlapping of program/ projects and activities at all level
- Minimize social transaction cost of the community members and to bring synergies for effective and quick delivery of services
- Building a local government and civil society as transparent and accountable institutions

- Enhance effective interface between local government and communities

Scope of the guiding principles

There are basically two scopes of the guiding principles. They are:

1. To draw some basic converging activities that will help harmonise different approaches and activities adopted by different donor agencies and lines agencies of the government.
2. To explore possibilities of designing a nationwide programme under the leadership of Ministry of Local Development encompassing strengthening local governance and community led local development. (Detail matrix of the responsibilities and indicative activities are listed in the annex 1.)

The guiding principles

Following six basic principles are proposed to harmonize the current approaches adopted by different donor and government agencies. It is very important that these principles remain very basic and reflect the minimum common understanding among all partners and if agreed, be adopted from the next fiscal year onwards.

1. All the development partners including donors and the government line agencies agree that the budget of their activities are at least **reflected** in VDC/municipal level planning and budget. For this they agree to communicate their activities and budget of the particular fiscal year to the concerned VDC, municipalities and DDCs. VDCs, municipalities and DDCs on their behalf shall include this information in their Village/municipal/District Annual Plans.
2. The different tools being used to identify the disadvantaged members of the community are harmonized. MoLD prepares a **well being ranking** of the community members across the country, which shall be adopted by all the development partners to target their activities as a reference.
3. VDCs/ Municipalities/ DDCs conducts a **public hearing/audits** at least once a year covering all the development activities including implemented by donors, NGOs/INGOs and the government line agencies in the VDC/municipalities/DDCs. The VDC also collectively monitors all the development activities in their geographical jurisdiction.
4. As far as practically possible, all the agencies agree to work with a **single or minimum number of community groups** for the delivery of their benefits, hence reducing the social transaction costs of the community members. In cases, where it is unavoidable to form a new group, the information shall be given to the concerned VDCs/municipalities.
5. Further work on the analysis of the **community water supply sector** will be conducted to have a better and deeper understanding on community led local development.
6. MoLD shall prepare a proposal on a **national programme** encompassing the local governance and community led local development within this fiscal year. Donors shall remain positive to support this initiative of MoLD.

Indicative activities and responsibilities for the National Programme

Annex 1

		Responsibilities		
SN	Principles	GoN/MLD	Development Partners	Local Bodies/ Communities
1	Policy on harmonized community led local development and local governance is prepared	<p>Existing CDD policies will be thoroughly reviewed with involving development partners and formulated a comprehensive policy</p> <p>Establish a policy coordination committee incl. all stakeholders with MLD as Chair. Formation of such group will be done by end of the current fiscal year.</p>	<p>Support GoN policy on community led local development in letter and spirit. (If a community led development policy does not exist, then collectively through an open minded consultative process and considering ground realities, assist the GoN to formulate such a policy).</p> <p>Development partners streamline their support to 'community led local development' in keeping with GoN policy and operational guidelines.</p> <p>Development partners support the government in formulation of a comprehensive national programme with the elements of strengthening local government and community led local development.</p>	Local Bodies (DDC, Municipalities, and VDC) to formulate 'community led local development' plans embedded in existing participatory planning process and approved accordingly.
2	Plan for harmonizing the Community led local development and strengthening local government is prepared	<p>Direct the local bodies to prepare community led local development plans embedded in existing participatory planning processes.</p> <p>Programmes and activities of the government line agencies in the VDCs are reflected in the Village, municipal and District Annual plans to avoid duplication.</p>	<p>Agree and endorse community led local development plans presented by GoN.</p> <p>Development plans and activities supported by all the donors are informed to the VDC/municipalities/DDC and are reflected in Village/District annual plans</p>	Formulate 'community led local development' plans embedded in existing participatory planning process (DAP/DPP etc).

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3	The strategy for operationalizing of the above plan is prepared.	<p>Presented to the joint committee/ policy coordination committee (thematic groups) of development partners.</p> <p>Strengthen the capacity of local government to create and update the databank and use them whole developing and operating the development project in respective local governments</p> <p>Strengthen local bodies institutional and management capacities extensively. Develop common and standard modus operandi for local governance system by clearly demarcating the role of every actor.</p>	Streamline their support to 'community led local development' in keeping with GoN policy and plans.	

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4	Harmonized Approach is implemented			
4a	<p>Promote transparency and accountability</p>	<p>Shares Programs with all stakeholders</p> <p>Prepares a guideline to conduct pulic/social audits and hearings.</p> <p>Performance based allocation/funding systems are widely publicised.</p> <p>LBFAR is widely publicised and informed to the community as well as the local government office holders.</p>	<p>Local governments must be informed of all investments and transfers to facilitate annual budget preparation. Transfers could be through the central budget.</p> <p>All investment and transfers for activity implementation within the jurisdiction of local bodies should be reflected in the respective Development Fund i.e. DDF/VDF/MDF.</p> <p>Mandatory provision to INGOs/NGOs/Local NGOs to share their annual resources and program with respective local bodies (DDCs, Municipalities and VDCs) on partnership basis.</p> <p>All development partners in the district provide information on their activities (fact sheet: e.g. objectives, beneficiaries, area of intervention, budget) easily available in English & Nepali in the DDC.</p>	<p>Local governments are accountable to respond to community demand and capacitate community. They make public “sources and uses” of all funds</p> <p>Conduct public and social audits and public hearings in which all projects active there presents their objectives, budgets and working modalities.</p> <p>If there exists already a group or community organization in a village, we should not create other groups and over burden the communities.</p> <p>DDC/VDC/Municipalities and NGOs will work out a system of close collaboration and partnership for joint target setting, implementation, monitoring and evaluation</p> <p>Follow government’s existing sectoral and local technical guidelines, standards and codes for construction (DTMP for roads, buildings, irrigation, bridges, trails, suspension bridges, etc.) if amendments are required, initiate joint dialogue.</p>

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4b	Financial systems are harmonized	<p>Spending authorization to local government directly from MOF.</p> <p>Performance based allocation systems to the district is adopted.</p> <p>Special provisions in the existing LSGA/LSGR/LBFAR and Public Procurement Act/Regulation to facilitate the implementation of CLLD plans and programmes.</p> <p>Establish Financial Management Reporting System (FMRS) for reimbursement and withdrawal of donors' funds.</p>	Development partners agree to pool/basket fund the national programme.	<p>Spending authorization by local governments to local community groups and organizations.</p> <p>Performance based allocation systems to the VDCs and community groups is adopted.</p> <p>Implementation works can be outsourced to local NGOs to facilitate local planning, budgeting etc.</p> <p>Integration of approved CLLD plans into Village Annual Plans (VAPs) and endorsement and consolidations of all VAPs of the same to District Annual Plans to be anchored by District Medium Term Expenditure Framework (DMTEF).</p>
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4c	Monitoring and evaluation systems are harmonized	Takes the lead in establishing an effective Monitoring and Evaluation mechanism with indicators	Development partners participate	Prepare progress reports as specified under DAP/DPP