

An Assessment of the Present Status of the Service Delivery, with a Focus on DDCs

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A Policy Brief¹



Submitted by:

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Abbreviations/Acronyms

ADDCN	-	Association of District Development Committees of Nepal
APM	-	All Party Mechanism
ARR	-	Assistant Resident Representative
ASC	-	Agriculture Services Center
BS	-	Bikram Sambat
CD	-	Capacity Development
CDO	-	Chief District Office
CO	-	Coordination Office
DADO	-	District Agriculture Development Office
DDA	-	District Development Area
DDC	-	District Development Committee
DEO	-	District Education Office
DFID	-	Department for International Development
DIDC	-	District Information and Documentation Centre
DIO	-	District Irrigation Office
DLSO	-	District Livestock Services Office
DIMC	-	Decentralization Implementation and Monitoring Committee
DMC	-	District Monitoring Committee
DoA	-	Department of Agriculture
DoE	-	Department of Education
DoHS	-	Department of Health Services
DoLS	-	Department of Livestock Services
DoR	-	Department of Road
DPHO	-	District Public Health Office
DTO	-	District Technical Office
DTMP	-	District Transport Master Plan
ECD	-	Early Childhood Development
ESCAP	-	Economic and Social Commission for Asia and the Pacific
FY	-	Fiscal Year
GoN	-	Government of Nepal
LBFAR	-	Local Bodies Financial Administration Regulation, 2008
LBFC	-	Local Bodies Fiscal Commission
LDO	-	Local Development Officer
LGCDP	-	Local Governance and Community Development Programme
LPC	-	Local Peace Committee

LSC	-	Livestock Services Centre
LSGA	-	Local Self-Governance Act, 1999
LSGR	-	Local Self Governance Regulation, 2000
MC/PM	-	Minimum Condition and Performance Measures
MoLD	-	Ministry of Local Development
MoAC	-	Ministry of Agriculture and Cooperatives
MoE	-	Ministry of Education
MoF	-	Ministry of Finance
MoHP	-	Ministry of Health and Population
MT	-	Metric Ton
MTEF	-	Midium-Term Expenditure Framework
MuAN	-	Municipal Association of Nepal
NAVIN	-	National Association of Village Development Committees in Nepal
NGO	-	Non-Governmental Organization
NPC	-	National Planning Commission
OPD	-	Out-Patient Department
PPP	-	Public Private Partnership
SMC	-	School Management Committee
ToR	-	Term of Reference
UNDP	-	United Nations Development Programme
UNCDF	-	United Nations Capital Development Fund
VDC	-	Village Development Committee
WDO	-	Women Development Officer

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Introduction

One of the prime responsibilities of the local government is the delivery of services to its citizens consisting of those that are required for the people to lead a decent life.

Services include regular services, policy related services and other public socio-economic services provided by the government. Service delivery at the local level includes both the "traditional services" (general service) and those that are devolved to the local governments for providing such services.

It has been recognized that services to the local people can better be provided with efficiency at the local level by local institutions rather than by the centre where the local demands for services often remained relegated to background. This recognition has led to the devolution of certain service delivery functions to the local government bodies. These are:

- Agriculture extension
- Livestock services,
- Primary education
- Basic health services
- Rural roads/bridges,
- Small irrigation, and
- Community drinking water and sanitation

The findings, constraints and recommendation are based on the study of five districts Siraha, Dolakha, Kaski, Banke, and Doti and five VDCs – one VDC in each of the districts. These are : Badharamal, Siraha; Jiri, Dolakha; Bharatpokhari, Kaski; Bageswori, Banke and Sanagaun, Doti.

Representation from five development regions.

- Representation of three ecological regions
- Representation of the district with the high, middle and low status of HDI, and
- Likewise five VDCs were also selected to assess their perceptions on the extent and quality of service delivery as these VDCs were largely the service recipients from DDCs.

The sample districts and the VDCs widely differed from each other in terms of general characteristics as well as in terms of the status of service delivery. Similarly in terms of the status of service delivery in the seven devolved sectors/sub-sectors, equally divergent status was in evidence.

Major Findings

Peace Building Efforts

- The positive functions of APM were that all the representatives' report to their respective parties of the development in APM and get guidance from their respective parties.
- Not all the districts have Local Peace Committees (LPCs) formed;
- Secretaries are appointed for the LPCs where they exist but they do not attend offices regularly;
- No budgetary provision exists for LPC logistic support from the center
- Genuine victims have failed to get benefit from LPCs due to their ignorance and unawareness; and
- LPCs were found to be effective when the understanding among major political parties at the Center was attained on issues of development at the local level.

DDC Perspective on service delivery

General services

The quality and the extent of general services to be provided to the local people by DDCs are determined by several factors.

Institutional effectiveness

- On an average, the LDOs were found to be working in the designated district for about one year as against the mandatory requirement of two years.
- On an average, the number of meetings held last year in the districts totalled 14 and the number of meetings held in the devolved sectors/sub-sectors was only 11.
- Sometimes the Council meetings could not be held due to minor issues such as the Council was unable to decide who is going to chair the meeting, and financial authority was not delegated to officiating official in the absence of LDOs.
- Transfer and appointment do not take place in all the districts at the same time and in an orderly manner.
- No DDCs were reported to have appointed a focal point to continuously coordinate and oversee the activities of the line agencies,
- Officer positions filled as a percentage of those created was fairly high in DDCs (83.9 percent) while no officer level position was created and filled in non-technical field in DTOs.
- Non-officer position filled as a percentage of those created was 97.8 percent for DDCs as against 80 percent for DTOs.
- The percentage of women staff in total (both officer and non-officer, and technical and non-technical fields) was fairly low in DDCs (9.4 percent); and
- The ratio of officer to non-officer in positions filled both in non-technical and technical areas taken together was 1: 6.4 in case of DDCs.

Fiscal performance

- The secondary sources of information indicated the excess of income over expenditure, implying that the capacity of the DDCs to spend is limited. Despite these, financial resources constraints were reported by all DDCs, line agencies and VDCs as a major cause for poor service delivery. The general opinion that allocated sources of revenue did not match their responsibilities, was particularly true in case of devolved sector/sub-sector.
- The types of taxes that were allocated to local governments were limited, inelastic and difficult to collect, and the revenue distributive systems modest, unpredictable and unresponsive to their needs.
- Based on their budgets estimates the total internal revenue of all DDCs was far less than their total expenditure and ranged from three to seven percent, tax revenue as a percentage of total revenue revealed a declining trend, and the ratio of recurrent expenses to total varied from 27 percent to 35 percent.

Planning process

- In all the districts studied, timely release of budget took place; internal auditors and technical assistant were sent to VDCs by DDCs and internal audit took place in time.
- Representations of NGOs, civil society, women and disabled were ensured in sectoral plan formulation committees except in two districts. However in certain areas, some lapses were in evidence:
- All the districts had prepared, at one time or another, district profile but none of these were updated except in the case of one district.

- All the districts had prepared periodic district development plans in the past but none of these were in operation either because the periodic plans were out –dated, or because new plans had not been formulated.
- None of the districts received planning guidelines in time, and
- In none of the districts, annual plans and budget were passed by the Board in time

Transparency and accountability

- Public hearings were found quite popular among DDCs.
- Eighty percent of the sample districts informed general public about the development status of the districts.
- Likewise, eighty percent of the districts preferred to publish annual plans and budget for information dissemination.
- Posting in notice boards and the use of District Information and Documentation Centre (DIDC) were the two most popular instruments for the dissemination of final audit reports.
- Likewise, all the DDCs were found to have used notice board including the display of Citizen's Charter most extensively for exhibiting MCPM results. Similarly, the use of publications and distribution of documents are found to be widely used for informing about MCPM results (each sixty percent); and
- Likewise, boxes for submitting written grievances were found hanging within the premises of DDCs with little use being made by the local people.

Capacity development

- The entire sample DDCs have formulated capacity development plan but only in 40 percent of the districts, the plan has been implemented.
- DDCs not implementing capacity development plan single out the lack of adequate human and financial resources as reasons for not implementing the plan.

Coordination

- It was found that the coordination between DDCs and the District Drinking Water Office was in between poor and fair.
- It was surprising to note that DDCs' coordination with VDCs was found to be less than strong while with NGOs, INGOs and CBOs, it was strong.
- Service receivers' organizations were the user groups' organizations such as drinking water users group, livestock users group and so on. They complained of conflicts situation among stakeholders to form and operate user groups committee because of lack of common ideas and interest. This conflict was reported to have persisted between the providers and receivers of services at the local levels.

Devolved Sector/sub-sector services

Agriculture Extension

- *Institutional* –There were inadequate number of ASCs to provide services to all the VDCs. On an average, an ASC was found to be serving 13.5 VDCs. The proper job assignments and responsibilities of the staff were not clearly defined.
- *Financial* – Delays in budget disbursement, inadequate budgetary resources to finance programs, inadequate financial provisions for the field visits were the major financial challenges of DAOs. Moreover, there was no direct financial support from DDCs to DAOs.
- *Human Resources* – Inadequate positions, positions not fully filled, and absence of staff in the sites were the constraint in human resource management. The farmers' capacity development programs were not conducted properly.
- *Others*- There was a lack of the supply of quality seeds. Also, there was a failure in proving seeds in time. The agriculture extension policy did not address the specific needs of the poor.

- Inadequate budget persisted for small irrigation projects, as these were vital for the effectiveness of agriculture extension activities as well as for vegetable farm, fishery and goat keeping, having an immediate impact upon the income generating status of the farmers; and
- Lack of effective planning, implementation and monitoring of agriculture extension activities continued.

Livestock services

- Major challenges faced by the district level livestock office were the budget constraints, lack of technical human resources and no proper coordination between DDCs and livestock offices in terms of planning, implementation and monitoring of the program, fewer number of service centers, remoteness and insecurity at village level, inadequate supply of medicine.

Primary Education

- Primary education sector suffered from less effective school management committee, delays in budget release, political pressure on the appointment of teachers and less priority of DDCs to promote primary education.

Basic health services

- All the DPHOs received support from DDC in varying degrees. Twenty percent of DPHOs evaluated the support from DDC as poor and the rest as fair; and
- The portion of female workers was found to be markedly higher in basic health sector as compared to other sectors. The number of vacancies also appeared to be quite high in the basic health sector in comparison with other sectors.

Rural Roads/Bridges

Concerned representative of the line agencies reported several problems such as

- Security threat still loomed large
- Delayed decision by DDCs,
- Poor coordination between DDCs and other line agencies, and
- The absence of chief of DTOs for long duration from the districts.

Small Irrigation

The challenges reported in the implementation of small irrigation were

- Security threat,
- Delays in District Council meetings,
- Inadequate training; and
- Lack of effective coordination with other line agencies such as DTO, DAO and DIO.

Community Drinking Water and Sanitation

The concerned line agency representatives singled out the following difficulties:

- Transportation of inputs/material to project site in time
- Late decisions by DDCs
- Insufficient budgets and delays in the release
- Weak coordination with DDCs and District Irrigation Office
- Weak monitoring of the projects under implementation
- Lack of overall District Master Plan of the Community Drinking Water and Sanitation, and
- Lack of adequate human resources.

VDC level perspectives on service delivery

Peace building efforts

In many VDCs, LPCs were conspicuous by their absence. However, people in VDCs saw the usefulness of having such committees in the VDCs to establish and sustain peace in the VDCs.

General services

Institutional effectiveness

- VDC Secretaries were found to be chairing all the subject-matter related meetings in areas where the committees were set up.
- On an average, the VDC Secretaries were found to be working in the designated VDC for about two years; and
- One VDC Secretary was found serving four VDCs in a district.

Fiscal performance:

All the VDCs included in the sample reported the lack of financial resources to enhance their performances. Their internal income was inadequate to meet their increasing demand for services.

Planning process

- Eighty percent of the VDCs have received budgetary ceilings and planning guidelines on time from the respective DDCs.
- Timely release of budget from DDCs to VDCs took place; internal auditors and technical assistant were sent to VDCs by DDCs and internal audit took place in time.
- Representations of NGOs, civil society, women and disabled were ensured in sectoral plan formulation committees except in two districts.
- Sixty percent VDCs had not passed annual program and budget within stipulated time.
- Sixty percent Village Councils had a practice of modifying program and budget submitted by the village level devolved sector line agencies.
- There was a practice of representation of NGOs and civil societies in plan formulation in all VDCs whereas women, children and disabled are represented in 60 percent of sample VDCs; and
- Only 20 percent of VDCs have prepared monitoring and evaluation manuals and formats for monitoring and evaluation of the programs.

Transparency and accountability

- Eighty percent VDCs conducted public hearings during the last fiscal year. At least one public hearing in each village took place whereas 40 percent VDCs conducted public hearing twice a year.
- Citizen's Charters were found to be displayed in sixty percent of the VDCs.
- In one VDC, there was no VDC office and also VDC Secretary did not stay in the VDC surveyed; and
- The results of MC were found disseminated by using notice board and shared in the meeting of All Party Mechanism.

Capacity development

- None of the VDC had formulated capacity development plan; and
- Forty percent of VDCs had conducted some sorts of trainings to the representatives of All Party Mechanism at the VDC level.

Extent of Coordination

- The coordination between DDCs and the District Drinking Water Office was in between fair and poor.
- Due to the lack of support from service providers, lack of coordination between service providers and recipients, lack of peace at village, and inaccessibility of roads and bridges had affected service delivery by VDCs; and
- All the VDCs responded that there was ineffective service delivery.

VDC Level Devolved Sector/Sub-sector services

Agriculture extension

- No committees were formed in agriculture extension program at VDC level. However, all the agriculture Service Centres (ASCs) informed that they had been receiving request for the increased level of service delivery, and support from the concerned VDCs whenever demanded.
- VDCs expected support for the management of agriculture market, coordination with other line agencies such as small irrigation and monitoring of the program. They also anticipated and increased allocation of fund for their programs; and
- ASCs were able to form farmer groups, undertake seed distribution activities, expand off-season vegetable cropping and promote vegetable export to India. On the other hand, the weaknesses of the ASCs were lack of the cold store, insufficient human resources, and budget to run the programs. Many posts had remained vacant for a long period of time..

Livestock services

- Out of five VDCs surveyed, only three VDCs had Livestock Service Centres (LSCs). There were no committees formed for livestock program at VDC level.
- Two out of three LSCs informed that they had been receiving support from the concerned VDCs. One of the interesting things was that the post of Junior Technician (JT) had remained vacant for the last eight years in a LSC.
- VDCs expected support for the management of livestock program, and for the purchase and the distribution of medicines and additional staff. They also anticipated for allocation of adequate fund for their program.
- Some LSCs were found to have been extending services even in adverse climatic conditions; and
- The LSCs suffered from the lack of physical infrastructure and insufficient technical hands to serve a wide spectrum of service seekers of the VDC under their domain.

Primary education

- There were altogether eight Early Childhood Development Centers operating in one VDC. One female teacher worked in each Development Center, at the salary scale of NRs. 1,800/month. There were other Childhood Development Centres also in other VDCs but the situation remained more or less the same.
- Likewise, in general, one primary school was found to have been operating in each ward.
- Some primary schools were found to have been receiving financial support from the VDCs such as for the creation of infrastructural facilities, drinking water, play grounds as well as for salary supplement for additional teachers.
- School Management Committees were less active. The schools visited had almost 50 percent girl students and 50 percent female teachers. There was a fairly good representation of Janajati teachers and students in the schools. Female children and Janajati students were also given scholarships and stipends to encourage enrollment and continuity. DDCs and VDCs had also supported schools with financial support. However, the need of support for infrastructure and furniture were not adequate.

- The primary schools were suffering from financial difficulties. They reported problems arising out of not receiving budgets in time and consequently teachers could not be paid in time.

Basic Health Services

- VDCs had been supporting health institutions of the villages except hospital which did not fall within their responsibility according to the provisions of LSGA. Those health institutions receiving VDC support informed that the support had been good.
- All the health institutions had their own physical facility. The condition of the physical facilities however varied from poor to good.
- Medical supplies were found to be not sufficient to the number of persons served in two of the surveyed VDCs.
- The strengths of the health institutions included provision around-the-clock delivery services to pregnant women; the VDCs with hospital facility provided services not only to the people of VDCs within their territory but also to that of adjacent VDCs/ districts; and
- The weaknesses were the lack of physical facilities, failure to handle complicated delivery cases, poor team building and inadequate funds to run their programs.

Others (Road/Bridged, Small Irrigation and Community Drinking Water and Sanitation)

- No representative of line agencies from Road/Bridged, Small Irrigation and Community Drinking Water and Sanitation were found working at the VDC level

A basic infrastructure, minimum human resources as well as finance already existed but the need was to maximize both technical as well as allocative efficiency from the prudent management of these available resources. The existing services under the devolved sectors needed to be strengthened and expanded along with the enhancement of capacity to deliver increasing services. Certain areas under the sample districts are still painfully deprived of minimum facilities in terms of both general and devolved sector/sub-sector services such as in nine VDCs across the Rapti River in Banke district.

Major Constraints and Recommendations

Overall Assessment of DDCs/VDCs

The following tables show at the aggregate level, ranking of sample districts based on Likert scale of one to five where one denotes an extremely poor performance and the five denotes excellent performance. The Likert scale is a subjective scoring system widely utilized in researches, including service delivery assessment, to measure qualitative data in numerical values. The rankings are based on overall perception of the respondents, supplemented by those of the members of the Study Team. The basic assumption underlying the ranking system is that each of those factors plays an equal role in determining the status of service delivery. Care was taken to adopt uniform procedures in ranking the determinants of the services of districts in order to maintain comparability and consistency.

The status of institutional effectiveness and the extent of transparency and accountability occupied the first rank (3.6 each) while the status of capacity development occupied the lowest

rank (2.2). The status of resource mobilization, capacity development and the status of coordination all appeared below the average rank of 2.92. The trend that institutional effectiveness and transparency and accountability appeared at the top can be explained by the fact that local service seekers are now more aware of the role these institutions are playing and hence seek information on their service related activities (Table 1)

Likewise, a similar trend is visible in case of VDCs. The status of institutional effectiveness appears at the top position for VDCs (3.2) and the status of capacity development occupied the lowest rank (1.8). The status of planning process, extent of coordination and capacity development occupied positions lower than the VDC average of 2.56 (Table 1).

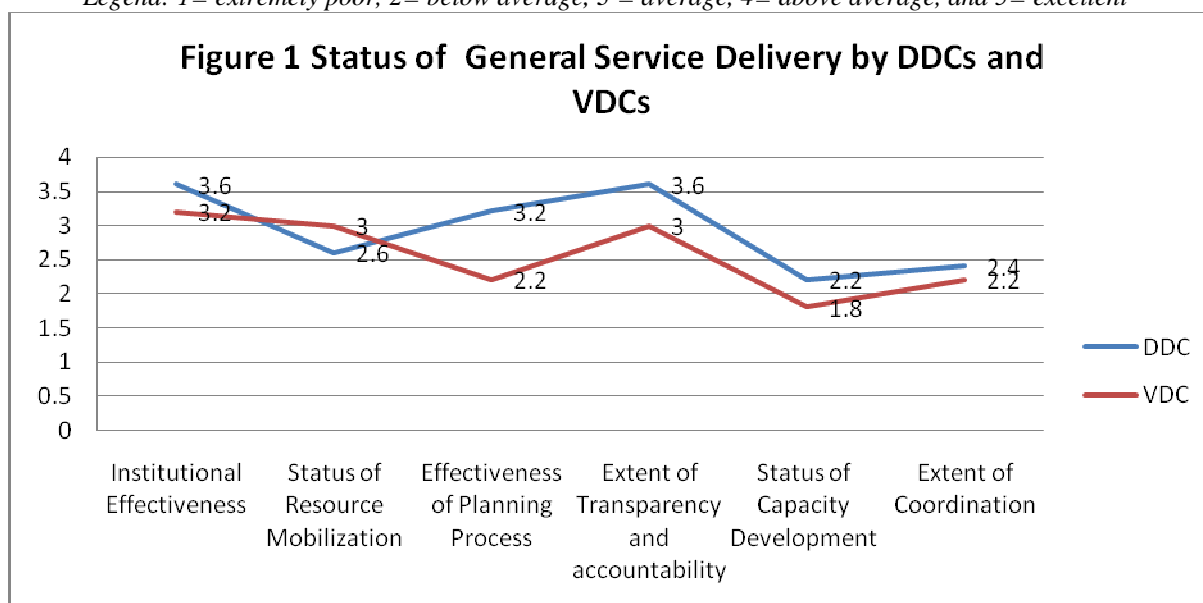
By implications, it can be concluded that sample DDCs are found better than VDCs in terms of providing general services. The issue of capacity development of these institutions appeared to have received lower priority in their policy agenda. (Table 1).

Table 1 Indicators of general service delivery of sample DDCs/VDCs

S.No.	Factors	Average of DDCs	Average of VDCs
1.	Institutional Effectiveness	3.6	3.2
2.	Status of Resource Mobilization	2.6	3.0
3.	Effectiveness of Planning Process	3.2	2.2
4.	Extent of Transparency and accountability	3.6	3.0
5.	Status Capacity Development	2.2	1.8
6.	Extent of Coordination	2.4	2.2
	Average	2.92	2.56

Source: Field Study

Legend: 1= extremely poor, 2= below average, 3 = average, 4= above average, and 5= excellent



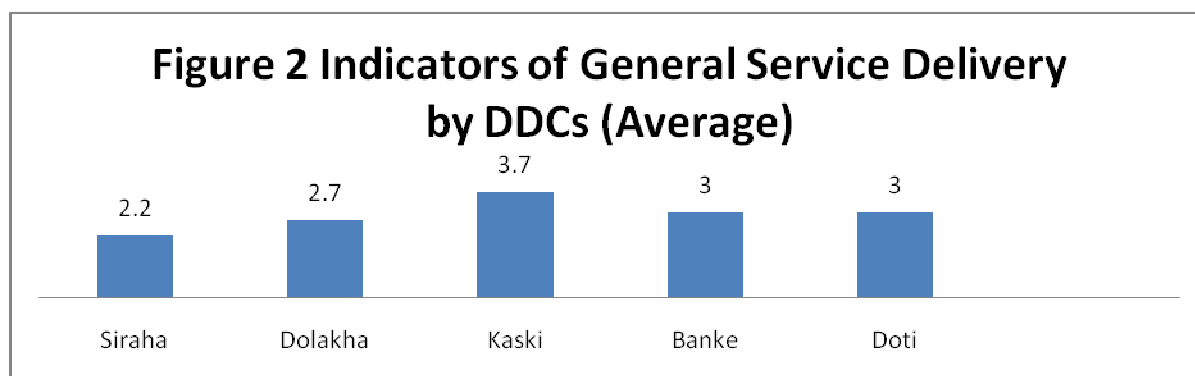
The district –wise analysis reveals that out of five sample districts, three districts (Kaski, Banke and Doti) stood above the average while the rest two districts (Siraha and Dolakha) stood below the average, indicating that a lot more efforts are needed to be undertaken by these districts to reach average level of service delivery (Table 2).

Table 2 Indicators of General Service Delivery by DDCs

DDCs	Institutional Effectiveness	Status of Resource Mobilization	Effectiveness of Planning Process	Extent of Transparency and accountability	Status Capacity Development	Extent of Coordination	Average
Siraha	3.0	2.0	2.0	4.0	1.0	1.0	2.2
Dolakha	3.0	2.0	4.0	3.0	2.0	2.0	2.7
Kaski	5.0	3.0	3.0	4.0	2.0	5.0	3.7
Banke	4.0	3.0	3.0	3.0	3.0	2.0	3.0
Doti	3.0	2.0	4.0	4.0	3.0	2.0	3.0
Average	3.6	2.6	3.2	3.6	2.2	2.4	2.92

Source: Field Study

Legend: 1= extremely poor, 2= below average, 3 = average, 4= above average, and 5= excellent



The VDC –wise analysis reveals that Jiri, Dolakha and Sanagaun, Doti and Bageswori, Banke ranked above the average while the rest of the VDCs (Bharatpokhari, Kaski and Badaharamal, Siraha) ranked below the average (Table 3). Kaski's higher level of service delivery is yet to percolate down to the VDC level. This can be seen reflected in the performance of Bharatpokhari.

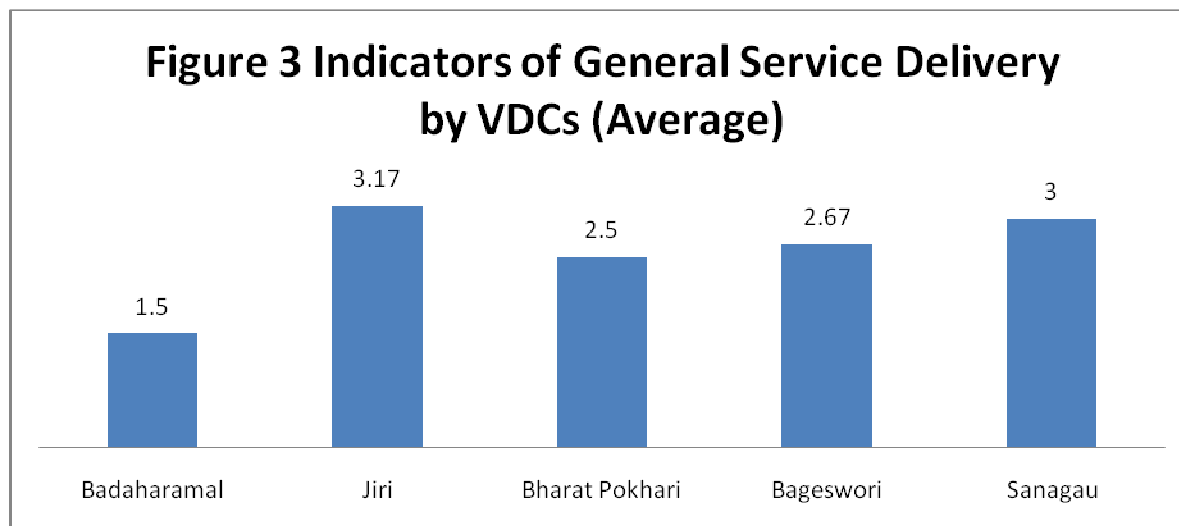
Table 3 Indicators of General Service Delivery by VDCs

VDCs	Institutional Effectiveness	Status of Resource Mobilization	Effectiveness of Planning Process	Extent of Transparency and accountability	Status Capacity Development	Extent of Coordination	Average
Badaharamal, Siraha	2.0	2.0	1.0	2.0	1.0	1.0	1.50
Jiri, Dolakha	4.0	5	2.0	3.0	1.0	4.0	3.17
Bharatpokhari, Kaski	4.0	2.0	2.0	3.0	2.0	2.0	2.50

Bageswori, Banke	3.0	3.0	3.0	3.0	2.0	2.0	2.67
Sanagau, Doti	3.0	3.0	3.0	4.0	3.0	2.0	3.00
Average	3.2	3.0	2.2	3.0	1.8	2.2	2.56

Source: Field Study

Legend: 1= extremely poor, 2= below average, 3 = average, 4= above average, and 5= excellent



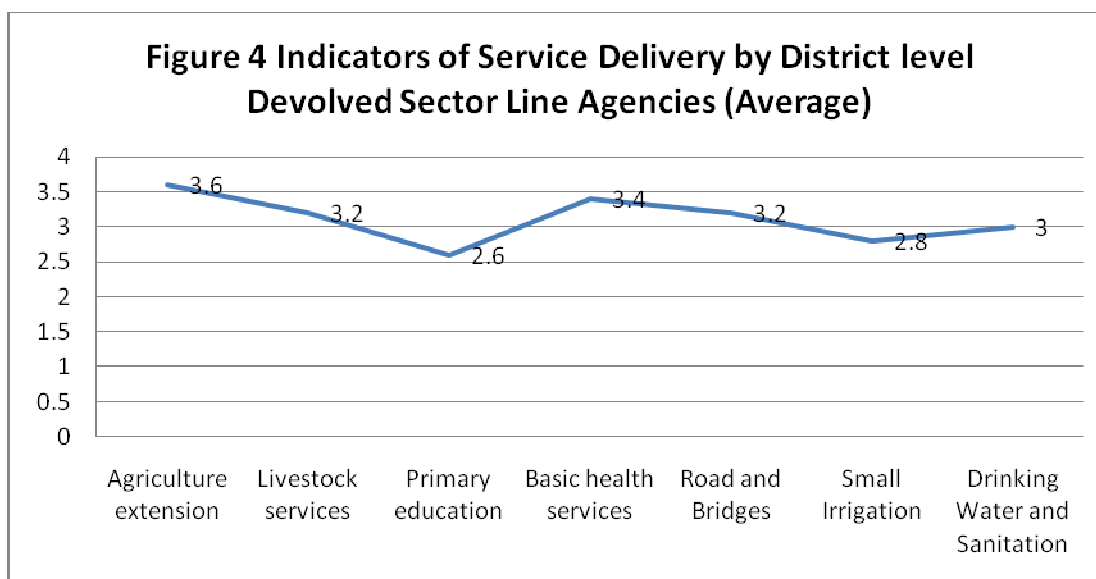
The average status of service delivery of district level devolved sector line agencies stood at the lower level for primary education (2.6), followed by small irrigation (2.8) and community drinking water and sanitation (3.0). Similarly, agriculture extension, basic health services and livestock services received higher ranks. (Table 4). One of the reasons for low ranking in case of primary education had to do with the performance of school management committee. Small irrigation and community drinking water and sanitation infrastructure are largely untouched by repair and maintenance work.

Table 4 Indicators of Service Delivery by District level Devolved Sector Line Agencies

Devolved Sectors	Siraha	Dolakha	Kaski	Banke	Doti	Average
Agriculture extension	4.0	4.0	4.0	3.0	3.0	3.6
Livestock services	4.0	3.0	3.0	3.0	3.0	3.2
Primary education	2.0	2.0	5.0	2.0	2.0	2.6
Basic health services	4.0	2.0	3.0	4.0	4.0	3.4
Road/Bridges	3.0	3.0	4.0	3.0	3.0	3.2
Small Irrigation	3.0	3.0	2.0	3.0	3.0	2.8
Community Drinking Water and Sanitation	3.0	3.0	3.0	3.0	3.0	3.0
Average	3.3	2.9	3.4	3.0	3.0	3.1

Source: Field Study

Legend: 1= extremely poor, 2= below average, 3 = average, 4= above average, and 5= excellent



In case of VDC level devolved sector/sub-sector services, the highest rank is occupied by basic health services and the low ranks are for the agriculture extension (2.5) and livestock services (2.7) (Table 5).

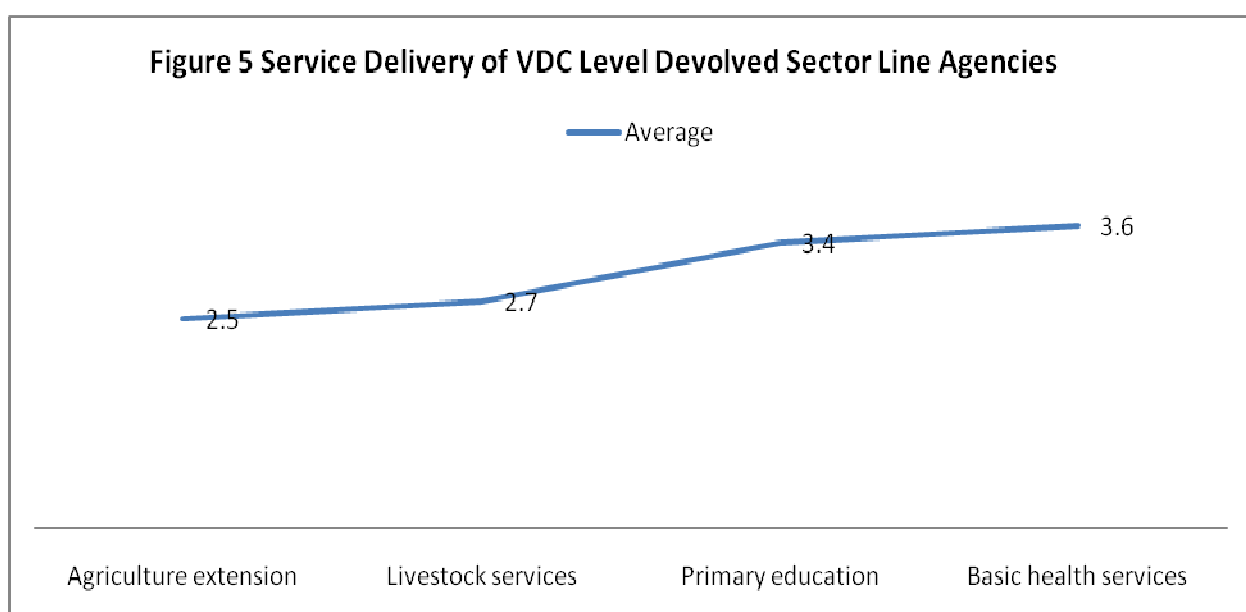
Table 5 Status of Service Delivery by VDC Level Devolved Sector Line Agencies

Devolved Sectors	Badaharamal (Siraha)	Jiri (Dolakha)	Bharatpokhari (Kaski)	Bageshori (Banke)	Sanagau (Doti)	Average
Agriculture extension	-	4.0	2.0	2.0	2.0	2.5
Livestock services	-	5.0	2.0	2.0	2.0	2.7
Primary education	3.0	4.0	3.0	3.0	4.0	3.4
Basic health services	2.0	5.0	3.0	4.0	4.0	3.6
Average ranking	2.5	4.5	2.5	2.8	3.0	3.1

Source: Field Study

Note: Line agency representatives at the VDCs were found only for the above three areas. As regards primary education, information was derived from primary school management committee and other informants.

Legend: 1= extremely poor, 2= below average, 3 = average, 4= above average, and 5= excellent



Major Constrains and Recommendations (DDC level)

DDC level	Constrain	Recommendation
Peace building efforts	<ul style="list-style-type: none"> Local Peace Committees (LPCs) had not been established in all DDCs Among those VDCs where there are LPCs, they are not functional, and LPC operational manuals were not effectively implemented at the district level. 	<ul style="list-style-type: none"> Implement uniform policy to set up district level LPC Offices wherever lacking. Appropriate orientation needs to be provided to all the stakeholders including political party representatives at district level; and LPC Secretariats need to be provided financial resources to run the offices effectively.
General services		
Institutional effectiveness	<ul style="list-style-type: none"> Institutional developments of the DDCs, Lines Agencies and VDCs were rarely the focus of any reform process. The incentive structure, i.e. various rewards and penalties system confronting the individuals involved in the delivery of services were extremely poor. LDOs were overburdened and were required to play the role of coordinator, facilitator and regulator which otherwise was the role of the elected political representatives. Administrative capacity is woefully limited. Too many guidelines and manuals but not much effort was made in orientation of those manuals. DDCs were unable to fill the officer level positions like program officers and other positions, with the result that they were unable to even assign focal persons to look after different line agencies under devolved sectors. 	<ul style="list-style-type: none"> Policy responses need to be focused on creating an environment where service providers are motivated to perform their duties effectively and also expand their scope of work for better coverage in service delivery. A Planning, Monitoring and Evaluation Officer be created at DDCs with the sole responsibilities to monitor the status of service delivery to the people as a part of his/her regular function. Creating guidelines/manuals/procedures help streamlining the activities of the local bodies but they need to be oriented on the guidelines adequately. Again, these guidelines need to be within the overall policy framework of service delivery function and the support system at the district. Define the legal status of the members of All Party Mechanism (APM) and legally make them accountable and responsible for their actions. There is a need of a clear cut ToR for all party mechanism. LDOs are the key officials in the districts. Hence, their transfer need to be pre-specified, barring a few exceptions in extraordinary circumstances so that concerned know in the district when the LDOs are being transferred; and Necessary officer level and technical staffs need to be in place in DDCs all the time
Financial resources	<ul style="list-style-type: none"> The financial transfer from the centre to the local bodies did not meet local expectation; and The pattern of local resource mobilization has not changed following the devolution of sector/sub-sectors. 	<ul style="list-style-type: none"> Encourage the district governments to increasingly mobilize internal resources for service delivery purposes and those able to do so be rewarded by additional grants from the Centre. Examining the feasibility of the providing grant from the centre to local level based on the size of fiscal

DDC level	Constrain	Recommendation
		<p>imbalance and examining the feasibility of giving access to loan facilities from financial institutions to local government bodies will be helpful.</p> <ul style="list-style-type: none"> • Expenditure policies with regard to enhancing the ratio of capital expenditure to total expenditures particularly in the devolved sector/sub sector need to be formulated and enforced. • Encouraging the central line agencies to devolve planning and budgetary functions to the local government in tandem with increases in their capacity to manage this has to be ensured. • Charting out principles of revenue sharing among all tiers of government from central to village development committees need to be practiced, particularly in the context of tourism and other service sector; and • Policy studies with regard to enhancing local capacity of tax administration, encouraging tax compliance and creating information base that permits objective policy analysis at the district needs to be undertaken.
<p>Planning process</p>	<ul style="list-style-type: none"> • It was found that District Council meetings were not generally held in time, causing delays at all the stages of planning and programming process. • Nor was the planning and budgetary discipline strictly followed with the result that financing through extra budgetary resources continue, thereby increasing the volume of irregularities in the management of funds. • DDCs were not receiving ceiling and guidelines on time, affecting the planning process of DDCs and VDCs; and • Failure of DDCs to provide timely technical assistance for scrutiny, and clearance of the projects as required by the respective VDCs also dampened their spirit for service delivery functions. 	<ul style="list-style-type: none"> • The Office of the Regional/provincial Administrator in each of the Development Region need to be involved in the development tasks, particularly in cases of intra-district problems effecting the implementation of development projects. • Despite the absence of elected representatives at the district level, the practice of formulating periodic development plan needs to be carried on and that this activity needs to be featured in the MCPM evaluation process also. The formulation of the annual development plan needs to be based on the medium term periodic development plan • A position of a Planning, Monitoring and Evaluation officer needed to be created and filled to oversee the development process at work. • District database for planning purposes need to be established improved and updated on a regular basis. This constitutes the heart of effective planning process at the district. • Other important areas that need to be enforced are (i) DDCs have to prepare and implement sectoral plans of devolved sectors more effectively, and

DDC level	Constrain	Recommendation
		allocate certain portion of budgetary resources in support of devolved sectors, within the framework of the ceiling and guidelines to be received from MoLD/NPC/MoF; and <ul style="list-style-type: none"> • Ceiling and guidelines of program and budget need to be provided to DDC in time from the Center.
Transparency and accountability	<ul style="list-style-type: none"> • Failure to make use of media and other means of information dissemination more effective was serving as a constraint. 	<ul style="list-style-type: none"> • It is hence recommended that social audit and public hearing need to be carried out at a regular interval to secure public support and respect towards works being done by the local governments; and • For social accountability, there is a need of interface amongst the members of APM, line agencies and local population through periodic meetings, discussions, and disseminations of information.
Capacity development	<ul style="list-style-type: none"> • Local capacity in terms of planning, budgeting, project identification and monitoring and evaluation were often found to be inadequate due to lack of appropriate experiences/training/orientation to discharge their duties, and • Even though all the DDCs have prepared capacity development plan, these have not been implemented effectively due to non-availability of the budget and weak implementation capacity. 	<ul style="list-style-type: none"> • Capacity development needs to be in three areas – one with regard to improving the administrative capacity of the institutions. This requires training on program budgeting and performance evaluation of the staff. The second important area of training is on planning and management, project and program formulation and the third area is the systemic study on training needs of the DDCs/VDCs; and • There is a need of defining the role of APM in the local planning process
Coordination	<ul style="list-style-type: none"> • The extent of coordination amongst line agencies, local organizations like DDC/VDC, I/NGO and CBOs were found to be not very encouraging in planning and programming process. 	<ul style="list-style-type: none"> • As DDCs are playing the role of coordinator at the districts, it is suggested that more regular coordination meetings be held with participation from different stakeholders like, VDC, I/NGO, CBOs and user groups.
Devolved sector/sub-sector services		
Agriculture extension	<ul style="list-style-type: none"> • Inadequate physical facilities including vehicles existed for carrying out the agriculture extension activities • All the approved positions were waiting to be filled • The number of Agriculture Service Centres (ASCs) was limited to provide services; and • Insufficient budgetary allocation continued to carryout the job. 	<ul style="list-style-type: none"> • Additional ASCs need to be setup for the effective implementation of agriculture extension programs. These Centres need to provide services in a more organized and coordinated manner with calendar of operations prepared in advance so that service receiver are aware of these activities; and • DDCs need to implement awareness campaign programs about the service delivery programs including their limitations.

DDC level	Constrain	Recommendation
Livestock services	<ul style="list-style-type: none"> • The number of Livestock Service Centres (LSCs) was limited, and hence unable to extend services to all those requesting for such services. • Technical staff were limited and several vacant position existed since long, and • Inadequate budgetary allocations for carrying out LSCs functions. 	<ul style="list-style-type: none"> • Sufficient technical manpower and budget for LSCs need to be ensured • An effective incentive structure and punishment policy for staff needs to be in place. • DDC needs to allocate certain budget to LSCs and monitor their activities regularly, and • Additional Service Centers need to be setup for the implementation of livestock services development programs.
Primary education	<ul style="list-style-type: none"> • Needs of Early Childhood Development (ECD) Programs were not fully addressed by DEO, and • The lack of adequate budget. 	<ul style="list-style-type: none"> • ECD programs needed to be addressed also by DEO • Necessary budget provision needs to be ensured.
Basic health services	<ul style="list-style-type: none"> • Inadequate number of health workers, • Insufficient supply of medicine • Lack of proper coordination between DDCs and DPHO, and • Lack of adequate budget 	<ul style="list-style-type: none"> • All the vacant positions need to be filled • Sufficient budget need to be provided for health programs sector , and • Sufficient medicine and other necessary equipment need to be in place.
Road/Bridges	<ul style="list-style-type: none"> • Ineffective coordination of DDCs with DTOs • Late decision of DDCs, particularly in project approval, and • Selection of projects heavily influenced by political pressure 	<ul style="list-style-type: none"> • District Council Meetings need to be held in time. • There needs to be an effective coordination between DDCs and DTOs, and • Participatory planning process needs to be followed in an effective manner.
Small Irrigation	<ul style="list-style-type: none"> • Ineffective coordination of DDCs with District Irrigation Office (DIO), • Late decision of DDCs, particularly in project approval, and • Selection of projects heavily influenced by political pressure 	<ul style="list-style-type: none"> • There needs to be an effective coordination between DDCs and DTOs • District Council meetings need to be held in time, and • Participatory planning process needs to be followed in an effective manner.
Community Drinking Water and Sanitation	<ul style="list-style-type: none"> • Ineffective coordination of DDCs with District Drinking Water Offices(DWO) • Late decision of DDCs, particularly in project approval, and • Insufficient budget, and • The lack of technical hands. 	<ul style="list-style-type: none"> • District Council Meetings need to be held in time. • There needs to be an effective coordination between DDCs and DTOs • Necessary budget needs to be provided, and • Technical positions needs to be filled

Major Constrains and Recommendations

(VDC level)

VDC level	Constrain	Recommendation
At Village level		
Peace building efforts	<ul style="list-style-type: none"> • Lack of elected representatives at VDC. • The role of the APM, and its rights and duties had not been clearly defined as yet. • Delays in decision and the process of compromise amongst the members of APM has been long and tedious. • The VDC Secretaries had to work with All Party Mechanism (APM), which consisted of people with diverse political parties and ideologies. Political pressure to VDC Secretaries from Political Parties had also adverse effects on service delivery. • Political Parties were found to have changed their representatives to APM quite often, causing difficulties in building consensus and understanding between VDC and APM • Local Peace Committee in all VDCs were not established, Village level Local Peace Committees were not functional as they faced budgetary constraints, and • No proper orientation on LPC operation manual was provided to VDC secretaries and political party representatives 	<ul style="list-style-type: none"> • LPCs need to be established in all VDCs, appropriate orientation needs to be provided to the members of LPCs, and LPC Secretariats need to be equipped with necessary human and financial resources and manage physical infrastructure; Appropriate orientation needs to be provided to the VDC Secretaries and political party representatives at village level, • The APM needs to be assigned the task of monitoring service delivery programs • The APM has to be made responsible and accountable by law for the effective and timely service delivery at local level • Political parties need not change their representatives to APM often to maintain continuity and understanding among the members. • The APM need to make greater effort for promoting understanding among its members for creating congenial atmosphere for VDC Secretaries to stay at VDCs without security problems and maintain peace in their respective localities,
Institutional effectiveness	<ul style="list-style-type: none"> • The major service outlets are VDCs. In the absence of elected representatives, VDC Secretaries had to play both the political role of chairperson and that of Secretary of the VDCs. This had affected their service delivery functions. • The posts of VDC Secretaries were not filled in many VDCs. For example, in one district, there were only 21 VDC Secretaries serving 51 VDCs. Two to three VDCs have to be served by one VDC Secretary due to the vacancies. This has resulted in inadequate and inferior quality of service delivery. • Also, the VDC secretaries did not belong to the locality they serve. This situation has seriously jeopardized the service delivery system at VDC levels. • Many VDC Secretaries were found to be staying at the district head quarter. They were unable to keep an eye on 	<ul style="list-style-type: none"> • The present practice of assigning a VDC Secretary with the responsibility of looking after more than one VDC needs to be discontinued • All the vacant positions of the VDC Secretaries need to be filled as a matter of top priority. The VDC Secretaries had to be in place where the action of service delivery was going on. • The position of the VDC Secretary needs to be upgraded to the Officer level depending upon the volume of works and responsibilities. It has to be emphasized that the VDC Secretaries constitute the key personnel for effective service delivery functions, and • Motivate staff by using an effective reward and punishment system at the local level to tap their energy and pursue them to do works more extensively and effectively. VDC Secretaries have to stay at VDCs instead of staying at the District Head

VDC level	Constrain	Recommendation
	<p>what was happening at the VDCs in terms of service delivery. Nor were they able to monitor the status of service delivery. Also, service recipients of the VDC also were unable to get services in time, and</p> <ul style="list-style-type: none"> • Lack of effective reward and punishment system had demotivated the staff to take initiative for devising innovative service delivery system and expand service delivery functions. 	<p>Quarters.</p>
Fiscal performance	<ul style="list-style-type: none"> • Many VDCS were found to be working without adequate financial resources, thereby affecting their capacity to deliver services at the local level. • The financial data base of VDCs were very poor. As a result, necessary information with regard to resource mobilization by VDCs were not available • VDCs had not received budget in time and because of this they were constrained to accomplish the program in time, and • It was found that internal audit was not carried out in time 	<ul style="list-style-type: none"> • Additional budget is required for further development of infrastructure by VDCs as these are the nerve center of service delivery of the entire district in many sectors, and • Budget needs to be released in time from the Center and DDCs.
Planning process	<ul style="list-style-type: none"> • Need of improvement in planning was felt in all sectors and programs at VDCs levels. • Monitoring of the service delivery plans and programs implementation were not done at the VDC level. • Planning at VDC level was not done effectively, and • Still there was lack of inclusive participation in planning process at village level 	<ul style="list-style-type: none"> • Strengthen planning process at VDC levels. • Instead of increasing the number of projects, and thereby spreading resources too thinly over a number of projects, project selection needs to be done more stringently, fewer number of programs need to be approved and implemented in an effective way. • Inclusion of the disadvantage groups in planning needs to be encouraged. Their inclusion has to be made mandatory when the program for their service delivery is discussed at VDC, and. • Monitoring of the service delivery plans and programs implementation needs to be at the VDC level.
Transparency and accountability	<ul style="list-style-type: none"> • Service recipients felt that the modality and the procedures of service delivery were not transparent and sometimes, even discriminatory such as services being provided to relatively well-off people, and to those who command respect in the local society This was reported in the context of services with regard to irrigation facilities, agriculture and livestock Services. 	<ul style="list-style-type: none"> • Transparency of the service provided need to be made, adopting a pre-specified procedures and modalities and enforcing these rigorously.
Capacity development	<ul style="list-style-type: none"> • The lack of technical human resources 	<ul style="list-style-type: none"> • Capacity development is required at all

VDC level	Constrain	Recommendation
	was felt by all VDCs to use available budget as they suffered from the mismatch between budgetary resources and the availability of the capacity.	level and so trainings on capacity development need to be encouraged, and <ul style="list-style-type: none"> Capacity development program at VDC level could be conducted preferably by ADDCN with support from MoLD/other agencies.
Coordination	<ul style="list-style-type: none"> Co-ordination between VDCs and devolved sector/sub-sector VDC level line agencies such as that of agriculture extension, livestock services and primary education was reported to below and. No proper records of NGOs maintained at VDC levels for coordination and planning purposes. 	<ul style="list-style-type: none"> The record of the I/NGOs/CBOs has to be maintained and updated in order to prevent duplication of efforts and optimise service delivery functions of I/NGO/CBOs. To avoid duplication of service delivery functions by local government bodies and I/NGOs/CBOs, introduce one door policy at the local level, and coordinate local service delivery functions between government bodies and other INGO/NGO/CBOs operating at the local levels. VDCs have to support user group programs on service delivery more actively, and . Efforts need to be made for improvement of coordination amongst the service providers including NGOs, CBOs and line agencies. Timely meetings have to be conducted for transparency and coordination.
Devolved Sectors/sub-sector services		
Agriculture extension	<ul style="list-style-type: none"> There were no sufficient Agriculture Service Centres (ASCs).. ASCs centres were found to be not working even during the working hours, and even if they were, their services did not match those as wanted by the local service receivers, and Approved positions were not filled. 	<ul style="list-style-type: none"> There needs to be preferably one ASC in each VDC. ASCs have to provide services in a more organized manner with calendar of operations prepared in advance, and Budget must be allocated to match the requirement of the programs/projects
Livestock services	<ul style="list-style-type: none"> The number of Livestock Services Centres (JSCs) was inadequate, They did not provide services in a more organized manner with calendar of operations prepared in advance, and Technical hands were not adequate to respond to the demand for services 	<ul style="list-style-type: none"> Additional LSCs are required for livestock services. There has to be at least one technical person in each VDC, and Adequate budget for LSCs need to be provided to make these functional.
Primary education	<ul style="list-style-type: none"> There was no ECD for those who want to be admitted. There is no separate allocation of budget for ECD, and Very low incentive for child care staff/teacher. 	<ul style="list-style-type: none"> ECD need to be set up in VDCs with support from VDCs/Local People/NGOs, and Necessary budget provision needs to be ensured. More incentives need to be provided to the staff/teacher.
Basic health services	<ul style="list-style-type: none"> The lack of financial transparency 	<ul style="list-style-type: none"> The supply of sufficient medicine and

VDC level	Constrain	Recommendation
	<p>persisted.</p> <ul style="list-style-type: none"> • Several technical personnel were found to have stayed in district headquarters rather than in their own offices and VDCs. • The lack of necessary medicine even for common diseases such as Pneumonia and Diarrhea persisted, and • The lack of effective coordination between VDCs and service centers continued. 	<p>other necessary equipments needs to be ensured</p> <ul style="list-style-type: none"> • Technical personnel must stay at assigned service centre. • A health fund needs to be established to support epidemics, and • Health Posts/sub-health posts need to make available the services of a health personnel including Assistant Nurse Midwife around- the – clock at VDCs.

It was recognized that some services have been provided by service provider institutions within the limited resources and even in harsh climatic conditions. However, there is a consensus among the service receivers that the service provided by these had not been adequate.

The major bottlenecks reported in service delivery were generally common for all DDCs/VDCs such as the lack of technical hands in sufficient number, lack of adequate budget and the lack of coordination between DDCs and other line agencies including DTOs. The general feeling was that the local service delivery agencies were discharging their duties of providing services to some extent but there is ample room for improvement.

The way forward

Hence, the following key measures are suggested for immediate action.

- Key area 1: Develop and strengthen statistical base.
- Key area 2: Develop a suitable and compatible financial and budgeting system that facilitates the service delivery function.
- Key area 3: Chart out ways and means to strengthen the agencies involved in the service delivery functions at the local level. Already proven approaches and methods used in Nepal such as PPP, Rural-Urban Partnership Program and the micro-enterprises development to generate employment opportunities be pursued more vigorously at DDC and VDC levels.
- Key area 4: The capacity of the local bodies needs to be substantially improved.
- Key area 5: Planning process needs to be reinstated at the DDC and VDC levels along with the institution of the system of monitoring and need to be pursued vigorously; and
- Key area 6: Further strengthen coordination in services delivery functions being performed by institutions such as government agencies, NGOs/INGOs, CBOs at the local level by DDCs.

It is recognized that the fulfillment of these conditions will hopefully help improve service delivery to the local people and in its own turn will help promote the faith and confidence of local people on the local government bodies.

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