

INTEGRATED ACTION PLANNING IN NEPAL: SPATIAL AND INVESTMENT PLANNING IN URBAN AREAS

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1. Introduction

Integrated action planning (IAP) has been defined as a simple form of urban planning which is distinguished by the fact that it:

- involves through participatory events the views of the people who are affected, in order to achieve a greater feeling of ownership of the policies that will lead to more effective implementation;
- considers the financial resources available to the local government - the main actor - necessary to carry out a rolling investment plan for the next five years of projects (i.e. actions) that follow a physical plan (UDLE, 1997:10).

In other words, it schedules investments in construction and land improvement actions, relates them to physical planning policies, involves stakeholders in the process, and concerns itself with how local government will finance its share of the costs.

The execution of Integrated Action Planning in Nepal's municipalities began in 1992 as the result of an initiative by GTZ within its UDLE programme aimed at strengthening the capacities of local governments. In partnership with the Department of Housing and Urban Development of the Ministry of Housing and Physical Planning (DHUD), IAP had been launched in 22 municipalities by 1997 (Ibid.:11). After a major review of its activities, UDLE withdrew its technical support for IAP in municipalities in general, choosing to focus upon the integration of the several components of its assistance, IAP included, in only six municipalities. The DHUD has continued to undertake IAP in those municipalities which have not yet been reached, with some financial support from UDLE.

Integrated Action Planning was introduced at a time of decentralisation of responsibilities and of expected increases in funding for urban infrastructure to overcome deficits and serve rapid urbanisation (MHPP, 1992). It has been the hope of its advocates that IAP would become a regular activity of local urban governments in Nepal, helping them prepare their annual development budgets, coordinate expenditures from different sectors and institutions, and update and implement physical development plans.

In all cases, IAP has been performed by a team of DHUD and municipal technical staff, usually with a UDLE adviser, working within the offices of a municipality for approximately 2 months. Typically, a report was produced containing three interrelated statements of policies (UDLE, 1997:11):

- the Physical And Environmental Development Plan (PEDP) stating policies for the expansion of the built-up area and for land use zoning of present a future built-up areas, (plus draft by-laws for the implementation of these policies);
- a list of investment projects to be carried out during the planning period, combining those chosen for the people of the local communities (wards) and those chosen for the municipality as a whole;
- a Multi-Sector Investment Plan (MSIP) that relates the projects to the funds expected to be available and which assigns each to a particular year, supposedly to reflect the priorities given to the projects by the people of the wards and by their elected municipal leaders.

The elements of the IAP process have evolved as it has been applied in municipalities. At the end of 1996, it was conceptualised as shown in Figure 2 (DHUD and UDLE, 1996a; DHUD and UDLE 1996b). Two important aspects of the process can be seen in Figure 2. The first is that the MSIP and the PEDP were meant to be prepared simultaneously. The second is that the

preparation of the PEDP was expected to feed considerations into the identification of problems and projects and their prioritisation. The latter was expected to produce an MSIP in which “The output of analyses conducted into physical and environmental characteristics, in particular existing and future opportunities and constraints, should be used to determine the priority of problems.” (DHUD and UDLE, 1996b:1d3). Thus, the MSIP’s programme of investments was expected to be one that “sequences their implementation over 5 years in relation to the priorities of the people and the policies contained in the PEDP” (UDLE, 1997:11).

Investigations¹ conducted in Nepal during August, 1999 sought information with which to identify and extract the lessons of Nepal’s experience in the practice of integrated action planning. A team from the Development Planning Unit of University College London² interviewed technical staff and elected officials in seven municipalities - Dharan, Dhulikhel, Thimi Madhyapur, Siddharthanagar, Butwal, Pokhara, and Byas - as well as technical staff in UDLE/GTZ and the DHUD, the institutions who had partnered the introduction of IAP into local government. Not surprisingly, this investigation found that the practice of integrated action planning did not always fit with the concept.

2. The Intended IAP Process

The method for conducting Integrated Action Planning, formulated and modified through use by DHUD and UDLE, has been set out in several documents produced for training. The account of this method that follows has been drawn from DHUD, 1996a, DHUD, 1996b, and interviews with UDLE and DHUD technical officers who have carried out training or implementation of the method. At the time of this investigation, the strategy for institutionalising Integrated Action Planning intended that its first application in a municipality would be performed as a learning-by-doing process in which a technical team of DHUD and UDLE staff - residing in the municipality for several months - would work with staff of the municipal government. This way, IAP could be set into operation at the same time that the municipal staff learned the process for themselves. Then, subsequent executions of Integrated Action Planning would be carried out by the municipality staff.

Stress was put upon involvement of a municipality. One staff and one elected representative from the local government were to be working members of the IAP team. Ward chairmen were to be invited to lead community meetings. The municipality was to be briefed in advance, and then submit a written request to the Ministry asking for the execution of the IAP process and agreeing to make a financial contribution toward the cost.

It was intended that Integrated Action Planning would become integrated into the regular activities of a municipality, such that the municipality would prepare its annual development investment budget as the first year of a 5 year rolling multi-sectoral investment programme, while continually updating and implementing its physical development plan. The possible operation of Integrated Action Planning as a municipal process is shown as a flow chart in Figure 1.

Three parts of the IAP process are particularly important: community participation, creation of the MSIP and creation of the PEDP. It was hoped that with community participation infrastructure investments would better correspond to the needs of the communities than if government alone chose them. Through a combination of community participation and verification by a technical team (that examines feasibility and the adequacy of a proposal),

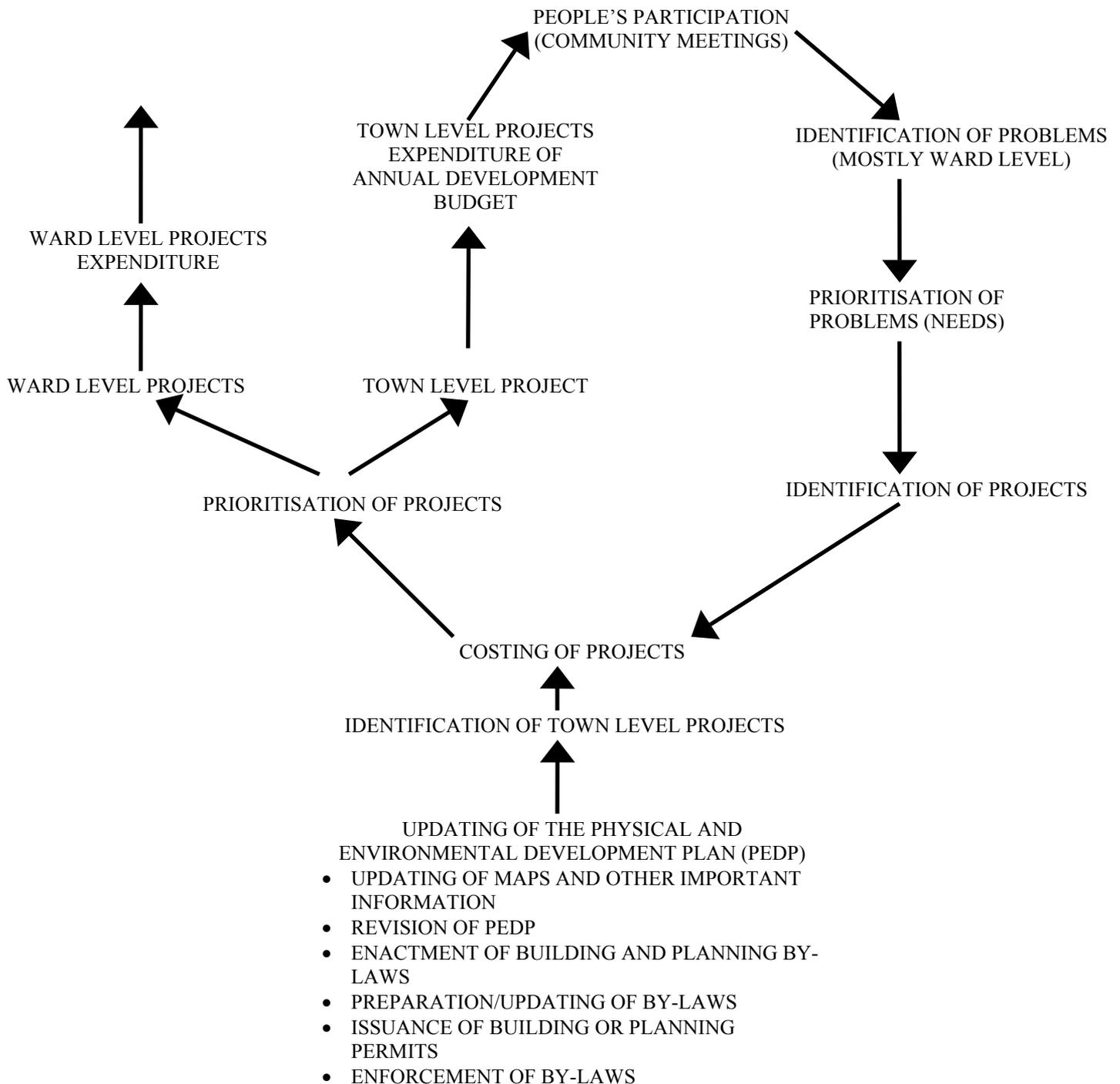
¹ These investigations were part of a larger project funded by the KAR programme of the Department for International Development (DFID) of the UK Government.

² The researchers involved were Michael Mattingly and Julio Dávila of the Development Planning Unit, London, and Haryo Winarso of the Bandung Institute of Technology, Bandung, Indonesia.

needed infrastructure would be identified. Community meetings also would assign priorities to projects.

Figure 1. Operation of Integrated Action Planning as a Municipal Process

Source: DHUD, 1996a:6a2 and interviews



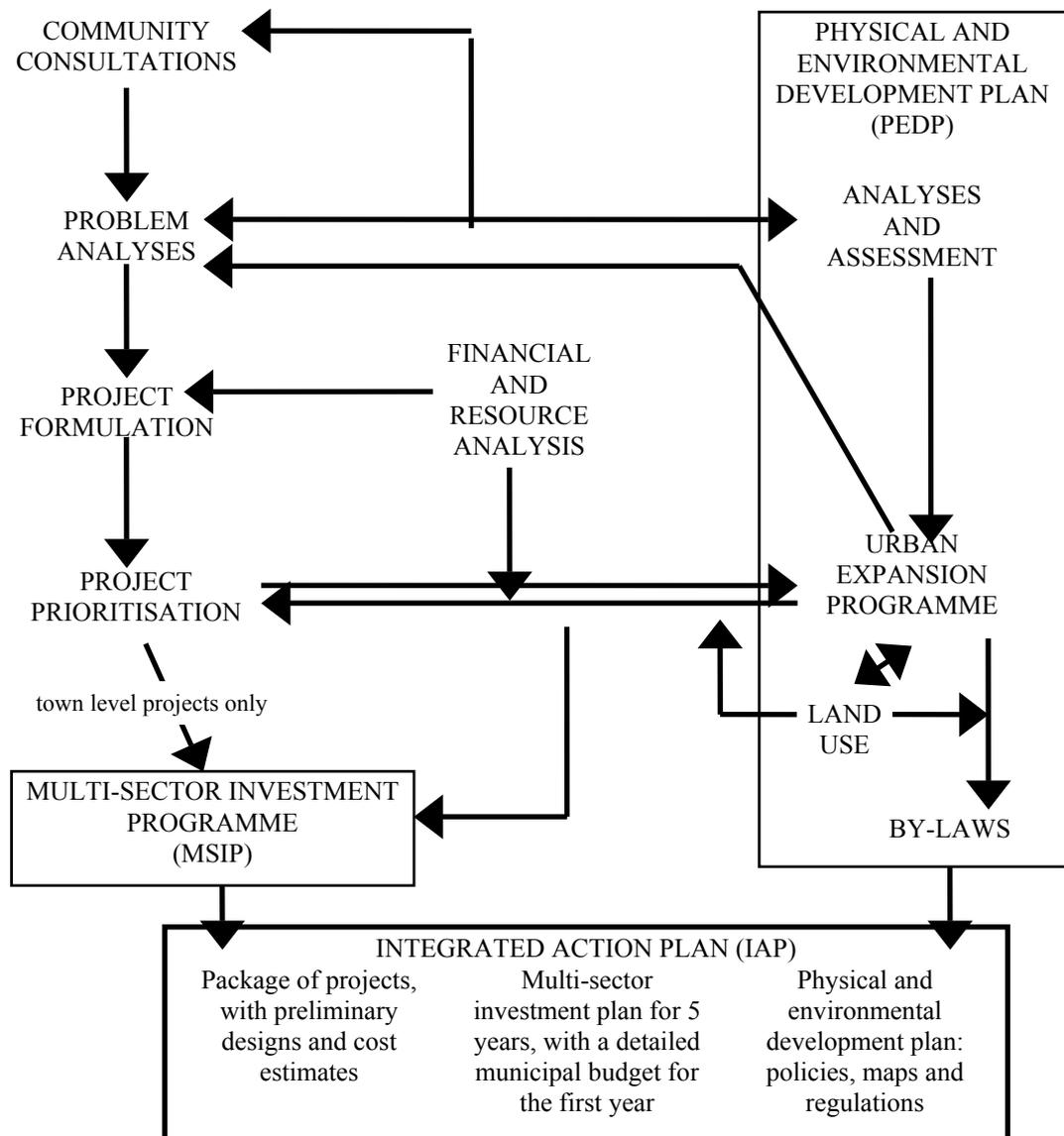
The role of the PEDP would be to guide the decisions concerning the location, size, quality and timing for an investment proposal as it is identified, given a priority and assessed for its adequacy and feasibility.

Using community participation and the conclusions of Physical and Environmental Development Planning, an MSIP would be designed that integrates the investments of the municipality and of line agencies so that duplication and contradictions of projects could be avoided. As part of this preparation, a analysis was to be conducted of the financial status of the municipality, particularly to determine the existing and future funds available for development based on the current fiscal performance. Ways and means to increase the municipality revenue are to be proposed. The result would be an investment programme for a five year period, bringing together schedules for different sectors and indicating the sources of funding for the various projects. It was hoped that such a programme would be reviewed and extended every year to reconcile the annual budgeting of each sector with the 5 year programme.

The intended overall process of Integrated Action Planning is pictured as a flow chart in Figure 2.

Figure 2. Principle Integrated Action Planning Elements

Source: DHUD, 1996a:2a3 and interviews



The steps in more detail are the following.

Community and Other Consultations:

1. Conduct a series of community meetings at ward level to identify problems and determine their priorities.
2. Hold detailed discussions with contact persons (representatives elected during the community meetings) to better understand the problems and their priorities.
3. Hold discussions with individuals and groups, as necessary.
4. Form a steering committee for the IAP process.
5. Conduct meetings with the municipality, line agencies, other concerned government and non-government organisations, private sector and local intellectuals in the municipality to identify problems.

Preparatory Analyses and Assessments

1. Prepare a base map of the municipality.
2. Collect relevant data concerning the topography and natural features, land use and activities, infrastructure, committed projects, development trends, existing roads and other infrastructure, (e.g. water pipes, open/closed drains, electricity networks, and telephone networks), and committed new projects. Gather this information from site visits and observations, discussions with the municipal government, ward chairmen, the IAP Steering Committee, advisors and individual citizens.
3. Prepare thematic maps depicting separately the areas affected by each of the relevant matters for which physical data was collected.
4. Using the thematic maps as overlays on the base map, identify where an appropriate combination of factors indicates constraints and opportunities for expansion of the urban area such as unstable soil, forests, steep slopes, flood prone areas, and high yield agricultural land.
5. Identify possible new development areas as those that provide the means for urban expansion at comparatively lower cost, that are without negative environmental impacts, and/or that require easier administrative and legal processes to develop, such as stable soil areas, land accessible to existing roads or served by existing water distribution mains, poor agriculture land, lands where new construction is tending to take place. These are areas where opportunities for land development do not overlap with areas where there are constraints on development.
6. Review the findings of these analyses against any existing land development plan to identify problems needing to be addressed to safeguard the environment and to ensure planned land development in the future.
7. Present the preliminary conclusions of assessments and analyses to the community meetings in the form of a map to increase understanding of the issues and to aid identification and prioritisation of problems. Include on the map the constraints and opportunities for future land development.

Problems Analyses

1. Bring together, map and rationalise to avoid duplication and contradiction all problems identified.
2. Reject problems that are not justified.
3. Consolidate those that can be combined.
4. Classify problems as ward level or as town level in terms of their impacts:
 - a ward level problem does not normally affect more than one ward or more than relatively few people;
 - a town level problem affects more than one ward and can only be addressed from the perspective of the whole town or a significant part of it.
5. Prioritise ward level problems on the basis of the advice received from the community meetings.

6. Prioritise the town level problems, giving consideration to the:
 - advice received from the municipal government and individuals;
 - recommendations of the Physical and Environmental Development Plan, especially regarding the proposed urban expansion phasing and infrastructure investment.

Project Formulation

1. Assess alternative ways and means of resolving problems and propose infrastructure projects.
2. Propose projects and their priorities to compliment policies for future expansion areas, using the map produced for the Urban Expansion Programme (described below).
3. Prepare infrastructure projects to a tentative level of detail.
4. Classify projects as ward level or as town level in terms of their likely impacts.
5. From discussions with the mayor and confirmation by the municipal board, obtain the municipal government's determination of the proportions with which its forecasted budget for the next five years will be divided between ward level and town level projects.
6. Assess project proposals for technical and financial feasibility, by simultaneously carrying out financial and resource analyses.

Financial and Resource Analyses

1. Assess the financial status of the municipality to determine the:
 - existing and future funds available for projects, based upon current fiscal performance;
 - ways and means of increasing funds through improved revenue collection.
2. Project funds for the next five years.
3. Obtain agreement to the availability of funds for projects through discussions with the municipality.
4. Assess the institutional and technical resources of the municipality and other relevant agencies to determine their capacities to plan, implement and maintain projects.

Project Prioritisation

1. Prioritise the projects to determine which should be started during the next five years by giving consideration to the:
 - what can be funded during the 5 years, giving attention to the distribution between town level and ward level determined by the municipality;
 - needs and priorities expressed by the ward leaders and populations;
 - views of the municipality and other agencies;
 - conclusions of the other assessments and analyses.
2. Reject or place as low priority those that do not have adequate justification in terms of their benefits.
3. Check the investment programmes of the line agencies, private sector organisations, CBOs and NGOs to determine if prioritised projects can be implemented within the 5 year period.

Urban Expansion Programme and Land Use

1. Classify the areas for possible expansion, that were identified in the Preparatory Analyses and Assessments step, into sub-classes indicating a judgement of their relative suitabilities, such as primary, secondary, and tertiary.
2. Suggest a simple land use framework for the existing town if there are no land use plans.
3. Referring to this framework, suggest the uses for the land in those areas for expansion that would be most suitable.
4. Decide which areas should be built upon first, those that should follow, and so on, thereby suggesting the phases by which the town could grow. Among other things, consider the priorities of the needs and projects already identified, as well as the sub-classes of suitability identified as above.
5. Identify likely problems and needs in the areas for expansion, to be considered when conducting Problem Analyses and Project Prioritisation.

By-Laws

1. Propose planning by-laws to aid in implementing the uses of land intended in the town and the areas for expansion, if the existing planning by-laws are not adequate.
2. Propose building by-laws for the town and the areas for expansion, if by-laws do not exist or are not adequate.

Multi-Sector Investment Programme

1. List all town level projects by investment sector, according to their priorities and with their estimated costs. Do not include the prioritised list of ward level projects with their cost estimates; leave it to serve as a guide to ward committees to use when deciding how to spend their budget allocations.
2. Identify the expected financial contribution to each of these projects from the relevant public, private and community organisations as percentages.
3. Estimate the total cost of the list of projects and compare this to the forecasted development budget of the municipality for the 5 year period.
4. Reduce the estimate of total cost to match the expected municipal budgets by putting off the start of some projects until after 5 years, by redesigning some projects so they are cheaper, and/or by rejecting some projects altogether. Do this in collaboration with the members of the municipal board, the deputy mayor and the mayor.
5. Obtain agreement from the municipal board to a list of projects to be in the MSIP that does not exceed in cost the total available in the projected development budgets for the 5 years.
6. Allocate each project to one of the five years, giving it priority on the basis of people's needs (as determined in community meetings) and of the urban expansion programme of the PEDP.
7. Ensure that the total costs of the projects for each year match the amount the municipality expects to budget for that year.
8. Reconcile the overall cost of projects in each year with the forecasted development budget of any other executing agency.
9. Draw all projects from the first year of the MSIP into the municipality's annual capital investment budget.

Alternatively, for the Multi-Sector Investment Programme

1. List all the priority town level projects according to their priorities without dividing them by investment sectors, but including their cost estimates and locations.
2. Schedule only those projects to be implemented in the first years of the 5 year period, considering the funds likely to be available.
3. Keep the remainder of the projects listed according to their priorities.
4. Ensure that the total cost of the projects to be implemented within 5 years matches with the total amount of the expected development budgets for the 5 year period.

Physical and Environmental Development Plan

1. Create from the conclusions of the Preparatory Analyses and Assessments, the Urban Expansion Programme, and Land Use proposals a physical plan in the form of a map that identifies the potential future urban expansion areas and the possible location of new infrastructure. The plan should also outline major land development directions and define the priority extension/expansion areas and the predominant land uses throughout the municipality.
2. Present the proposals for planning and building by-laws as part of the PEDP.
3. Use the whole PEDP when reviewing the MSIP each year and changing the investment programme.

2.2 Community Participation

Community participation is a particularly striking feature of the IAP process. The basic idea was to, as far as possible, capture the communities' needs, rather than wants, for the development of their areas. This was to be done by conducting meetings with a community and later conferring with it through a representative contact group. The output of a meeting would be a list of problems that represents the needs of the people and a prioritisation of the needs according to the preferences of the community. At various other points in the process, a community would be consulted, usually through the contact group, such as when projects were proposed and given priorities.

Meetings were to be conducted in wards, open to all who are interested. There would be two ways for conducting community meetings.

- The conventional approach: after an introduction, people would be asked what are their problems, and the technical team will make a list of these as they are raised by the people and would plot them on a map created during the in the first stages of PEDP preparation.
- The alternative approach: after an introduction, the team would describe the results of its own site visit and observations and of its initial physical analysis executed during the initial stages of PEDP preparation. The team would also present a summary of problems mentioned by the municipal government, the steering committee, wards chairmen, advisors and individuals. This presentation would focus the meeting and help the community to identify its needs in terms that can be responded to realistically. At the end, those attending would be asked to confirm the needs presented to the meeting and to identify any others.

At the end of the initial meeting, a contact group would be formed to help the IAP team locate, verify and explore the needs in much greater detail by visiting sites and holding further discussions with the team. This contact group would also help the IAP team to screen the problems in the analysis stage when some needs are consolidated and others are given lower priority or rejected through closer examination.

3. The Practice of Integrated Action Planning

To a large extent, this research found that the practice of Integrated Action Planning followed the method advocated by DHUD and UDLE at the time of the investigation and described above. This was partly because the practice was mostly conducted by teams from DHUD and UDLE working in training-while-doing situations in selected municipalities; it was also because the method had been changed as experience in its application suggested. Yet, there were always circumstances beyond the control of these teams and beyond the control of DHUD and UDLE that have resulted in differences, some of them very significant.

The Overall Process

A very major difference has been the failure of municipalities, all of them, to integrate the IAP process into their regular activities. Not one of those in which the process was introduced by DHUD and UDLE was found to have repeated the process itself, although there were a few cases where DHUD/UDLE or DHUD had been invited back after several years to repeat the exercise. It was consequently not surprising that no urban area had carried out Integrated Action Planning without the assistance of DHUD and UDLE.

Thus, in no municipality was there a rolling programme of investments that was revised every year. Instead, it was found that municipalities have been treating the MSIP as a fixed programme that guides them over a five year period, one that is to be replaced by another when

that period draws to a close. In at least one case (Butwal), agreement to a fixed programme appeared to have been used to ignore new demands from the population.

This has occurred despite substantial involvement of municipalities in the IAP process. Integrated Action Planning has been undertaken at the request of local governments and with their contributions to the costs involved. Municipality staff have been engaged on the IAP teams, some of them enthusiastically, and ward chairmen have conducted meetings as part of the process.

Another important difference was less obvious. There were indications (in Dharan, for instance) that municipalities undertook Integrated Action Planning in anticipation that there would be funds from the Town Development Fund (created by UDLE) to finance their projects. This seems to have diverted attention from the need for municipalities to develop their own, regular sources of revenue for capital investments.

Community Participation

This investigation found that much community participation took place as intended. Meetings were normally chaired by the ward leader, although sometimes a mayor might take charge. In the meetings, a map was presented on which to plot the problems raised by the community. Problems and projects were prioritised and these priorities were later used when drafting a long list of projects.

However, the meetings were not normally open to all. Although ward level meetings were already a feature of local government, the execution of Integrated Action Planning gave them new importance, and during the months of undertaking the process, efforts were usually made to widen the attendance. After the departure of the DHUD and UDLE teams, even though mayors and board members widely favoured the increased community involvement, ward meetings to discuss capital project expenditures became more restricted in their membership. Local government representatives argued that there can be more than 1,500 households in one ward, so no workable meeting could be open to all of them. Moreover, an open invitation would not ensure that the people would come; they needed to be invited. So ward leaders tended to invite those persons they wished to have in a meeting, tending to choose them from their own parties. This gave a particular political bias to the gatherings.

Participation in Local Level Discussions of the IAP A Typical Procedure

One meeting is conducted in each ward during the preparation of an IAP. At this meeting, a contact group is decided with whom there is regular contact thereafter. In the beginning, this contact group was made up of the ward leader and five others chosen from among those attending the ward meeting. Later, the other four elected ward representatives were added to give it more representation and to add the knowledge which the ward representatives obtain by meeting on a town-level committee with representatives from the other wards of the municipalities.

At first, a ward meeting was attended by individuals invited by the ward leader. The IAP team pushed for and obtained agreement to open the meeting to anyone from the ward to broaden the range of those participating. There has been a meeting as large as 150 persons.

A procedure evolved for conducting a meeting which is like the following. A map and a blank piece of paper are put up. Participants are asked to identify problems. As this is done, a team member will note the problems in positions on the blank sheet which anticipate it being possible to group problems by investment sectors. At the same time, another team member will note on the map the location of the problem. A participant who is threatening to dominate the meeting with a list of problems can be asked to locate the first mentioned of these on the map, forcing him or her to give up the floor.

Projects on the resulting map are then given priorities. These are agreed by all at the meeting. In a few cases where the difference in order of two projects cannot be decided, both have shared the same priority.

The IAP team then goes out to see the problems at their sites, in order to refine the nature of a problem and to estimate costs. If this suggest that a problem has been given too much importance or that it is actually too big to be treated at ward level, the matter will be taken to the contact group for a discussion which will change the priorities affected by the position of that problem. Often the team has sufficiently prepared itself for the meeting to know that a problem identified in the ward meeting is exaggerated or has not been recognised as too large to be dealt with at ward level.

As described in an interview by Kumar Lohani, IAP Coordinator, Department of Housing and Urban Development, Ministry of Housing and Physical Planning, August, 1999.

In at least some cases (e.g. Dharan), priorities were no longer decided with the direct involvement of the ward residents. The elected ward officials believed they knew what their people consider to be problems and priorities, and that an open meeting with the residents would inevitably result in difficult and long discussions about an unnecessarily long list of problems and projects. It was said in one town that, even when the ward meetings were supposedly open to all, they were stuffed with those invited by the ward leaders, biasing the decisions.

Nevertheless, there was sometimes more community involvement than was anticipated. One municipality reported that, after the Integrated Action Plan had been approved by the local government, it was taken back to the people through another round of ward meetings, during which the programme of projects and the PEDP were explained and discussed.

Yet, in the same case, the subsequent process of deciding projects each year did not directly involve the community residents. Instead, ward chairmen each met with a number of their elected ward members and chose ward level projects, probably referring to the agreed MSIP. For town level projects, the mayor decided most of the priorities after projects had been chosen

and prioritised by the technical staff, in consultation with the Mayor, Deputy Mayor, and some ward leaders, while making reference to the MSIP. A very similar procedure was followed in another of the municipalities studied.

Contact groups did not always play their expected roles. Only in a few wards of Siddhartha Nagar were contact groups created and used, whereas in Butwal and Thimi, they were formed in each ward (e.g. ward chairman, ward representatives, and 4 to 6 others decided at a public meeting in Thimi; ward leader, 4 ward representatives, and others such as teachers, lecturers, experts and businessmen in Pokhara) and used as expected. In some others they existed but little could be learned about their operation, and others it is not known if they were ever created.

Another institution intended to achieve participation was the steering committee for the IAP process. In Thimi, the steering committee, with representatives from the municipal board, the line agencies, NGOs, and women's groups, was involved in the prioritisation of town level projects, among other tasks. The steering committee in Pokhara, chaired by the Mayor and consisting of "intellectuals", social workers, and businessmen, was also consulted on priorities. Otherwise, their role was apparently so incidental as to no merit mentioning.

During the time that it has possessed a Multi-Sector Investment Plan, Dharan has experienced the development of a particular form of community participation that was integrated into its procedures for scheduling the financing of infrastructure (see the report on Dharan in Appendix 1 for more detail). Residents of individual streets, through organisations they created called user committees, contributed money, land and labour for improvements to roads, drains and other service facilities in their particular streets according to their own wishes. The remainder of the money required and some other resources were provided by the municipality. This was not an anticipated feature of Integrated Action Planning, and indeed it demonstrated a capacity to work contrary to some of the town level priorities in its demands for municipal funds, while at the same time generating commitments of community resources of impressively high levels. Even so, the ability of this manner of community participation to actually deliver infrastructure improvements led other Nepal municipalities to begin experimentation with it, including Siddhartha Nagar and Pokhara.

In Dharan, Thimi, and Butwal, and maybe in Dhulikhel, visioning exercises were undertaken that involved meetings with a cross section of institutions and individuals in the community. Although, among other things, these visions were produced independently of the IAP, they served both physical and investment planning and thus became integral parts of the process, providing additional occasions when there was a wide base of participation.

Participation of central government line agencies did not seem to achieve expectations. In Pokhara, meetings were conducted with line agencies during the preparation of a long list of problems and, later, of projects. Other meetings with them were also used to get information about projects and on budgets of these agencies. In Byas, such meetings did not seem to produce the needed information, and line agency officials claimed to have no knowledge of the IAP or its process. In Siddhartha Nagar, the line agencies were provided with the policies of the PEDP, but the extent to which they were asked for data and for their views was not uncovered. In Thimi, there are representatives of some of the line agencies on the IAP steering committee. The neglect or absence of contact with line agencies in the accounts of Integrated Action Planning (as opposed to several complaints about their lack of coordination or cooperation in financing and implementation), aside from that on Pokhara, suggests that there was a general level of involvement of line agencies in the actual physical and investment planning process below that intended. Moreover, occasionally there were projects that came down from central government without any possibility of a relationship to the IAP process or its products because there was no prior consultation with the municipality.

Creation and Use of the Multi-Sector Investment Programme

The creation of priorities among problems (or needs) and later among projects has been a common feature in all of the municipalities studied, even though the manner in which communities or technical considerations might have been involved may have been somewhat different from the ideal. In Dharan, user committees' priorities arising from its unique participation process seemed to dominate over those during the preparation of the MSIP.

Nevertheless, the MSIP was apparently used in all the municipalities studied as a guide for making investments in infrastructure projects during the annual budgeting exercise. Elected leaders as well as local government technical officers reported they made continual reference to it over the years. It was claimed that up to 60% or 70% of the projects in an MSIP were carried out, despite the fact that the MSIP was not revised each year or even once over its five year period. It was also suggested that a project was often not carried out in the particular year designated for it in the MSIP.

The truly significant shortcoming in the preparation and use of the MSIP had to do with the expenditures planned by the line agencies of the central government. Although there were some good beginnings, as in Thimi, for example, these agencies did not generally contribute enough information or discussion to make the MSIP a multi-sector programme by integrating their respective investment sectors with one another. Consequently, the MSIP exerted little influence upon their capital expenditure decisions and subsequent actions.

A major reason for this - one that suggested a basic difficulty with the preparation of a meaningful MSIP - was said to be that the funds budgeted in an MSIP were actually not readily available, particularly funds from other than the municipality's own revenues. Officials in line agencies said that budgeting was a problem for them. They could not use the IAP process because they had no way of knowing exactly how much and for which projects there would be money forthcoming from central government as part of the next national budget from central. In practice, an MSIP seemed to emerge as little more than a compilation of separate budgets from the line agencies along with the scheduled priorities of a municipality.

In practice, there was very little effort found by this study to implement a physical development plan with the MSIP. Although the Integrated Action Planning that was just beginning in Thimi was placing some projects that would realise key aspects of the plan into an early version of the MSIP, in a more typical situation, projects seemed to be identified and prioritised by pressures from the wards, by concerns of politicians, and by the conclusions of financial analyses, with the PEDP providing assurance that they fit into a plan.

Finally, there was little evidence that the preparation of an MSIP was internalised into the regular budgeting activities of a municipality. The identification of problems or needs throughout a town, the ordering of priorities, the analyses of project need, adequacy and feasibility, the assignment of projects to particular years, the attempt to coordinate the projects of various investment sectors - all these and other aspects of creating the MSIP were carried out only as extraordinary activities by a temporary team on the occasion of support being given to a municipality by the DHUD and UDLE.

The Creation and Use of the Physical and Environmental Development Plan

In general, with one exception, the PEDP was found to have been created according to the recommended methods, as a result of DHUD and UDLE leading the practice in municipalities. Sieve mapping, site visits, discussion with local government officers and politicians, community meetings all contributed as more or less as intended to the production of a set of land use policies for the existing built up area, if there were none already, and for preferred areas of

expansion. The one exception arose with regard to building and planning by-laws. Their drafting and adoption was never given mention in the accounts obtained, and there was no evidence otherwise that they had been performed.

The treatment of expansion areas did produce some differences of note. In Dharan, the PEDP was not taken beyond the then-current town boundaries, although it was clear that existing physical constraints justified this. Little attention was given to areas surrounding Byas, and this was attributed to the way that planning was started at the level of the communities who had little concern for or knowledge of what happened outside their locations. In Pokhara, attention to the surrounding area was possibly promoted by the existence of a structure plan for the entire Pokhara Valley. It is noted, however, that the DHUD/UDLE training material does not explain how connections can be made between the planning of the build up areas and those for expansion (DHUD, 1996a; DHUD, 1996b).

There was evidence that the PEDP was used to a large extent as expected during the creation of the initial MSIP. Commonly, the PEDP contributed to the definition and analysis of needs, although the indications are weak that it later was consulted during the formulation and prioritisation of projects. Usually, a PEDP and MSIP were formulated at the same time, even when, as in the case of Pokhara, there were existing physical development plans. This was facilitated by the division of the team into sub-units with particular responsibilities for each of these activities. However, there was some feeling among those interviewed that there was not always a systematic exchange of information between sub-units.

In some cases, Dharan for instance, although the need was recognised for projects in areas of expansion, higher priority was given to projects for those places where people lived already. While this is to be expected for ward level projects responding to the needs of residents, it was also true of town level projects. The result was the neglect of infrastructure to achieve the social and economic aims of growth, as well as the perpetuation of the higher costs of always providing for backlogs.

The most important difference found between intention and practice in the use of the PEDP was that it was not regularly consulted after completion of the initial IAP exercise, except in Butwal. This was more than just part of the failure to repeat each year the IAP process so as to update both the PEDP and the MSIP. It was a failure to look again to land development policies for guidance when making decisions about annual development budgets.

It is worth noting that the visioning exercises carried out in many of the municipalities studied did not feature in the recognised IAP method. Even so, the perspectives on the future that visioning created among municipal officials - and occasionally the public in general - seemed to have found their way into some of the PEDP preparation.

4 Lessons Learned

Introducing a method of improving investment programming into local government can have a significant impact. The introduction of IAP had changed the operations of Nepal municipal government. The MSIP was being used for establishing priorities. Although it was being treated as a fixed schedule of projects for 5 years, rather than as a rolling programme as was intended, this had introduced a basic level of investment planning into local governments that was popular to the point that teams from DHUD were asked to return in order to revise old MSIPs. That a municipality like Dharan can claim to have carried out 60 to 70% of the projects in its IAP is noteworthy. Prioritisation was emphasised, was more systematic, and perhaps gave greater consideration to technical aspects, namely what could be afforded with the funds available at a given time, what was capable of being implemented and what was good quality. The allocation of resources was more planned, whereas before the amount of the annual development budget allocated to each sector was used within that sector as projects were proposed.

The fostering of participation in investment programming can also have a positive impact, and it can be valued by local governments. In this case, it had strengthened the use of ward level meetings, especially by taking prioritisation down to that level. Some local politicians (e.g. the mayor of Thimi) clearly favoured a more bottom-up process within a municipality. However, participation was not as democratic as suggested by the study of the IAP's impact (UDLE, 1997). Whereas in the past, ward level consultation involved those persons chosen by the ward chairman, the IAP process asked for the broader representation of an open invitation. In at least some cases (e.g. Dharan), the yearly selection and prioritisation of capital expenditures were no longer decided with the direct involvement of the ward residents, once the initial IAP process had been completed. The ward elected officials believed they knew what their people considered to be problems, and that an open meeting with the residents would inevitably result in a difficult and long discussions about an unnecessarily long list of projects.

The methods advocated by DHUD and UDLE for preparing spatial plans and using these plans to guide the selection and programming of capital investment projects were practical and effective in many ways. Physical and Environmental Development Plans were prepared and they were referred to during the preparation of the Multi-Sector Investment Plan. Sometimes these plans may not have been properly consulted during the preparation of the MSIP. One possible reason was that the formulation of the PEDP simultaneously with, rather than before, that of the MSIP reduced its capacity to lead the production of the MSIP with guidelines. It was even suggested that the PEDP was sometimes shaped to fit the projects given priority in the MSIP.

Often the investment implications of policies for extension of a municipality were not given enough weight when choosing priority needs and projects. This was partly because in the bottom-up process involving ward residents there was no one to speak out for the needs of future residents. Moreover, the prevailing inadequate consideration given in the planning to the future of areas surrounding a municipality did little to improve the inadequate awareness by both technical officers and elected officials of the municipality of the importance of planning investments for the expansion of the town.

The combination of an emphasis on bottom-up participation and the inadequate attention given to expansion of a town had the effect of removing from consideration the development of the town beyond its present state. treatment of extension areas. Systematic methods for anticipating possible town growth apparently were lacking in the PEDP process. Only the current trends seemed to be looked at, without examination of the possibilities for more desirable alternatives. Not only that, no estimates of future populations and their distribution were made, and therefore no calculations for the future needs of infrastructure could be carried out for either the built-up areas or the areas for expansion. The needs for infrastructure were obtained on the basis of sectoral programmes prepared by the line agencies and the preferences of the existing communities.

In addition, Physical and Environmental Development Plans were generally not used in prioritising and programming of needs and projects after the initial IAP exercise. To some extent this had to be the result of the failure in all cases to review and revise the whole of the Integrated Action Plan each year. If the MSIP was treated as fixed for its five year span, its foundations - including the PEDP - did not have to be regularly consulted.

Even so, at the time of this research, the importance given to physical planning at the municipal level had not yet been significantly increased by the programme of Integrated Action Planning. On the one hand, the IAP process used had not been able to produce spatial plans that claimed a prominent place in the minds of decision makers. The process had not succeeded in fashioning MSIPs constructed to implement their related PEDPs. The adoption of planning and building by-laws to support implementation seemed to have been put aside as if it were a diversion from

the real objective or because this required specialised skills that were not available. On the other, there was not much appreciation for spatial planning apparent in municipal investment programming. All interest focused on project priorities, costs, and implementation. That said, some municipal technical officers who had taken part in the creation of a PEDP seemed to retain a working knowledge of such features of the plan as the various grades of land areas for expansion, and this had probably have been put to use during their involvement with the yearly prioritisation of projects since Integrated Action Planning was carried out. There was some recognition - maybe growing - that a spatial plan might be useful for pleading for financial assistance, for example in Dharan and Dhulikhel.

Although they were not part of the advocated method, visioning workshops carried out in many of the municipalities have tended to give a clearer, more understandable set of purposes to Integrated Action Planning. More importantly, they seem to have brought the MSIP and sometimes the PEDP into the political processes of municipalities, where these products of Integrated Action Planning are seen to express how to achieve a municipality's vision through the implementation of projects. In Dharan, it was said that the performance of the IAP process contributed to the shaping of this vision. All this may have fostered more regular reference to these documents during routine decision making by elected municipal officials.

Although a major aim was to integrate projects from various investment sectors, it was in fact difficult to bring into the IAP process those who most failures to coordinate across sector boundaries were the most important - the central government line agencies. Participation of the line agencies was not good. In some cases, the line agencies did not know of the existence of an Integrated Action Plan and even admitted to not knowing of an IAP process. The importance of line agency cooperation and coordination varied, for the proportion of projects in a municipality which they implement could be large or small. Yet the total investment in line agency projects was always very large compared to that in municipal projects, meaning that an MSIP that failed to represent well the nature, timing and location of line agency projects was substantially flawed. The then-current budgeting practice of the line agencies was said not to fit with Integrated Action Planning, because line agency budgets were decided by the ministries at central government level. A line agency at the district level does not any significant control over this budgeting process, whereas preparation of an MSIP requires an active participant who can take decisions about resources. Line agency officials at this level often have no way of knowing the amounts and projects that will be in the next central government budget.

The fact that the process of the preparation of PEDP was parallel with MSIP, as suggested by the training material, has, in some cases, made PEDP shaped by the projects given priority and limits its capacity to feed guidelines into the processes of the MSIP.

Local government changes will bring in politicians who are not familiar with the IAP and its process, but in the cases where this happened (e.g. Pokhara and Butwal), the technical officers seemed to maintain an institutional knowledge that kept the concept alive.

Nevertheless, the details of the IAP procedures had not taken root. Municipal staff did not learn them well enough. The process did not become a routine procedure of local government. It was not been repeated without outside help. Nor was it been repeated each year as was intended. This may have been the result of limited participation by municipal technical officers in the team work that prepared Integrated Action Plans, which is itself a reflection of the limited staff capacities of local governments. Several commented that they did not have enough technical staff to repeat the IAP exercise. However, the procedure may not have been repeated simply because two months of learning during an IAP exercise was not enough to implant the necessary skills and knowledge in an institution, such that they could be effectively recalled 10 months later when the next cycle of IAP was supposed to begin. Also, there did not seem to be sufficient understanding and appreciation of the IAP by the leaders of municipal governments such that

they felt they should routinely carry out IAP each year. Because the detailed knowledge was not regularly used, it was eventually forgotten.

Conclusions

Although this investigation found that the IAP concept was widely praised in Nepal, some of the reasons for this were questionable. Municipal residents and maybe some ward leaders and representatives have mistakenly thought IAP was a funding agency, probably because its introduction opened up access to the Town Development Fund and possibly some funds of the DHUD. The extent of participation of the public in identifying problems and priorities through ward level meetings, judged a major breakthrough by a recent impact assessment (UDLE, 1997), has not been maintained. Changes to the sources of local government revenue - the abolition of the octroi tax - has destroyed the rationale behind many investment plans and increased many times the difficulty of estimating future municipal incomes.

Despite this, IAP seemed to have had a number of positive impacts on local government, and it showed potentials that were not yet fully realised. Performing Integrated Action Planning involved municipal staff and elected officials in a process which raised their awareness of investment planning and maybe even introduced to them the utility of physical planning. Sustained improvement to the prioritisation of projects seems to have been achieved. Prioritisation became more systematic and was probably giving greater consideration to technical aspects. In Dharan for instance, the five year programme of expenditures was being treated as a plan to be carried out, and attention was being given each year to implementing projects from this programme. And the greater use of ward level meetings, whatever the faults in the representativeness, had signalled an increase in appreciation among elected and technical officials for discussion with those affected by local government actions. These were major differences in the way things were done in municipalities that seemed to result from the introduction of Integrated Action Planning.

While the achievement of these changes provides valuable lessons of experience, there is something to be learned also from the differences between the concept and practice of Integrated Action Planning. Chief among these were the:

- use of an MSIP without annual revisions, so that it remained a fixed schedule over 5 years;
- closing of ward level meetings after cessation of the IAP exercise;
- unsatisfactory participation of central government line agencies, perhaps the greatest obstacle to effective application of the IAP concept.

There were differences of particular interest to the objectives of this investigation because they dealt with spatial planning and its relationship to investment planning:

- failure to consult the Physical and Environmental Development Plan during the years of project selection and prioritisation that followed the IAP exercise;
- shortcomings in the use of the PEDP during the preparation of the Multi-Sector Investment Plan at the time of the IAP exercise, including the failure to use investment projects to systematically implement spatial policies;
- shortcomings in the development of spatial planning policies for extensions of a town and the overlooking of any such policies during the selection and prioritisation of projects.

Integrated Action Planning was expected to promote the use of spatial planning as well as to improve investment programming. This it had not succeeded in doing to any great extent. Yet visioning exercises had become attached to most of the IAP efforts that could lead to greater understanding of and appreciation for a future perspective on land development. Efforts to use a fixed schedule of expenditures over 5 years as a guide were enormously weakened by the inability of municipalities to know the funds that would be available. If investment programming were made more realistic by means of annual repetitions of the entire Integrated

Action Planning process to adjust for the uncertainties of financing, regular revision of spatial planning would be reinforced. In this way, spatial planning can be promoted by better investment planning. Yet, given the poor prospects for local control of capital investment financing in Nepal in the near future, this promotion is not likely to materialise soon, and thus spatial planning will continue to be difficult to institutionalise in local urban governments.

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APPENDIX 1: REPORTS ON INDIVIDUAL MUNICIPALITIES

The IAP and Investment and Spatial Planning in Dharan

Michael Mattingly
August 1999

Initially the town's people thought the IAP was a funding agency. Municipal staff have tried to teach them that it is a process for identifying projects and for financial management. The IAP process of 1993 is forgotten now. However, the IAP MSIP of 1993 has been followed to a large extent. Maybe 60-70% of its projects have been carried out.

The Preparation of the IAP

Preparation of the IAP was done in 2 months by a team of technical staff from the Municipality, DHUD and UDLE. The procedure used then was to inform people in each ward of the intended IAP process. The leaders and members of the wards came together with the IAP team and discussed the problems of their wards. The most important were identified. These were then discussed in the wards with gatherings of 30 to 60 residents presided over by the ward chairman and prioritised. Later, when the IAP had been drawn up and approved by the Municipal Board and Assembly, the IAP was presented in a final round of ward meetings and the PEDP was explained and discussed. The documents of the IAP were distributed to the leadership of the 19 wards when they were prepared, but it is doubtful that they have been read recently by the municipality's elected representatives or technical staff. A recently elected ward chairman has seen the documents but has not taken the time to look through them.

The IAP did not consider what went on beyond the municipal boundary, so it did not formulate policies for where expansion might best take place beyond the municipal limits. The District Development Committee was not involved in the IAP process. The municipality is constrained by physical features - rivers and protected forests, mainly. There is evidence that a nearby district centre is beginning to take growth which might have gone to Dharan, but the road to it from Dharan must cross three river beds, a very expensive transport link to upgrade in the future.

The Yearly Process of Deciding Projects

The IAP has not been reviewed and revised each year as was intended by UDLE and DHUD. Instead, an process is carried out annually which is centred around the identification, prioritisation and budgeting of projects for the coming fiscal year. This process distinguishes between ward level projects and municipal level projects, treating each differently in its early stages. The MSIP of the IAP nevertheless seems often to be in mind during this process. A ward leader referred to the IAP as the backbone of the choices being made today, while another believed it has been followed as much as possible. The Mayor and Deputy Mayor give similar importance to the MSIP.

The mayor is central to the process of deciding projects. He was deputy mayor previously. He and the former mayor are of the same political party. Most of the ward leaders are of this party.

The process begins with the collection in March/April by the technical staff of projects put forward by the 19 wards which have been chosen in meetings of each ward chairmen with the four ward members. The MSIP is probably referred to in these meetings. Municipal staff evaluate the projects from a technical point of view, using the MSIP. Municipal level projects are prioritised and added to the list, also referring to the IAP. For instance, the Junior Engineer seems to have a good memory of the programme of projects in the IAP, and he maintains he has

tried every year to push as priorities the projects listed. There appear to be informal discussions of projects with the Mayor and Deputy Mayor during this stage, perhaps even with some ward leaders in recent years. The mayor then decides the initial priorities. Although it is said that the elected officials pay little attention to the concerns of the technical staff, these elected officials are pleased that they have implemented most of the projects in the IAP. Such an evaluation of success does not, however, consider the sequence in which projects are undertaken. It is a final score for a six or seven year period.

The list of combined priorities is then sent to the Budget Committee which will make changes reflecting financial constraints. Next the list goes formally to the Mayor and then to the Municipal Board, both of whom may make only a few changes at this stage. Finally, the programme of priorities for the year goes to the Assembly for approval. Apparently the municipal engineers are not invited to either board meetings or to ward meetings in order to provide technical information and advice on projects.

Money for ward level projects is said to be distributed equally among the wards and to be distributed according to the size and population of a ward; it is not clear which is so. Recently it has become policy to adjust this for the cost of municipal projects within a ward, so the amounts are no longer equal, and the mayor actually decides the distribution. Generally, projects of less than one lakh NRs are considered ward level projects.

Many projects are put forward by user committees in the wards. A survey along the road or drainage line is taken to establish the number of beneficiaries, not including estimates of future additions to the population. But the participation of the users in financing the project puts strong pressure on the ward leadership and the municipality to give it priority. This means that other projects are removed from the list of priorities.

The Participation Process

Dharan's participation process is a unique contribution to project implementation. Although it was going on before the advent of the IAP, the proportion of costs provided by participants increased greatly since then, possibly as a result of the IAP. Road improvement projects are involved. There is participation in some other infrastructure elements, but the contributions are a small proportion only, for these seem to be considered responsibilities for the municipality to bear itself. Improvements are widening, blacktopping, and upgrading drains. Widening can be substantial, for example from 12 feet to 30 feet. In one case seen, covered drains were created. Typical proportions are 60%/40% municipality/user committee, but cases of 75% user committee contributions were related. The municipality this year adopted a policy of 20% from poor areas in order that projects there be completed, for they could not afford the 40%. These percentages are for money contributed. In addition, land was given for the widening, owners move boundary walls and structures, they take part in the works supervision, they participate in the decisions (except that of road width, which the municipality decides), and they seem to contribute some labour to construction. The result is that in recent years, Dharan can claim to have completed about 10 km of road per year to maybe 1 km achieved by other municipalities.

It was argued by one ward leader that 20% was still more than some poor areas could afford, especially where there plots were large and had longer frontages, which is the basis for apportioning contributions. Where there are public areas such as open space, there are no residents to make contributions, so the burden on those who do exist is even higher. Clearly this can lead to inequity. He maintained this was the case for his ward where participation does not seem to have been possible, whereas participation has tended to concentrate in those wards where residents have received a good deal of money from family working outside Nepal.

Other municipalities are learning about this participation. It must have been given a high profile in the recent meeting of the association of municipalities in Dharan. Bhutwal is known to have started a participation programme.

Constraints on MSIP Implementation

Initiatives from user committees seem to dominate the project selection process. User committees willing to pay their share did not come forward for some projects listed in the MSIP, so the municipality responded to pressures from other user committees. Other deviations from the IAP are caused by land brokers who create demands for infrastructure which are not according to the plans. But for these pressures, it is thought the percent of projects in the MSIP completed would be even higher.

Another reason for not completing the MSIP was said to be its ambitious nature. It was drawn up with an expectation that certain projects would be funded from the Town Development Fund, but then the TDF Board changed its policy such that these projects were unrealistic.

Because of the loss of the octroi tax, the municipality may increase the basic contribution of users committees to 50%. A 30% addition is being placed on the land tax to finance solid waste management.

A significant problem of project implementation is that line agencies are not able to coordinate adequately with the municipality. Most often this is a matter of water pipes and electricity poles which need to be moved during road improvements. The line agencies do not have money in their budgets for this, and the municipality does not believe that it should pay for and programme this cost. It may also be that the line agencies are not prepared to do the necessary work in concert with the Municipality even when money is available, for they have their own work programmes.

The Physical and Environmental Development Plan

After its creation in 1993 as part of the IAP, the Physical and Environmental Development Plan was not regularly consulted. It is thought the major aspects of the PEDP are still sufficient, but the details need updating. Deciding expansion areas, which was done in the company of elected officials, was said to be useful, but it was not made clear how. Projects for these expansion areas were put into the MSIP, but in some cases they appear without links to one another or to existing networks of roads, drainage, or the like. This is the result of a high priority being given within a ward to a project, although adjoining wards did not give priority to the necessary links in a network.

There is not much appreciation for spatial planning apparent in the actions of the Municipality since the IAP. All interest is in project priorities, costs, and implementation. There is some awareness that physical planning can be useful which may be new: for example, it is thought that the picture of phased development which a spatial plan could show might be helpful in pleading for financial assistance for large projects.

Changes Brought About by the IAP

Before the IAP of 1993, ward leaders did not know about engineering; they did not, as now, ask technical officers for design drawings and technical guidance, for example for drains with roads. There were ward meetings to identify and prioritise projects before the IAP, and funds were distributed among the wards as now. The IAP brought the possibility of funds from the Town Development Fund Board and maybe better access to the funds of line agencies in central government. Although involving residents in ward meetings during the IAP exercise was

different from the past, this has not continued because the ward chairmen and members prefer not to have to deal with the long and difficult arguments about priorities which arise if residents are included. They argue that they know the problems of the people of their wards.

Before the prioritisation was not so systematic, so “scientific”. The wards were not so involved in prioritisation, and the change has produced better plans for projects. Project were not ordered in a programme of planned expenditures. There was not a programme for expenditures for even one year. Road and drainage improvements were done in response to requests. In the view of the Junior Engineer, the only significant technical person who was with the municipality before the IAP, the IAP improved prioritisation and planning. Now Municipal officials think about the future; projects must be good and they must last. They do not just think about money, as in the past.

The Current Situation

The population is estimated to be currently around 100,000, up from 66,000 at the beginning of the 1990s. The growth rate would accordingly be about 6% per annum.

The municipality has formulated a vision for its development which features improvements to health, education and tourism. This was worked out by the elected officials with UDLE guidance after the IAP and then taken to an open meeting of people from institutions and groups from all over Dharan. It was used as the basis for the investment budget for the current year. The mayor and deputy mayor believe that the IAP of 1993 was consistent with this vision; they state that the preparation of the IAP and its implementation in the years following contributed to the shaping of this vision.

The IAP, and particularly the MSIP, seems to have played a significant role in the investment decision making of the Municipality. Yet it was not regularly revised. There is a belief that this has much to do with the lack of adequate municipal staff to replicate the 1993 effort of the IAP team. However, the need is seen for a new one for the old has become insufficient. The Municipality has already worked out a list of priorities for this year, and UDLE has begun to provide technical advice aimed at improving the capability of the Municipal staff.

The above account was synthesised from interviews on 15, 16 and 17 August, 1999 with the following:

Mayor Manoj Kumar Meyangbo
Vice-Mayor
Engineer Umesh Prasad Ojah
Junior Engineer S. L. Shrestha
Chairman, Ward 13, Budget Committee member
Chairman, Ward 14
Chairman, Ward 15, Budget Committee member

Arjun Koirala, consultant to UDLE/GTZ, was a partner in most of these interviews. He also contributed information and his own views, drawing upon his experience working in Dharan.

Spatial and Investment Planning and the IAP in Dhulikhel

Michael Mattingly
August 1999

The Mayor of Dhulikhel has articulated a vision for his municipality in which it becomes an educational centre, remains a rural town, and has a good environment (ie pollution free). Recently he has added that it be a healthy place. He has apparently concentrated his energies on opportunities to realise this vision. He has aimed to put piped water into each of the 9 wards, as well as to upgrade or provide schools in each. Both these aims appear to have been achieved, that of the schools through a DANIDA programme of assistance. The location of hotels and quality services in general in Dhulikhel he sees as in line with this vision. The establishment of Kathmandu University and an Austrian NGO-supported hospital in the municipality are also consistent. There is evidence that he has taken the lead in putting together and/or forwarding such projects. He obviously has in mind a number of new projects and appears to be expecting additional ones which are attractive to come to mind or be proposed from some quarter.

A division between ward level and town level projects is very clear in the mind of the Mayor. For town level projects, he decides priorities. The wards generate their own lists of projects. They are discussed and prioritised in the wards. To finance them, the Mayor tells them to raise their own money, for the municipality can offer little. What is available to the wards he allocates among them according to his judgement. Partnerships have been used for financing projects, apparently even ward level ones. These may involve the people and the municipality, or they may involve a foreign donor in town level projects such as the hospital.

The IAP

The IAP prepared in 1994 was said to be a support to the pursuit of the vision. Its particulars were not evident in the accounts of decisions made. Physical planning seems to have related only to projects, for example, locating the university where it would be quiet and land was cheap but where there was the possibility of road access. Infrastructure investments may have dealt with on a project by project basis: hotels, the hospital, and the university put in their own connections to trunk services, while the municipality widens roads to deal with the increased traffic they generate.

For the Mayor, the IAP is associated with ward level consultation. No other reference was made to it. However, all of the school construction or upgrading projects appearing in the IAP have been carried out. The IAP documents did not look unfamiliar to him; he could even locate himself easily on one of the obscure theme maps. But the IAP seems to have been a one-time activity to him, although he states without explanation that it might be a good idea to have the IAP team back again. He does however want a picture of the future municipality consistent with his vision that he can show to the like of foreign donors when he is promoting a project proposal.

Planning does not seem to have much meaning to him, although he did have a strategy to put water and schools in all of the wards. He does not appear to plan to achieve his vision; rather he seems to seize opportunities or to conceive of projects one-by-one that will take him in the direction of his vision.

The above account was formulated from interviews on 13 August, 1999 with:

B. P. Shrestha, Mayor of Dhulikhel
an accountant for the DANIDA educational development project

The IAP and Investment and Spatial Planning in Pokhara

Haryo Winarso
August, 1999

Pokhara is a municipality with a population of 150,000. The municipality is divided into 18 wards. The IAP for this municipality was prepared in 1998 by a team consisting of 2 persons from DUHD/UDLE, 2 persons from the Municipality, 1 person from the Bhairawa DHUD Office, 2 persons from the Department of Health, and 1 person from the DHUD regional office.

Pokhara, as did other municipalities, relied heavily on octroi tax for its revenue. Although not clearly spelled out, it is said that the vision of the municipality is: to maintain and to enhance the natural beauty; to maintain cultural heritage; to improve the quality of urban services; and to make Pokhara a tourist centre. Prior to the IAP, Pokhara Municipality had already two plans. The first plan was the Pokhara Valley Development Plan, prepared by DHUD and approved as a statutory plan by the Municipal Council. The second plan is the Pokhara Municipality Structure Plan prepared in 1988.

Physical and Environmental Development Plan (PEDP)

PEDP as part of the IAP was prepared in 1998 by a task force set up by DHUD to assist the Pokhara municipality. In preparing PEDP the task force has taken into consideration the existence of the two plans, which means that the PEDP has also considered the region surrounding the municipality.

The task force was divided into the Map Section, the Project Section, and the MSIP Section. The three sections worked simultaneously meeting in the evening to co-ordinate their work. Therefore the production of PEDP and MSIP were practically done at the same time.

The map section prepared a base map on a scale of 1:10,000. This base map was used to plot the problems raised by the community in ward meetings. Thematic maps, based on information from line agencies and observation, were also prepared on this base map. A sieve analysis using the thematic maps was carried out to find the constraint and opportunity areas in the municipality. The sieve analysis was also carried out to identify the expansion areas. The result of this analysis is the PEDP.

Problem identification and project prioritisation.

According to DHUD officials, problems are identified from four sources: site visits and observations, discussions with the Municipal Board, discussions with contact groups, and community meetings.

Problems were raised in the ward meetings. The meeting was chaired by ward leader. In the meetings a base map was presented to plot the problems raised by the community. In the community meetings, problems and project were prioritised. Priority problems and projects from each ward were gathered and discussed by the task force and presented as a draft long list. The project section of the task force which is responsible for project identification, prepared a draft list that was then discussed by the task force. According to the DHUD officials, the task force with the draft list of problems and project conducted meetings with line agencies and the municipal board to prepare a long list of problems and projects. Meetings with line agencies were also used to gather (secondary) information on the projects and budgets of each line agency.

Interviews with line agency officials reveals a different picture. It is not clear, therefore, whether the draft list of the task force was actually discussed with the officials from line agencies or whether the task force just compiled secondary data from the line agencies. Discussions with the officials from Northern Drinking Water Company and Telecommunication Company revealed that they were not aware of the IAP. They also said that they had never been contacted by the

task force (there is a possibility, however, that different officials were actually contacted by the task force at the time).

While project prioritisation was being discussed by the task force, the MSIP section of the task force analysed the financial capacity of the municipality (either by acquiring data from line agencies budget and/or calculating the revenue of the municipality).

The MSIP was prepared by the task force with the direct involvement of the two municipal officials on the team and the indirect involvement of others who were consulted. With a long list of projects, the task force conducted meetings with the municipal board and steering committee (chaired by the Mayor; the steering committee consists of “intellectuals”, social workers, and business men). Priorities decided by the task force were discussed again with a contact groups set up in each ward (a typical contact group consists of the ward leader, the four members, and selected individuals such as teachers, lectures, experts, business men). Based on these discussions and the analysis of the financial capacity of the local government, the long list was converted into a short list and plotted onto the PEDP. This was done and decided by the task force.

According to the Deputy Mayor, the MSIP fits into the municipality budgeting system, because the Deputy Mayor and some of the ward leaders are also members of the Budget Development Committee, and they integrate the two. The Municipal Board, which assesses and approves the budget, consists of the 18 ward leaders, the Mayor and Deputy Mayor.

Integrated Action Plan (IAP)

The Deputy Mayor and the ward leaders were enthusiast about the IAP, perhaps because with IAP they can see the municipal projects to be undertaken during the next five years. However they say that the funds which were budgeted to implement projects listed in the IAP are not available (there is an apparent contradiction with the statement that the budget is approved by the Municipal Board; one may wonder why the Municipal Board should approve a development budget if the actual funds are not available?). One ward chairman said that IAP has encouraged public participation and according to him 40 per cent of the cost of one road project in his ward (ward 12) was financed by the community.

The Deputy Mayor said that, although the IAP is a good tool for integrating the municipal development effort and the municipality needs to have an IAP, implementation of the IAP is still uncertain. Moreover, he said, that sometimes projects come down from central government without proper consultation with the municipality. An example of this is a project from the Ministry of Tourism funded by a loan from the Asian Development Bank (ADB). When asked whether the municipality would be able to repay the debt, he said that it will be the responsibility of central government to repay the loan.

Despite the enthusiasm from municipal officials, the IAP is not known by line agency officials. They even do not know what IAP is. After a brief explanation they agree that IAP is a good tool. However, they said that the MSIP will be difficult to implement because the current budgeting practice of the line agencies does not fit with the MSIP. Budgets for line agencies are decided by the ministry at central level. A line agency at the district level which is also responsible for a project in a municipality does not have significant control over the budgeting process, whereas MSIP needs an active participation of the line agencies particularly to ensure the availability of funds for a project at municipal level. The impact of the IAP in Pokhara is still unclear because it is just in the first year and the review of its implementation will be conducted in September 1999.

According to the DHUD regional director, the strength of the IAP lies in its participatory approach. This approach is also accepted by the community. The weakness lies in the control of the budgeting. The fact that line agencies' budgets are not under municipality's control has made the implementation of the IAP difficult. Another weakness was the subjectivity in the community participation: in a ward meeting, the result will be politically biased if the meeting is dominated by any one political party, because the ward leaders tend to invite persons from their own parties. When asked why ward leaders did not make an open invitation, he said that this was not possible because there can be more than 1,500 households in one ward. Moreover, an open invitation would not ensure that the people will come. The ward leader invited selected persons instead.

The above was drawn from interviews with the following:

HN Khanal, Regional Director DHUD
Khisan Gurung, Town Development Committee
Capt. Man Bahadur Gurung, Deputy Mayor
Ward Leaders, Wards Nos 6, 12, 1, 4
Kedar Basnet, Head of Department of Geography Tribhuvan University PN Campus
Jagadis Gautam, Engineer, Northern Drinking Water Company
Anil Koirala, Telecommunications Company

Investment and Spatial Planning and the IAP in Byas

Haryo Winarso
August, 1999

Byas is the capital city (district headquarters) of Tanahu district. The population of the municipality is 25,000 with an annual growth rate of 3.5 per cent. The average population density is 4,11 per ha. The municipality has a predominantly agricultural based economy. 90 per cent of the population are engaged in agricultural activities.

The municipality (judging from a discussion with the Deputy Mayor) would not appear to have a clear vision of the future of the municipality. There was a plan for Damauli prepared in 1966. The first IAP was prepared in 1993 by a task force consisting of 2 persons from DHUD, 2 persons from UDLE and 2 officials from the municipality. The second IAP (follow up) was prepared in April 1999.

Little consideration is given to policies and land use in the surrounding areas; this is because the planning process was started at the level of the communities who, understandably, were not aware of the national policies and land use of the surrounding areas. The IAP process seems to follow that outlined in the training materials. However, it is apparent from the interviews that the Deputy Mayor and the Chief Executive Officer (who have been just two years in the position) do not really understand the IAP process.

The IAP is known by the ward leaders and the technical officials. They have a considerable knowledge of the PEDP and the potential of IAP. However they complain that the funds that were budgeted were actually not available and this means that most of the projects have not been implemented.

Problem identifications and project prioritisation

The problem identification and project prioritisation process are not different from those in Pokhara. Not much is known about the nature of the discussions held between the IAP team and the contact group when making decisions about projects. Ward leaders, however, appear satisfied with the level of public participation involved in IAP because this makes communities feel involved in decision making. Ward leaders pointed out, for example, that deforestation in one ward has stopped because of a community decision.

Project identification and prioritisation were not well co-ordinated with the line agencies, the deputy mayor complaining that the line agencies did not provide the necessary information. This statement is consistent with statements from line agency officials who showed no knowledge or understanding of what the IAP is.

MSIP

It seems that the MSIP is not rational. The deputy mayor and the ward leaders complain that the line agencies are not following the IAP, and that the funds budgeted in MSIP are not available. Particularly for funds from other than the municipality's own revenues.

This is not surprising because discussion with line agency officials reveal that, as pointed out earlier, none of them know what IAP is, let alone understand the IAP process. Officials in line agencies said that budgeting is also a problem for them. They cannot use the IAP process because they have no way of knowing exactly how much and for which project the next budget from central government will be.

IAP

The Deputy Mayor and the ward leaders praised the IAP. However, only a few projects identified in it are implemented due to the unavailability of funds. The three groups in which the IAP team is divided work simultaneously and they only meet in the evenings to co-ordinate their work. The PEDP and the MSIP are done simultaneously. Between 1993 and 1999, perhaps only 30 percent of the value of projects listed in the IAP could be implemented, and most of those were funded through TDF grants and loans.

According to ward leaders consulted, 70 to 80 percent of projects identified in the wards to be funded from the municipality's own budget can be completed according to the MSIP. But major projects from line agencies (identified in the MSIP) have not been implemented. An example of this is a delay on the street widening project which was supposed to be carried out by the Road and Transport Department.

Although the IAP documents have been in existence since 1993, it seems that they are not followed. The ward leaders and technical officials pointed out that some projects (e.g. the erection of electricity poles) were not being carried out as scheduled.

The above was drawn from interviews with the following:

Deputy Mayor, Tam Bahadur Darai
Chief Executive Officer
Technical Section Officers
Ward Leaders
Officer of the Engineering Division of DHUD
Irrigation Official
Drinking Water Official
Officer of the Department of Roads and Transportation

Integrated action planning (IAP) in Siddhartha Nagar

Dr Julio D Dávila
August 1999

Most of the information for these fieldwork notes was collected from discussions with municipal employees, ranging from technicians involved in the IAP process to their political bosses. Much of the contextual information comes from a combination of published information, interviews (names of interviewees are listed at the end) and direct observation. The main source of information about the IAP process and its aftermath was Mr Shailendra Shrestha, Chief Engineer at Siddhartha Nagar Municipality, who was kind enough to spend many hours with the researcher and made arrangements to interview key informants. Background information was obtained from statistical data published by both the central government of Nepal and the municipality.

Located on the Terai Plains near the Indian border, Siddhartha Nagar (the old name, Bhairawa, is still often used) has a population estimated at 60,000 in 1999, of which approximately 60% live in the built-up area. It has an area of 35.7 square km. Siddhartha Nagar is the headquarters of Rupandehi District, of which the municipality of Butwal is also part.

The economic base of the region is largely agricultural, with rice and cattle being the main activities. But closeness to the Indian border has also given the municipality an important function as a border post and a commercial centre catering for Indian visitors in search of cheaper goods such as electronic equipment (which pay little duty in Nepal), spirits and some types of cloth. In the heat and humidity of the monsoon season, the town has a general atmosphere of being a laid-back, undeveloped place with few tarmacked roads and little in the way of building activity. Frequent electricity cuts, absence of parks and trees lining the streets and the fact that there are very few cars in circulation and that most transport seems to be done either by pedal rickshaw or motorcycle all add to the general impression of poverty and underdevelopment.

Despite this, the town's location near the Indian border in the fertile Terai region offers enough opportunities to migrants mainly from Nepal's hill areas (and reportedly even to a few Indian citizens who set up as traders there and in Butwal). This has pushed the town's demographic growth rate to around 6 per cent per annum.

Proximity to Lumbini, birth place of Lord Buddha, means that Siddhartha Nagar is in a position to benefit from tourism coming to the area. Lumbini is located some 20 km southwest of Siddhartha Nagar along a one-lane road. However, the economic potential of the area may yet take a few years to be fully developed as hotels in Siddhartha Nagar face competition from hotels located very near Lumbini's sacred site. Siddhartha Nagar's airport is also the most important one in Rupandehi District, with regular flights from Kathmandu and Pokhara, which adds to the economic potential of the city.

Siddhartha Nagar has two hospitals. One is a District hospital, with 5 doctors and 35 beds. The other one is an eye hospital with four doctors and 76 beds. The eye hospital reportedly attracts patients from India, where treatment is more expensive.

Siddhartha Nagar Municipality consists of thirteen wards, ranging in population from 1,632 to 4,263 in 1991. Currently, there are five political parties represented in the Municipal Board: the

mayor and four ward chairmen belong to the National Democratic Party; the Deputy Mayor and three ward chairmen belong to the Union of Marxist Leninists; two ward chairmen belong to Nepali Congress; one ward chairman belongs to Sa Bahabana; two are independent and one died recently. This is an important feature of the municipality as it is sometimes hard to reach a consensus on major decisions affecting the municipality.

When asked about his vision for the municipality, the Mayor, Mr Sagar Pratap Rana, saw it as a touristic and commercial centre with a clean environment. In his view, geographical proximity to India is not a significant (positive or negative) influence on the town's future development (though there was no more elaboration on this issue).

The IAP process

Siddhartha Nagar's Chief Engineer, Mr Shailendra Shrestha, was instrumental in introducing the IAP methodology in Siddhartha Nagar. He had been working in Dharan municipality when that municipality's IAP took. Although only partially involved in it, he realised its potential as a tool to organise investments and locate them in space. Upon joining Siddhartha Nagar Municipality as Chief Engineer (currently the only fully qualified engineer in the municipal staff) he persuaded the current mayor to request assistance from DHUD and UDLE. Mr Shrestha and five other colleagues from the municipality (including the accountant and one administrative staff) underwent a week's training on the IAP methodology in DHUD's Urban Development Training Centre in Pokhara. In the event, only two of them were involved in the IAP process in Siddhartha Nagar.

Mr Shrestha attributes part of his success in bringing the IAP to Siddhartha Nagar to the mayor's personal interest in public works and in ensuring that they are done properly and with high standards. Once the mayor had agreed to engage in the process, Mr Shrestha and one his colleagues who had attended the training course introduced the principles of the IAP process to their colleagues in the municipality. There was reportedly much interest in it.

In Siddhartha Nagar the UDLE methodology was followed closely in preparing an IAP in 1997. The team in charge of the IAP consisted of two employees from the municipality and eight professionals from outside. The two local professionals were Mr Shrestha, and an overseer (a technician trained in construction projects). The rest of the team consisted of a mixture of DHUD staff, UDLE staff and consultants brought in for the purpose. The team was composed of: two engineers, one statistician, one architect/planner, one economist, three overseers, one draughtsman, and one assistant.

The mayor, deputy mayor, ward chairmen and other people concerned had been forewarned of the details of the process and a visit had been made previously to Siddhartha Nagar by a team from DHUD and UDLE to arrange the details. As with other such processes, the delegation obtained an assurance from the municipality that they would cover 20 per cent of the costs of the IAP process. The outlay for the municipality was around 34,000 NR (approximately 340 pounds sterling at the 1999 exchange rate, or some 0.1 per cent of the municipal expenditures in 1997). It is not clear what exactly is covered by this figure but we presume that it refers only to the monetary expenditures such as printed material, local transportation and the like, and not to staff time or use of working space.

Staff from UDLE studied the municipal budget and other background information before travelling to Siddhartha Nagar. Once in Siddhartha Nagar, the team worked together for two months in a room provided by the municipality. The process was conducted very much in the order suggested by UDLE's training manuals. In the first two weeks or so, the team was divided into three groups: two teams visited the wards to conduct the assembly meetings, while a third

consisting of the planner and a draughtsman, started preparing the thematic maps. People in the wards had reportedly been forewarned about the dates and nature of the meetings by the ward chairmen. Close to the date of the meetings, rickshaws with PA systems were sent to roam the streets to ensure wide participation.

Meetings in the wards started at 8.00 am and took from three hours to a whole day (with a mid-day break). All meetings were conducted during working days. Attendance was good in most meetings, with some having some 60 or 70 people. It is important to note that the breakdown of participants varied from one ward to the next, largely because wards differ in their social composition. Some wards have a predominantly middle class population, whilst others consist largely of farmers.

Most people who attended are self-employed (e.g. shop-owners, small industrialists, farmers). Few people with a full-time job could attend the gatherings as they could not afford to be away from work. Reportedly the main issue that attracted people to the ward meetings was the serious drainage problems affecting Siddhartha Nagar, coupled with a desire to improve the road network (NB: these are the two main infrastructure areas that the municipality has direct responsibility for).

The mayor attended most meetings and chaired them. The deputy mayor attended only two or three. At the end of the meeting the assembled participants were asked to elect a committee (known as the contact group in the IAP methodology) charged with taking back to the IAP team any additional viewpoints or ideas for projects for the duration of the IAP process. In the event, only a few ward committees took this opportunity offered to them. A large map of the municipality produced in 1992 with UDLE's support was used to locate the problems identified during the meetings.

After the meetings, the two IAP groups visited the wards identifying the projects in the ground and measuring them to find cost estimates. There was no attempt to locate them on a map as this would have required more time and the availability of a very detailed map which is non-existent in this municipality. Between one and one and a half days were spent in each ward.

Following UDLE's guidelines, the team continued working for a total of eight weeks. Part of the team was engaged in preparing the Multi-Sector Investment Programme (MSIP), whilst another group worked on the physical aspects of the process, preparing the Physical and Environmental Development Plan (PEDP).

In order to start preparing the PEDP, in the third week the whole team was engaged in a one day discussion on the desirable direction for the future expansion of the built-up area. This produced detailed ideas about the constraints and opportunities for expansion and subsequently a map where two specialised members of the team translated the results of the team's one-day brainstorming. This is one of several overlaid thematic maps, a standard output of the IAP process. This includes a map where the essence of the PEDP may be found, again produced by the two specialised team members, with inputs from their colleagues. The spontaneous directions of growth of the town were identified by the team, mainly through a systematic analysis of building permits issued over a recent period. This allowed team members to find out not only were people (migrants and locals alike) wanted to construct, but also how fast the town was expanding. The main finding of the exercise was people's preference for land located towards the north of the town centre, mainly the northeast.

Regarding the process of preparation of the PEDP, Mr Shrestha notes that it is crucial that there is at least one member who knows the town and its recent development trends very well (which in this case was one of the overseers, who has worked with the municipality for 17 years). The preparation of maps and the final transcription of problems and opportunities onto them, as well

as the cartographic representation of the PEDP were left to the two team members who had a knowledge of urban planning and cartography.

The MSIP and the PEDP were prepared simultaneously. And although there was occasional cross-referencing, it would seem that the latter was not systematically used to inform the former. Finally, it is worth noting that most of the people interviewed, including the mayor and the deputy mayor, showed familiarity with the IAP process and its potential in helping the municipality and its inhabitants.

Implementation of IAP recommendations

IAP recommendations are translated into two main instruments. One is the MSIP, and the other is the PEDP. The first one sets out a five-year programme of capital investments for the ward-level and town-level projects identified in the various meetings held. The second one provides a framework for the physical development of the municipality, identifying desirable directions for future physical development, as well as major town-level projects.

According to both the deputy mayor and Mr Shrestha, in the first year investments followed the order of priorities identified through the IAP process. These were largely limited to small-scale projects at the level of the wards. No major town-level project was started (such as a ring road) because these had been planned for subsequent years, and in any case given their high cost (beyond the reach of the municipality), no sources of funding had been specified in the MSIP. In the second year, some 70 per cent (in value) of (mainly small ward-level) projects as specified in the MSIP were implemented, whilst a further 30 per cent consisted of new priorities decided in that year. This ratio would have reportedly been continued had the sources of revenues of the municipality not been drastically reduced by the abolition of the octroi tax by the central government.

The main hurdle identified by all interviewees in putting the recommendations of the IAP process into practice was this reduction, as the octroi tax used to account for between 80 and 90 per cent of municipal revenues. Mr Ganesh Chhetri, Municipal Accountant, reported that the Ministry of Local Development has requested municipalities to reduce their budget figures for the current year to those of two years ago (they are said to grow between 10 and 15 per cent per annum). There is currently considerable uncertainty about the continued source of revenues to carry out essential projects, let alone larger, long-term town-level projects identified in the MSIP and the PEDP such as construction of a ring road and renovation of the concert/assembly hall.

With the abolition of octroi tax, funding for projects will have to follow a scheme first implemented in the municipality of Dharan, in the east of the country (see separate report), whereby direct beneficiaries of projects are asked to finance 40 per cent of the total cost, while the municipality funds the remaining 60 per cent. This scheme was launched in Siddhartha Nagar a week before the interviews were conducted and was being tried out for blacktopping short stretches of rural roads and streets.

Another potential problem in the IAP methodology was identified by DPU researchers and explored during fieldwork. Prior to the IAP, the municipal budget was divided equally among all wards. With the IAP some imbalances were inevitably introduced, owing to the different nature of projects prioritised by participants in the ward meetings and the resulting cost differences. When asked whether this had produced any tension among wards, the mayor's initial reaction (he spoke through an interpreter) seemed to suggest that this was the case. Mr Shrestha, however, who was present, was prompt to argue that this was an issue of minor importance and that it had been quickly overcome.

Echoing the views of the Deputy Mayor, the Municipal Accountant, Mr Ganesh Chhetri, reported that the MSIP was not being fully adhered to but that it was a useful tool for setting priorities. It must be borne in mind that the IAP was only in operation for one fiscal year before the octroi tax was abolished. When pushed for an answer, he estimated that had the octroi tax not been abolished, some 50 per cent of the expenditures projected in the MSIP for the five year period would have suffered changes on a yearly basis, with the rest remaining as originally programmed (it must be noted, however, that his day-to-day concerns appear to do much more with the overall picture of sources of municipal revenues and expenditure than with the minutiae of ward-level projects).

Some of the recommendations of the PEDP such as the need for land pooling in expanding areas and the sequence in which future physical growth to take place ought are present in the mind of the Chief Engineer. However, in practice the municipality follows the MSIP but not the PEDP. Strategic decisions about where and when to issue building permits so growth conforms to the lines suggested in the PEDP cannot be made because one of the main tools needed to put these into practice - detailed bye-laws to issue building permits - has not been developed for lack of specialised personnel.

Another difficulty identified in the implementation of municipal projects arises from the often poor coordination with the work of line agencies (who supply water, electricity, street lighting and telecommunications). The municipality has provided them with the current land-use plan and with a description of the directions for future growth identified in the PEDP, but they still operate according to priorities and a schedule decided by head office rather than in response to municipal requests.

Evaluation and follow-up of IAP

The IAP was formulated in 1997 and was instrumental in setting expenditure priorities for only one fiscal year. No updating has been done, a need made all the more urgent by the abolition of octroi tax.

Some interviewees were asked to examine the usefulness of the IAP for the municipality. The mayor highlighted its value as a tool to prioritise projects in a context where resources are very scarce. For him, the IAP also provides a vehicle to assess people's needs. In his view, the system enables the municipality to collect information about needs and priorities directly from the "primary source", i.e. the people. Otherwise, information would have to be assembled by municipal staff.

The mayor says that since the IAP was undertaken he regularly carries out ward-level meetings to update his perception of people's changing needs. Further discussion with Mr Shrestha about this issue suggested that the priorities set in the original ward meetings have not been changed in subsequent ward meetings.

When asked about the disadvantages of the IAP, those present at a meeting with the mayor (including the Executive Officer and the Chief Engineer) argued that one of the problems was the lack of qualified staff to put into practice some of the suggestions in the PEDP. For example, the PEDP identified the need to develop bye-laws to help guide new development, and to put into practice land-pooling schemes to help incorporate new rural plots into a rapidly expanding built-up area. Neither of these two schemes have been realised because the municipality lacks the skilled staff to do so. There is no qualified urban planner in the municipality who can undertake these functions. Support has been requested and granted from UDLE to start the first process but there is still a long way to go.

Interviews

Interviews were conducted between 15 and 19 August 1999 with:

Mayor, Mr Sagar Pratap Rana
Deputy Mayor, Mr Hari Prasad Adhikari
Executive Officer
Chief Engineer, Mr Shailendra Shrestha
Municipal Accountant, Mr Ganesh Chhetri
Chairman of Ward 9, Mr Shesh Kant Bhandari
Chairman of Ward 8

The experience of integrated action planning (IAP) in Butwal

Dr Julio D Dávila
August, 1999

Neither of the two technical staff with first hand experience of the IAP process is currently working in Butwal Municipality. The information presented here was largely gathered from discussions with the Deputy Mayor and the Chief Planner, neither of whom was directly involved in the process. Background information was obtained from statistical data published by the central government and the municipality.

Located on the foothills of the Churia Range on the edge of the Terai Plains, Butwal municipality has a population estimated at 109,000 in 1998, of which approximately 70% live in the built-up area. It has an area of 79.5 square km and is located in the north of Rupandehi District, for which the municipality of Siddhartha Nagar provides the headquarters.

The economic base of the region is largely agricultural, with rice and cattle being the main activities, and the vast surrounding forests providing a source of fine woods, especially sal and teakwood. The town's location at the crossroads of the Mahendra (or East-West) Highway and the Siddhartha Highway (linking the city of Pokhara with the state of Uttar Pradesh in India) and at the meeting point of two very distinct geographical regions, helps shape its economy while providing a spur to economic and demographic growth. To an outside observer, the town's well-stocked shops and busy streets on a market day suggest a very dynamic economy, very much in contrast with the slow pace of Siddhartha Nagar. It is an important regional centre for repair and maintenance of motor vehicles, with over 500 garages offering a diversity of services.

These factors have combined into a demographic growth rate estimated at around 7.5 per cent per annum. As in many other Terai towns, much of the rapid population growth (an estimated 5 of the 7.5 per cent) derives from a high rate of immigration from Nepal's hilly regions. As the city is unable to provide affordable plots of land for the influx of migrants, the pressures of growth have translated into a large and growing squatter population estimated at some 20,000 in 1998. Squatters generally occupy public land such as parks and river banks in the dry season.

Social infrastructure in Butwal is larger than in Siddhartha Nagar. Butwal has, for example, a zonal hospital serving a vast region. It also has a maternal hospital, an ayurvedic hospital, and more than 40 private clinics (of undetermined size).

The territory of Butwal Municipality is divided into fifteen wards. Currently, there are two main political parties represented in the Municipal Board: the mayor, the deputy mayor and 13 ward chairmen belong to the Union of Marxist Leninists; two to Nepali Congress; and one is independent. In contrast with Siddhartha Nagar, political unity facilitates consensus on major decisions affecting the municipality.

In Butwal, a "vision" for the municipality over the next 20 years was developed some six months after the current mayor took office in the course of a one-week workshop attended by among others, politicians, social workers and municipal technical staff (no precise details of who else was present could be obtained). The vision uses as a starting point the current function of the town as linking the Terai with the hills, a crossroads of two important highways, and seeks to upgrade it to a commercial centre. It also recognises its tourist potential arising from a location close to Lumbini and the picturesque forested hills surrounding the town on its northern half.

The IAP process

As in other municipalities, Butwal's IAP was carried over a period of two months in 1997. According to two of the local informants (the Deputy Mayor and the Chief Planner), the first four weeks were conducted at the end of the previous government's period in office, and the final four into the period of the incumbent mayor. This meant that the IAP outputs were not really appropriated by the new government as they were perceived as belonging to the previous government. This has been made worse by the fact that the only two municipal staff involved in it are not currently working in Butwal, one of them being on leave while the other one left the municipality altogether. Because of this, no first-hand information could be obtained about how precisely the PEDP and the MSIP were prepared.

The current Chief Planner, Mr Sushil Gyewali, an engineer who has been in office for two years, became familiar with the maps and the documentation of the IAP and took the initiative of using it to help guide the work of his office. He found that despite the value of the exercise, there was no "vision" for the town underpinning the documents, let alone the vision produced in the "envisioning" workshop. He therefore sought to adapt IAP's outputs to the current government's vision. It was only then that the IAP products were appropriated by the new government, to the extent that the mayor is said to consult the IAP documents (both the PEDP and the MSIP) on a regular basis to check that the town is growing in the directions and through the projects identified in them.

The implementation of IAP recommendations

According to Mr Gyewali, the IAP outputs are used on a regular basis by the municipality. The PEDP is used to identify the location of all municipal projects, whilst the MSIP is used in project timetabling. Reportedly, all town-level projects implemented by the municipality are taken from those identified in the PEDP and the MSIP. Mr Gyewali has requested support from UDLE to update the IAP, but this has not yet happened. Nonetheless, regular interaction with UDLE staff provides an important incentive for him and his staff to keep moving along the lines proposed in IAP.

According to Mr Sascha Müller, a German town-planner working for German Technical Cooperation (DED) who has been attached to Butwal Municipality for the last four months, some of the maps produced by the IAP team had a few mistakes (such as the location of a market in the middle of the forest), which may have arisen from the team not having enough members who were sufficiently familiar with the territory within the municipality.

The Deputy Mayor, Mr Bimal Shakya, said that regular meetings are conducted at ward level to update the municipal budget which is then presented to the Municipal Assembly. These meetings were not introduced by the IAP but were held on a regular basis before.

Evaluation and follow-up of IAP

When asked about the strengths of the IAP process, both Mr Gyewali and the deputy mayor said that its strengths lie in the fact that it is directly linked to the people, so their interests are genuinely represented. For Mr Gyewali, it also works to the municipality's advantage as its staff are thus able to programme expenditures over the long term. Thus, demands from the population which are not contemplated in the IAP documents about both ward-level and town-level projects can be to some extent ignored, with the argument that people were given their say in the original consultation process. It must be noted that there is an apparent contradiction here with the deputy mayor's assertion that regular ward meetings are conducted to update the municipal budget.

Other advantages identified by the deputy mayor include the help IAP provides in setting priorities thus making it easier to organise the budget. Such tool also helps in obtaining support from various national government agencies and international donors for much needed projects.

For Mr Gyewali, a main weakness of the IAP process is that the fact that the majority of projects come from the ward level may mean that the main vision for the city is lost in the detail of these projects. For Mr Shakya, the disadvantages lie in the time consumed by the IAP process due to the process of consultation involved, and that not all projects identified as important by the community can be carried out.

Interviews

Interviews were conducted on 17 and 18 August 1999 with:

Deputy Mayor, Mr Bimal Shakya
Chief Planner, Mr Sushil Gyewali
German Cooperation Volunteer, Mr Sascha Müller
Chief Engineer of Siddhartha Nagar Municipality, Mr Shailendra Shrestha

The IAP Process in Thimi Madhyapur

Michael Mattingly
August 1999

Thimi Madhyapur Municipality was created two years ago from five villages. It has a population of about 40,000. Before the IAP began, the municipality held a two day workshop involving 120 people which identified a vision with five themes for the municipality's development. This provided a basis for strategies and projects which were formulated by several efforts, for example, a JICA study and an environmental master plan prepared by students of a Swiss study programme. These are being put into the PEDP. The Swiss study is especially appropriate because it went down to a very detailed level to propose small projects. It is thought that these can more easily fit into the IAP process, presumably because they can be ward level projects because they are so small.

DHUD began an IAP in Thimi around 15 July of this year at the request of the Municipality. The IAP team has two from DHUD at least and technical staff from the municipality. They will work together for two months.

The Preparation of the IAP

After beginning by informing the leaders of the 17 wards, meetings were held in each which were open to all. These identified and prioritised projects and formed a contact group in each ward made up of the ward chairman and members and 4 to 6 others decided at the meeting. Afterwards, the team meets at least once with the contact group of each ward and reviews with each the priorities. Together, the contact group and the team visit sites in the field to verify the problems (the team has already been to sites as much as possible before the initial meeting in the wards). These actions lead to the addition to or subtraction from the list of priorities of some problems. It also reveals overlapping of problems.

For the municipal level projects, prioritisation is done by a steering committee which has representatives from the municipal board, the line agencies, NGOs, and female groups. Field visit verification of ward level projects may point out town level projects.

Funds are allocated 60 to 70% to town level projects, 20 to 30% to ward level projects, and 10% to emergencies.

A five year plan is created with a detailed budget for the first year. For the five years, there is integration of ward and municipal projects with those of government line agencies and of NGOs and INGOs.

The Physical and Environmental Development Plan

Although the picture of the process model shows the PEDP as feeding into the MSIP only in the early stages when analysis is used to identify projects, it seems that physical planning policies (already existing from various planning studies) put into the PEDP do feed project proposals into the identification of town level projects and maybe into their prioritisation. The PEDP is for ten years (expressed in this interview as a ten year projection of trends), leading to the identification of expansion areas, then land use policies and finally regulatory bye-laws. The PEDP preparation is expected to produce land development projects (e.g. land pooling) which can be put into the MSIP. Preparation of the PEDP uses the technique of overlays of thematic maps.

Change Brought About by the IAP

The process underway is that which has been used in earlier IAP exercises. It is being seen as bottom up as opposed to top down, an improvement over past master planning and project identification. The MSIP is seen by the DHUD staff as community demand driven because of the way that ward residents are involved. Projects for the wards do not come from analysis of population statistics, etc. as was done with master planning. Now, only existing projects and administrative structures are analysed. Community consultation provides the problems.

This IAP procedure differs from the past in that the allocation of resources is “planned”. Before the amount of the annual development budget was allocated to each sector, and was used within that sector as projects were proposed. Consulting communities at ward levels also makes the process bottom up which the Mayor believes is better, whereas it was top down within the municipal before. By programming beyond just one year, the Mayor believes people will be able to see that a project not carried out or completed in the first year will have a chance to do so in a later year. This will provide more transparency about investment decision making.

The above account was synthesised from interviews on 19 August, 1999 with the following:

Prakash Raghubanshi, IAP Coordinator for Thimi, DHUD
Bhubaneswari (Ms), Architect Planner, DHUD, IAP Team
Mayor, Thimi Madhyapur Municipality