

# **Rural-Urban Linkage and Role of Civil Society: A Successful Model for Good Urban Governance in Nepal**

**KARNA Suman Kumar, Australia**

**Key words:** Rural-Urban Linkage, Civil Society, Participation, Urban Governance and Resources.

## **SUMMARY**

Nepal is primarily a rural based economy however with the increasing trend of urbanization, the contribution of urban areas in national economy is rapidly increasing. Realizing the situation of immense potential to benefit from the economy of rural-urban linkages, a well focused *Rural-Urban Partnership Program* (RUPP) is developed and hence implemented in selected urban and rural centers of Nepal. The program aims to achieve the goals of urban and rural development by strengthening rural-urban linkages. Successful mobilization of civil society (community) and their appropriate utilization in implementing program activities is the clue to success of RUPP. Taking benefit from the successful community mobilization initiatives, the program is now addressing all physical, social, economic and environmental aspects of urban development through good urban governance.

The program is presently working in 12 municipalities and 33 Rural Market Centers (RMCs) of Nepal. This paper has tried to analyze the comprehensive role of civil society in strengthening rural-urban linkages and more importantly their contribution in an overall urban development and hence urban governance of the country. The role of civil society is thus analyzed in four different categories namely *as strength, as tools, as resources and as a watch dog*. Following the above four categories, the discussions are largely based within the broader framework of RUPP and its diverse range of community based development activities. In addition, the paper outlines the potential role of civil society in terms of both rural-urban linkages and good urban governance. At the same time, an attempt is also made to explore the possible challenges in making communities' contribution effective and long lasting. The discussions further probed out the intricacy that prevails in the process of internalizing the concept into the present system of municipal government. Finally, the discussions have demonstrated that in spite of some challenges, the role of civil society is prerequisite in making sustained impact towards strengthening rural-urban linkages and consequently promoting good urban governance.

Following are 12 municipalities covered by RUPP.

| S N | Name       | Location | Area (ha) | Population | GR   | Rev./Person | S N | Name      | Location | Area (ha) | Population | GR   | Rev./Person |
|-----|------------|----------|-----------|------------|------|-------------|-----|-----------|----------|-----------|------------|------|-------------|
| 1   | Biratnagar | E/T      | 5990      | 168545     | 3.36 | 7.14        | 7   | Butwal    | W/T      | 7953      | 61764      | 4.25 | 15.82       |
| 2   | Dhankuta   | E/H      | 9219      | 20272      | 2.17 | 6.37        | 8   | Byas      | W/H      | 5900      | 26499      | 3.5  | 8.66        |
| 3   | Pokhara    | W/H      | 6933      | 168806     | 7.41 | 5.91        | 9   | Tansen    | W/H      | 1173      | 14007      | 0.37 | 11.95       |
| 4   | Nepalganj  | M/T      | 1314      | 63653      | 3.64 | 6.22        | 10  | Tnagar    | MW/T     | 4641      | 38342      | 3.53 | 5.56        |
| 5   | Bnagar     | W/T      | 3600      | 34905      | 5.14 | 3.92        | 11  | Tulsipur  | MW/T     | 9500      | 37035      | 3.53 | 3.71        |
| 6   | Hetauda    | C/T      | 550       | 76619      | 4.51 | 8.52        | 12  | Bharatpur | C/T      | 7500      | 94497      | 7.08 | 10.95       |

*GR- Growth Rate, Rev-Revenue (in US\$), T – Terai (Flat area), H- Hill, E-Eastern, C-Central, W- Western, MW-Mid Western*

# **Rural-Urban Linkage and Role of Civil Society: A Successful Model for Good Urban Governance in Nepal**

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## **1. CONTEXT**

Nepal is a small landlocked country situated between two giants, China on the north and India on the south. Traveling across the varied terrains of Nepal and passing through its ecological zones, namely *terai* (flat land), hill and mountain with their high levels of dissimilarity, is a rare experience. Urban centers in Nepal are distributed all over the country posing a vast political and cultural diversity and therefore development potentials and prospects at large.

Nepal with growing urbanization level, majority of people are still living in rural areas and continuously increasing small and intermediate urban centers. However, projection based on current urban growth rates show that Nepal could have half of its population living in municipal areas in just three decades from now (UNDP 2001). Of the total 58 towns (municipality), 43 are small with population below 40,000 and constitute 40% of the total urban population. Agriculture in spite of being the backbone of the country's economy, its advancement and commercialization is still slow. Rural-urban linkages remain poor in most regions in terms of markets, transportation, information and service access. Import of agricultural products from neighboring countries is still substantial and this implies that rural production system is not developed according to the demands of urban centers. Because of weak network, urban centers are unable to provide sufficient marketing opportunities to their hinterlands rich in agriculture.

History of development has proved that any planning of urban or rural area in isolation does not provide complete solution to the problem. According to UNCHS, rural-urban linkages are essential for both sides' economic growth and sustainable development. Their strength of connection is robust physically, socially, culturally, economically and environmentally. One typical example is the way in which sudden weather changes in the countryside in Ecuador might affect the availability and the price of bananas in New York City.

Urban centers are economically linked with their hinterlands in a variety of exchange activities. The five processes of trade, private capital flows, innovation diffusion and information exchange, public capital flows, and migration-commuting-employment expansion can summarize these activities. Similarly, rural areas also depend on small and intermediate urban centers for access to goods and services, markets for rural produce and government facilities including, secondary school and colleges for further education, postal and telephone services, hospitals and so on.

### *Nepal at Glance*

Capital – Kathmandu  
Government System- Democratic  
Constitutionals Monarchy  
Area – 147181 Sq. Km.  
Length – 885 Km, Breadth – 193 Km  
Population – 22.9 million  
Population Growth rate – 2.4  
Urban Population Growth rate – 5%  
Urbanization level – 14%  
Literacy rate – 39.6%  
Per Capita Income – US\$242  
Major occupation – Agriculture (employs  
81% of total active population)  
Natural resources – Water, Forest, Mineral,  
landscape  
Key features – Mount Everest, Birth place  
of Lord Buddha, Known Tourist Attraction  
Exchange rate – US\$1 = 78 NRs.

Agricultural economy in developing countries is in the phase of transition from subsistence agricultural to market based. The expansion of the agricultural sector is the key to economic growth in many developing economies as in Nepal. In order to expand this sector, it must have improved access to markets for agricultural inputs and more efficient outlets for agricultural outputs. The trend of shift in agricultural economy is no doubt encouraging but reality lies with significant market imperfection - the lack of small and intermediate towns with substantial market capabilities. With agriculture now taking on many characteristics of urban industry, supportive infrastructure and services also require new ways of looking at how urban linkages can better support new modes of organizing, processing, packaging, distributing and marketing rural productions.

The magic word "decentralization" appears in all regions and it is more robust in Nepal with the introduction of Local Self-Governance Act 1999. The Act facilitated the process of decentralization with greater authorities and responsibilities going to local governments, and this has the potential to increase urban productivity and to make urban development sustainable. A call for more decentralized system of planning is one for a decentralized system of governance that adheres to the principles of inclusiveness, transparency and democratic practices. In the same context, the role of civil society and more importantly their direct participation in urban governance is widely acknowledged. The concepts of government as the exclusive provider of infrastructure and services within a regulatory planning framework have been challenged by the rise in civil society in the region. Similarly the role of private sector in providing services has also received widespread recognition. These fundamental shifts need to be integrated in any endeavor undertaken for strengthening rural-urban linkages.

Rural-urban linkage program may consist of several elements, but in general, all elements stand to sole aim of inducing market expansion and reducing market imperfections. Apart from government investment in infrastructure to increase the economic productivity, a comprehensive program may includes efforts to improve the credit market, organizing community and forming community based organizations and entrepreneur groups, access to information and training, introduction of modern and efficient methods of farming, and also local marketing skills. Each urban center has its own unique mix of potentials and constraints. The characteristics of uniqueness within each urban center imply the need for considerable degree of local input both in design and implementation of the program. Local governments are the most effective levels of government to articulate local needs and to influence resource allocation at higher levels. On top of that, larger participation of civil society further enhances the effectiveness of such intervention in local conditions.

Improved Rural-urban linkage is the vehicle of balanced socio-economic development of both rural and urban areas. The ongoing *Rural-Urban Partnerships Program* funded by UNDP and executed by UNCHS is working in Nepal since 1997 and has accorded several achievements in supporting both urban and rural development through improved rural-urban linkages. Mobilization of civil society and its overwhelming participation in the development activities is the clue to success of this program. This paper aims to examine how civil society plays a role in strengthening rural-urban linkages and simultaneously supports good urban governance.

## **2. RURAL URBAN PARTNERSHIP PROGRAM (RUPP)**

### **2.1 Introduction**

RUPP is a joint program of His Majesty of Government<sup>1</sup> of Nepal and United Nations Development Programs executed by United Nations Center for Human Settlements (UNCHS). It is a noble initiation of its kind in the recent history of Nepal as it has simultaneously tried to address the development challenges of both urban and rural areas. Being a new concept in the region, the program had serious disadvantage as it had limited opportunities to learn from the past experiences and success stories of the field. The program therefore wisely adopted the strategy of “learning by doing” and therefore achieved success largely on its own account. However, the program had taken into consideration some important lessons from past initiatives (UNDP 1997). They were,

- Urban and rural development should not be seen in isolation and that they have strong spatial, economic, social, demographic, cultural and financial linkages to each other,
- Urban development means not only physical development but also encompasses social, economic, technical and others on which physical development depends,

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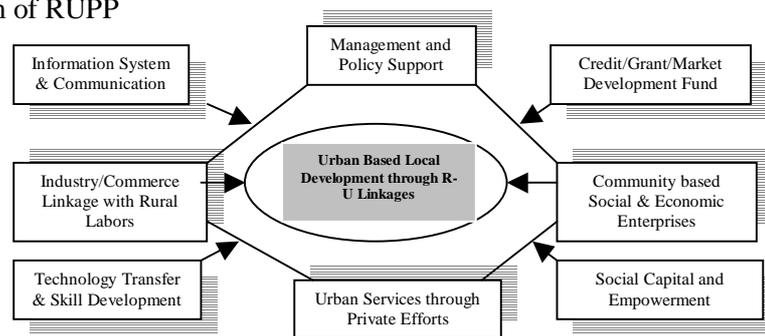
<sup>1</sup> His Majesty of Government – In this case it is mainly, National Planning Commission, Ministry of Local Development and Ministry of Physical Planning and Works.

Note: MDF - Municipal Development Fund basically constitutes of all the money coming back from the community based economic enterprises in the form of repayment of loan.

- Urban and rural development cannot be achieved only through the government efforts, therefore involvement of private and non-governmental sectors is vital, and
- Participation of civil society in development activities of urban and rural areas is essential for sustained impacts.

The program aims to achieve its goal of urban and rural development by strengthening rural-urban linkages. According to the project document, RUPP has adopted a holistic approach to the issue of urban development that centers on the notion of holding urban areas as engines of growth and seeks to capitalize on the benefits and development potential obtainable through well-articulated and strengthened rural -urban linkages. The Program is urban based and urban led, and hence advocates an 'Urban Based Local Development' approach.

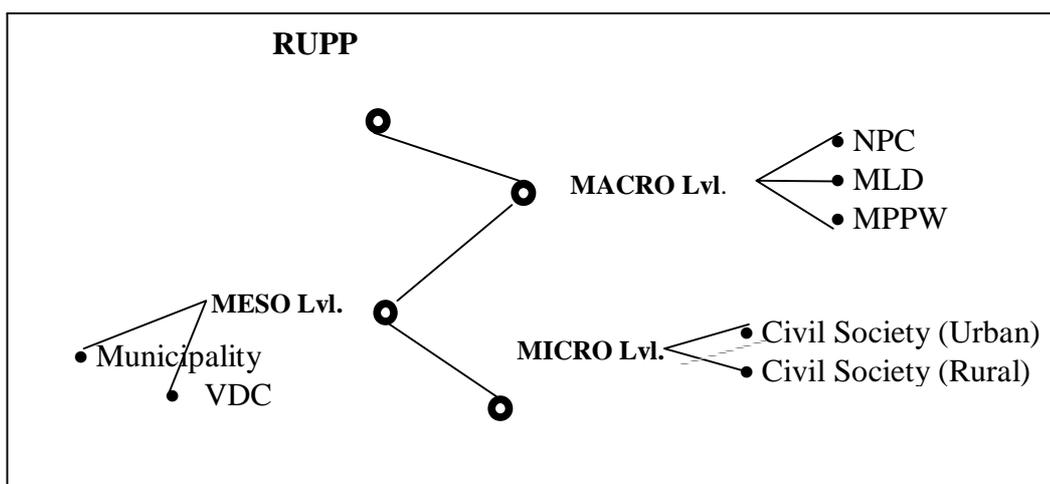
Conceptual Diagram of RUPP



Source- RUPP 2003

## 2.2 Management Strategy

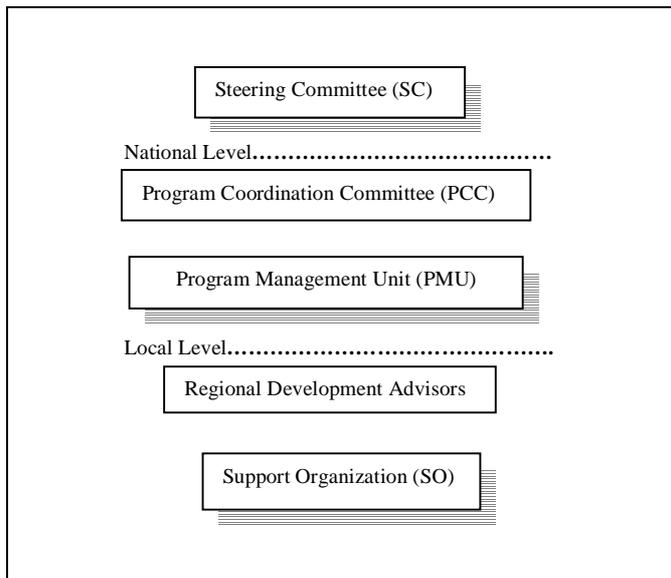
The program is assisting selected 12 municipalities and 33 Rural Market Centers (RMCs) within the defined market zones to promote and expand rural-urban linkages. The program supports are provided at three levels namely, central level (macro), municipality and VDC level (micro) and local civil society level (meso).



The program's management structure is rearranged in the second phase (2002-2003) and involvement of national government authorities is enhanced in order to ensure sustainability of the program through local ownership. The attempt has increased the efficiency and promoted a swift internalization of the program into the municipalities.

The steering committee at the national level facilitates the implementation of program activities and supports in applying the experiences at macro level while the PCC largely concentrates on facilitating both implementation and monitoring of program activities. Similarly, the PMU is directly in charge of the implementation of program as per the guidelines provided by the SC and PCC. PMU is assisted by different RUPP specialists who also take support from national and international consultants.

Regional advisors are the backbone of the program who actually implements the program activities in the field with the help of Support Organizations. SO will ultimately be internalized in the municipalities and are presently supervised by the executive officers of the municipalities. The PDC which consists of local members from different sectors guides the SO to implement the program activities in the field.



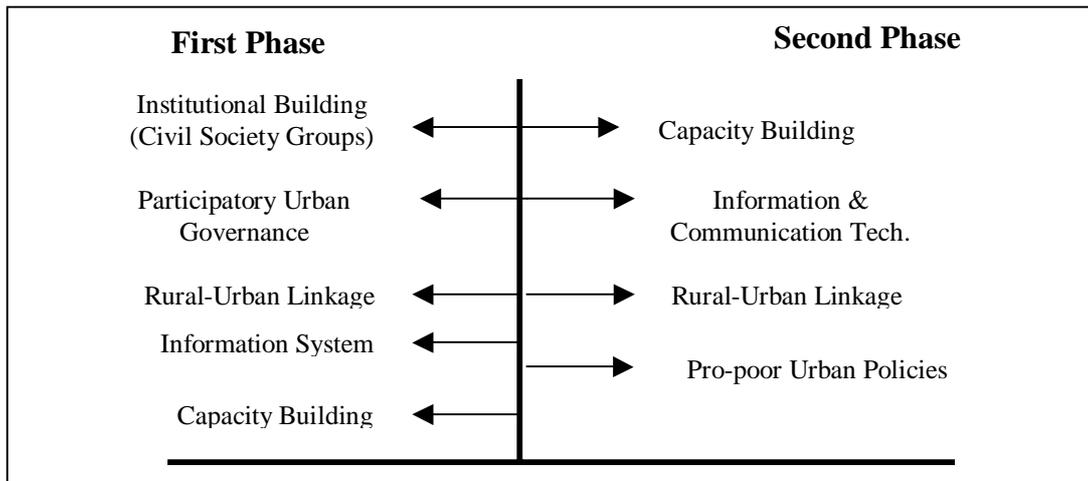
### 2.3 Implementation Strategy

Although, rural-urban linkage is the central theme of the implementation strategy, it has however found some shift in its focus over time. Civil society mobilization (hereafter called community) is the main component as well as the popular tool for implementing program's activities in the field. Consequently, community mobilization initiatives have provided a strong institutional base at the local level which in turn has facilitated decentralized urban planning and management, improved rural-urban linkages, local resource mobilization, poverty alleviation and empowerment of women and community at large.

Institution building through formation of civil society groups (TLOs<sup>2</sup>) at the local was the focus in the first phase while the second phase pays more attention on capacity building program both at municipality and community level. TLOs are successfully utilized in introducing participatory planning and management approach in urban governance and simultaneously they are involved in the development of Tole Development Plans (TDP) and Enterprise Development Plans (EDP) at the grassroots level. The program in many ways presents a shift from the traditional urban governance practices characterized by narrow technocratic urban management strategies involving centralize decision and top-down policy making to a more holistic strategy that seeks to engage a host of urban actors and civil society in the delivery of good and results oriented urban governance.

<sup>2 2</sup> TLO – Tole/Lane Organization is basically a neighborhood level community based organization formed in the initiation of RUPP in all areas of selected municipalities.

## Shift in Program Implementation Strategy



Similarly, a strong information system within the municipalities and RMCs is developed to support execution of different program activities which are recently also utilized to introduce the concept of e-governance and e-commerce. Training and capacity building of both municipalities and Village Development Committees (VDCs) is yet another key sector of intervention of the program. However, the focus area of training component is modified as the program entered into the second phase. Similarly in the same phase, RUPP has increased its emphasis on policy development activities based on its substantial experiences in the field.

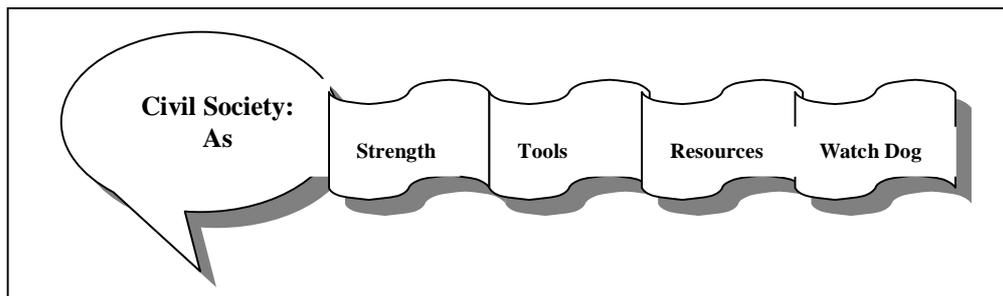
### 2.4 Beneficiaries

The beneficiaries of RUPP are mainly the urban poor, the municipalities/VDCs and the national government. RUPP has continued its supports to local communities through increased focus on their political, social and economical empowerment. Skills training backed by the micro credit has strengthened their scope of economic development and social prosperity. Special emphasis is however laid on women and under privileged society by virtue of their increased involvement in all domains of local development.

An additional attention on capacity building of municipalities has enhanced their adaptability with participatory urban governance and management. Simultaneously, it has slowly eased the idea of transferring social mobilization and enterprise development responsibilities to the municipalities. RUPP has accorded extensive experience in the field of urban development based on the model of improved rural-urban linkages through direct participation of civil societies. The experience is expected to serve as an important tool for the central government and other development agencies to formulate nation wide policies aimed at creating enabling environment for good urban governance.

### 3. CIVIL SOCIETY (COMMUNITY): Present and Potential Role

Community mobilization is being carried out as an institutional base for implementing diverse program activities with an ultimate aim to introduce participatory management and therefore achieve sustainable urban development. Social capital formation at grassroots level through larger participation of local communities further supported the development and practice of good urban governance. The involvement of local communities is succinctly planned at different stages of the program delivery system. The idea of community participation begins with the process of mass sensitization and simultaneously their capacity building initiatives. In order to ensure fruitful participation, local communities are thus organized in several groups of manageable sizes.



The program's community mobilization scheme has achieved a record success by covering 100 percent of the household in all selected 12 municipalities and 33 RMCs. This paper has tried to analyze the comprehensive role of local communities in strengthening rural-urban linkages and more importantly their contribution in an overall urban development and hence urban governance of the country. The role of local communities is thus analyzed in four different categories as described in the figure above.

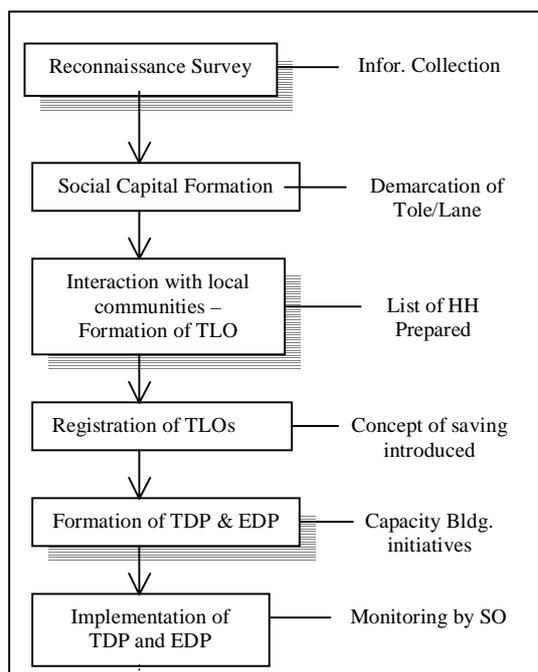
#### 3.1 Community as Strength

RUPP right from its inception has realized the local communities as their strength to achieve success in implementing the program activities and making the impact long lasting. The program therefore launched its activities with widespread focus on community mobilization process in selected urban centers of different sizes and characteristics and slowly entered into partner RMCs. The mobilization process begins with social capital formation in local communities where local leaders, social workers, local elites and ward executives are particularly consulted to develop better understanding of the local environment. At this stage, some basic information about the neighborhood is gathered and analyzed before actual initiation of mobilization process of local communities.

At the second stage of mobilization process, a definite functional boundary in each neighborhood is created particularly to maintain the manageable size of the group (in average 60-80 house hold) and thus the activity of sensitization begins. Community mobilizers of SO play the key role in facilitating the process where they guide local communities to form a smaller representative committee (3 to 5 members) on behalf of their larger members of

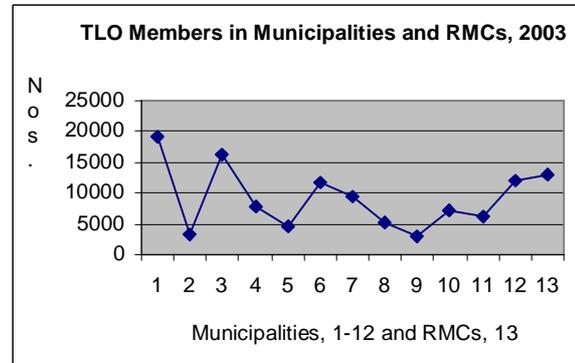
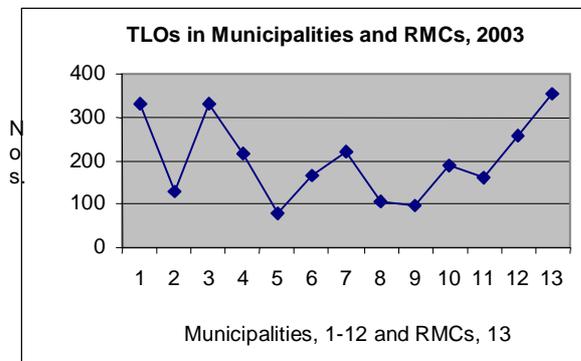
community group which constitute of at least one member from each household of that area. The program named each community group of neighborhood level as Tole/Lane Organization (TLO) which is subsequently involved in implementing different program activities.

In support of SO members, each TLO is primarily responsible to develop Tole Development Plan (TDP) and Enterprise Development Plan (EDP). TDP is developed purely based on local needs and priority while EDP is targeted towards exploiting potential opportunities from rural-urban linkages. The program actively supports TLOs in building their capacity through necessary training and exposure visits. The mobilized communities are now organized in the form of strong, cohesive and aware TLOs which become fundamental strength not merely to implement RUPP components but for the overall development of the municipalities. RUPP's achievement in community mobilization has opened several new opportunities and thus supports to succeed by adopting participatory planning and management approach.



Other development related donor agencies and also private parties have shown their keen interest working directly with TLOs to implement their program activities planned on community based approach. TLOs in all 12 municipalities and 33 are successful in mobilizing people of different occupations and age groups where women participation in the form TLO member in particular is above 50 percent. RUPP's community mobilization process is unbeaten in activating another major block of civil society i.e. women (contribute 50% of total country population) who are often left out in development related activities. The active participation of women has suddenly changed the image of civil society while it has also provided them opportunities to get into the mainstream of national economy and development. TLOs are seen as a strong base and are in the process of institutionalization as the lowest level functional unit of the municipalities. The saving concept introduced in TLOs

is playing an important role in keeping the interest and motivation of the members alive which has further consolidated the existence of this unit at the neighborhood level. The emergence of TLOs in municipalities has directly contributed the guiding principle of LSGA 1999, which advocates participatory planning and management approach as a means to achieve good urban governance at the local level.



Community participation in municipal activities is a growing phenomenon in the present context of urban development in Nepal. RUPP's mobilized local communities are playing a supporting role in meeting the increasing demand of urban infrastructure and services. RUPP has sufficiently demonstrated the effective utilization of TLOs in local development activities. More importantly, how TLOs can play a pivotal role in strengthening the rural-urban linkages is the highlight of Rupp's strong association with local communities. Local governments now need to capitalize these organized communities who are comparatively trained and forward looking. The idea of 'communities as strength' is achieved through rigorous process of capacity building initiatives. Different types of training activities are planned and conducted at all three levels of the program intervention. All training under economic enterprise maturation sector, leadership and saving and credit are mostly planned for local communities while PMDP and PVDP are focused to staff and elected representatives of municipalities and VDCs.

### Trainees by Training Area (2003)

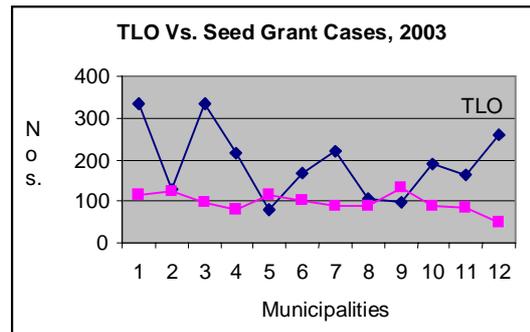
| Training Areas                 |                     | Total        | % of Female |
|--------------------------------|---------------------|--------------|-------------|
| Sector                         | Sub-sector          |              |             |
| Economic Enterprise Maturation | Skill Transfer      | 3001         | 71          |
|                                | Enterprise Mgt.     | 7550         | 55          |
|                                | Tech. Transfer      | 339          | 55          |
|                                | Rural Labor Linkage | 160          | 60          |
| HRD                            | PMDP                | 5568         | 48          |
|                                | PVDP                | 984          | 33          |
|                                | Saving & Credit     | 4532         | 55          |
|                                | Local Governance    | 293          | 9           |
|                                | Gender              | 1490         | 63          |
|                                | Leadership          | 4699         | 51          |
|                                | HIV/AIDS Awareness  | 7761         | 65          |
| Program Staff                  | Program Orientation | 630          | 38          |
|                                | Refresher           | 201          | 48          |
| Additional Training            |                     | 579          | 57          |
| Others                         |                     | 1379         | 50          |
| <b>Total</b>                   |                     | <b>39116</b> | <b>56</b>   |

Source – RUPP, 2003

### 3.2 Community as Tools

RUPP has successfully demonstrated the participation of local communities in strengthening rural-urban linkages and urban development at large. The program has used the organized communities in the form of TLOs as a tool to implement development activities on participatory method. Consequently, the preparation of Toile Development Plan (TDP) by each TLO further facilitates the bottom-up planning approach envisaged by the LSG Act 1999. The plan is prepared after intensive discussions and interactions among community members who later prioritize the projects looking at the local needs. The TDP is further divided into two categories namely, projects that can be implemented through TLO and ward (presently the lowest level unit of municipality) resources and those that need support from the municipality. TDPs also contribute the concept of Participatory Municipal Development Planning (PMDP) which is now widely practiced in all RUPP municipalities and VDCs. TLOs in general are responsible for the overall socio-economic development of the local communities. TDP is a continuous process and it is revised at optimal intervals.

RUPP plays a key role in implementing first category of TDP projects by providing seed grant money and also other necessary technical supports. RUPP's seed grant support is often allocated for implementation of socio-economic infrastructure projects which ultimately assists in strengthening rural-urban linkages in the market zone area. The impact of such projects is commendable as observed and reported in the field. By mid of 2003, 1,159 projects are implemented with the support of RUPP's seed grant money. Some common projects are like construction of link roads, link bridge, collection center, weekly market and environmental improvement activities.



Seed grant cases are not directly proportional to the number of TLOs as observed from the above figure. A close examination revealed that the remote and smaller municipalities like Byas, Tansen, Birendranagar and Dhankuta are more successful in implementing large number of seed grant cases in compare to other bigger municipalities. However, all such projects are completed in an active initiation of local communities where they also contribute from their side in the form of cash and/or labor. Implementation of seed grant supported projects eventually supports the municipal endeavor of meeting the local needs of urban infrastructure and services. The implementation of seed grant cases has multiplier effect on resource generation which will be discussed in detail at later stage of this paper. Similarly, as TDP, Enterprise Development Plan (EDP) is also prepared at the community level following the same mechanism as discussed above. It is again a continuous process and EDP is revised at regular intervals as per the needs of the local communities. RUPP encourages local communities to identify and prioritize enterprises which are based on rural-urban linkages. Against the ‘social security’ of TLOs, the program supports all selected Economic Enterprises (EEs) and Focal Agents (FA) with specialized skills.

Support of RUPP is extended in the form of integrated package which constitute training, technology, credit and market information. Further, SO office provides regular and intensive monitoring support to all selected EEs and FAs. It is now largely acknowledged that RUPP supported EEs and FAs are successful in making tangible and positive impact on rural-urban linkages. They have intensified the exchange of commodities between rural and urban areas. So far, 3512 enterprise groups and 542 focal agents in selected municipalities and RMCs are benefited through the integrated package support of the program.

Apart from preparation of TDP and EDP, TLOs are overwhelmingly utilized in implementing other activities initiated both by RUPP and municipality in general. RUPP has placed TLOs as a focal point of their program implementation mechanism and are also utilized successfully to disseminate the recently introduced popular concept of e-commerce and e-governance. Similarly they are also helpful in conducting new research and updating municipal database system. Association with TLOs often provides opportunities to better comprehend the local development realities and also local priority and prospects. All awareness raising activities planned by integrating TLOs have produced extraordinary result which is found effective and long lasting. Similarly, other development related public, private and donor agencies have shown how community based development activities are easily organized with the help of TLOs which are moreover permanent grassroots level unit.

In the same context, municipalities have realized that the role of TLOs can be extended beyond their involvement in planning and monitoring activities. They are rather keen to engage them directly in implementing their diverse range of development activities. They have shown their commitment to recognize TLOs as the lowest level of functional unit and hence enhance their contribution in the overall local development and management. In some cases, municipalities have appropriately utilized TLOs to give further boost to an encouraging trend of communities' participation in development projects. Similarly, in several cases, TLOs are playing active role in implementing partnership based development projects which are often implemented following 'users' group committee<sup>3</sup>' principle.

### 3.3 Community as Resources

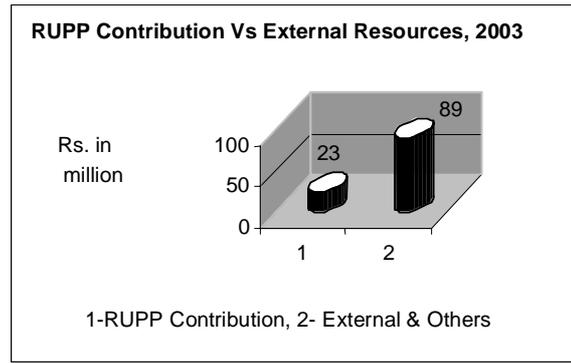
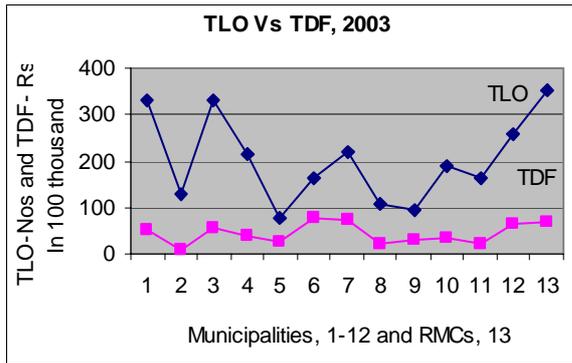
RUPP at this stage has sufficiently exemplified how organized local communities can become resources for local development. The resources here are described more in terms of communities' role in revenue generation activities and its financial implication in general. Similarly, discussions are not merely limited to RUPP activities rather an attempt is made to analyze its larger impact on the overall municipal development endeavor.

Saving at TLOs level is the first step towards self-reliance which also enhances their validity and sustainability. The impact of saving concept introduced by RUPP at TLO level is encouraging while almost hundred percent (97 percent) investment of the same savings in all municipalities is more encouraging. TLOs saving popularly known as Tole Development Fund (TDF) is mobilized primarily for supporting micro-enterprise creation at community level though it is also utilized to initiate other development activities on partnership basis. Communities' saving attracts external resources and encourages municipality to form partnership with TLOs. RUPP has supported communities' saving activities by providing necessary training to community members and also helping in auditing their account every year. Nevertheless, some TLOs have formed sub-committees for monitoring saving and credit activities on their own in order to maintain greater transparency. Although there is no any particular trend of saving mobilization in terms of TLOs but the total saving is still substantial. By the mid of 2003, a sum of rupees 57,176,431 have been deposited in TLOs savings in all selected municipalities and RMCs.

'Community as resources' is more prevalent in case of seed grant support where RUPP's contribution of Rs. 23 million by mid 2003 has generated worth of Rs. 89 million from the communities and other sources. In the same period, the program disbursed a total sum of Rs. 85,447,917 as credit to support community based EEs which subsequently generated additional community resources in the form of equity equivalent to Rs. 73,490,407. On top of that, the program has strictly maintained timely repayments of loan (which is almost 100 percent) except in very few exceptional cases.

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<sup>3</sup> Users' Group Committee – This is basically a smaller representative group of larger users who contribute and work in participation with municipality in implementing that particular project. Users' group remains responsible for executing the project with an active technical and professional support of the municipality.



RUPP's resource mobilization effort has reached another landmark. Recently, the program has developed a formal financial linkage with Agricultural Development Bank, Nepal (ADB) to bridge the gap between the supply and demand of credit need of the targeted families. ADBN has selected five pilot districts as "Learning Laboratories" to experiment and document the lesson for larger replication of the concept in other districts. The preliminary analysis indicated that the economic impact of credit support provided by the RUPP is substantially high as 1 rupee of credit has successfully generated 20 rupees in average.

Resource mobilization from local communities is not only restricted to RUPP's core activities as it is simultaneously exploited by the municipal authorities and also private party working in collaboration with municipalities. Communities' contribution in municipal development projects both in terms of cash and/or labor is rapidly increasing in all urban centers of Nepal. It is observed that the cash contribution is more common in large and urban character dominant municipalities (Biratnagar, Pokhara, Heuda etc.) while labor contribution is more prevalent in remote municipalities dominated by rural characteristic (Byas, Dhankuta, Tansen, Tulsipur etc.). The common ratio of contribution is 60:40 by municipality and community respectively though in general it varies from place to place. It is interesting to note that such participations are largely restricted to construction of roads and drainage and hence a huge possibility of its diversification exists. Private party responsible for management of city solid waste in Biratnagar has recently experimented with TLOs by authorizing them to collect the service charges on behalf of the company. The party instead pays 20 percent of total fee collected to the TLO. As reported, the preliminary impact of this partnership is encouraging.

### 3.4 Community as a 'Watch Dog'

Local Self-Governance Act 1999 has categorically suggested local governments to follow participatory approach in their planning, budgeting and monitoring activities. In the same perspective, RUPP has extensively conducted PMDP training in all selected 12 municipalities and 33 VDCs and hence supported in internalizing the participatory approach concept in the present system of municipal government. The idea of participation automatically brings civil society on the forefront and therefore their role becomes vital. Involvement in planning and monitoring of municipal activities has paved a way for TLOs to work in collaboration and hence support in making municipalities more accountable

Local communities at many occasions play a role of ‘watch dog’ especially when they are working in partnership with municipalities. It is overwhelmingly accepted by people of different sectors that projects planned and implemented in partnership with civil society is more transparent, effective and successful. With the growing trend of community participation in municipal activities, their role as ‘watch dog’ has increased and therefore further degree of transparency in municipal activities is achieved. In the above context, municipalities have started using TLOs as a base to channel communities’ participation in municipal development activities. Similarly, the role of TLOs is also recognized in the recent attempts of developing public private partnership in delivery of urban services.

TLOs being an organized unit have played more matured and sensible role when they are entrusted with any vital responsibility. RUPP has successfully utilized ‘social security’ provided by TLOs to execute community support activities in the field. Increasing demand of credit support, timely repayment, growing communities’ saving and huge mobilization of external resources sufficiently prove the efficient role of TLOs as a ‘watch dog’. How municipality can use the same strength for better management of municipal responsibilities is yet to be seen.

#### **4. POTENTIAL ROLE OF CIVIL SOCIETY**

The potential role of civil society also depends upon the attitude of municipalities about how far they want to develop partnership with local communities. Nevertheless, the recent trend is encouraging as municipalities are continuously expanding their boundary of partnership with local communities. It is now evident that RUPP is largely successful in utilizing the grassroots communities for implementing its diverse range of development activities however there is still scope to motivate specialized group of local communities to divert their investment in projects focused to strengthening rural-urban linkages. Similarly, RUPP can make more comprehensive use of TLOs’ ‘social security’ in order to introduce other important components of good urban governance. TLOs can play a significant role in bridging the gap between municipalities and civil society and it is very much needed in the present context of participatory urban governance.

They can also help in gathering valuable views and opinions of local intellectuals who often are not closely linked with municipal planning and development activities. TLOs simultaneously can be used to develop partnership with local women (more than 50 percent of TLO members are women) as it is yet not widely practiced in municipalities of Nepal. Women focused development projects have greater scope to achieve success in view of their active participation in TLOs. On the other hand, municipalities can further utilize the TLOs to make their direct reach in grassroots communities. On behalf of civil society, TLOs can effectively play the role of pressure groups and lobby for the good cause of local development. They can also act as an important partner in a situation of natural calamity and epidemic outbreak.

Similarly, municipality can make best use of TLOs by involving them directly in supervision and monitoring of municipal projects of their respective areas. The involvement of TLOs will significantly raise the transparency level of municipal activities and helps in checking the unjustified leakage and corruption. Likewise, greater role of TLOs can be ensured in all local projects implemented under users' group principle. This will enhance the ownership feeling and make users' group more sincere and accountable towards local development. At the same time, TLOs role can be yet further extended by authorizing them with minor maintenance and repairing of infrastructure projects constructed under partnership arrangement.

Nonetheless, there is even greater scope to benefit from TLOs in view of their direct involvement in municipal revenue generation activities. TLOs can play a decisive role in spreading the message that "municipality alone cannot do everything" and therefore peoples' participation and contribution is indispensable. This community based organization can motivate people to pay taxes and support municipalities to record better performance. Municipalities can directly involve TLOs in collection of service charges on sharing basis which will not only enhance revenue performance but also save scarce municipal resources. In the same context, TLOs can establish close coordination with ward offices and reciprocally helps each other to better manage their responsibilities.

TLOs can be a valuable partner in resolving local level contradictions and conflicts. They can simultaneously play a valuable role in educating and training their own grassroots members in collaboration with municipalities and other development agencies. Competent members of TLOs can be an asset for municipalities in terms of qualified human resources. TLOs role in environmental education and conservation could be profoundly useful in terms of environment friendly sustainable local development. TLOs in reality can play the role of 'citizen charter' which is recently published and distributed by several municipalities. Citizen charter infact outlines the list of services provided by the municipalities to their local citizens.

## 5. CHALLENGES

Role of civil society in the present context also posses some challenge in terms of their institutionalization, sustainability, politicization and so on. Although RUPP is successful in presenting TLOs as an institution to meet the challenge of rural-urban linkages and subsequently good urban governance, however municipalities have yet not fully confirmed this community based organizations as their lowest level of functional unit. Nevertheless, initial symptoms are encouraging as positive commitments are received both from the central and local government. On the other hand, Support Organizations (SOs) have already been included in the municipal organogram through the approval of municipal assemblies. As a result, staff are internalized in all municipalities, but how they will find independency in implementing program activities is yet to be organized. The human resource management of municipalities in general is very poor and therefore there is always a risk of mishandling of SO staff who are well trained, sincere and motivated towards their work.

As explained above, communities' savings in TLOs are widely practiced but again it is not happening in all the cases. How such TLOs which do not have their own regular fund can

sustain in the long term is need to be sorted out. Similarly, in spite of hundred percent of households coverage, some degree of variation always exist among the TLOs even though they all represent the same municipality. Not all TLOs are equally motivated and active and thus are not playing similar role in the development of municipality. A mechanism need to be derived to energize the TLOs which are comparatively inactive and less motivated.

So far there are no politicizations of TLOs in any manner however there is always a danger of being politicized. The situation is alarming especially in view of overdue local and general elections. The danger of politicization also exists when the program is completely internalized in municipalities which are political institutions and are in a state of over politicized. A good intention of other development agencies to use TLOs to implement their community based activities may sometime cause conflicts as TLOs strictly function under the guideline of RUPP.

## **6. CONCLUSION**

Under the broader framework of RUPP, this paper has sufficiently demonstrated how civil societies have played their role in four different perspectives in the process of strengthening rural-urban linkages and therefore promoting good urban governance. The discussions also debated how municipalities will benefit from the effective utilization of organized TLOs. In the process of analysis, this paper is successful in highlighting some key issues which are found vital in the current transition phase of RUPP. A challenge is yet only partly met in view of full internalization of the program in the present system of municipal government and also how municipalities can maintain the same spirit as achieved by RUPP throughout the program period under their own local ownership. However, in spite of some challenges, the role of civil society is prerequisite towards strengthening rural-urban linkages and consequently promoting good urban governance.

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