

Urban Poverty Reduction and Social Inclusion in Nepal

Background

Nepal's urbanization rate is comparatively low: only 16 % of the total population is living in the country's 58 municipalities. The annual growth of urban population of estimated 4 – 7 % is significantly higher than the national demographic growth of about 2 %.

Existing problems with provision of infrastructure and services as well as the integration of poor migrants are getting worse due to this rapid growth of towns and cities. The cities have to meet the challenge to secure acceptable social and economical living conditions of its population in a time of fast ongoing urbanization. After 10 years of conflict

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Target Group: urban population of Nepal
Duration of actual programme phase:
January 2008- December 2010
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5.5 Mio. EUR

the country returned to a democratic regime and hopes regarding improved basis services, democratic participation and better incomes have raised along with the start of the still fragile peace process. A special challenge is the overcoming of age old social, cultural and economic exclusion of ethnic groups and lower castes. The election to the Constituent Assembly cum Parliament in April 2008 produced the most inclusive representation of the diversity of the Nepali People, giving space to groups so far marginalized and under or not at represented. One of the important features of the Constituent assembly is, that over 30% of its members are women.

The Urban Development through Local Efforts programme (udle), which started already in 1987 as a bilateral development programme of Nepal's Ministry of Local Development (MLD) and GTZ, commissioned by the German Ministry of Economic Cooperation and Development (BMZ) adjusted its priorities to the issue of Urban Poverty Reduction and Social Inclusion in 2005.

Besides its activities in the fields of Urban Governance and Municipal Finance and Management the Urban Poverty Reduction and Social Inclusion component is today the third pillar of UDLE.

Objectives

The objective of the component is to "Improve the access of the urban poor and marginalized population to public goods and services and increase their participation in Urban Governance"

Major outcomes expected (by 12/2010)

- A national strategy on informal settlements is discussed with relevant actors at national and international level (source: workshop and conference documentation).
- Integrated poverty reduction and social inclusion strategies are implemented in 30 towns. The strategy comprises improved access to community infrastructure and social services as well as income promotion. Poor women should derive above average benefit from the measures.
- At least three innovative management schemes with the participation of the Urban Poor in Urban Governance and the municipal administration is introduced in up to 30 towns. Special attention is paid to cooperation between civil society and the private sector.

Ongoing Activities

A multidisciplinary team of local and international from the MLD, the Department of Urban Development and Building Construction (DUDBC) and the Municipal Association of Nepal (MuAN) are supporting presently 21 municipalities in three areas:

- Preparation of a Municipal Poverty and Social Exclusion profile
- Implementation of Pilot Projects
- Elaboration of Municipal Poverty Reduction and Social Inclusion strategies

These three activities are linked to the other components of the programme by

- Integrating the Municipal Poverty Reduction and Social Inclusion strategies into the mid-term Municipal Periodic Plans
- Preparation of a Municipal Economic Development Strategy

Methodologically a parallel approach of planning and implementation was adopted. This meant that as soon as some basic information was available a pilot project was started and the mid-term strategy was elaborated parallel to the implementation of the pilot project. With this approach direct visible results could be achieved and the experiences of the pilot projects could be used for the finalization of the strategy.

This approach made it possible to overcome scepticism (one more study of a donor financed project, which may lead to action!) about the preparation of the Poverty Profile and the Strategy.

Municipal Poverty and Social Exclusion Profiles

A local steering committee comprising of the municipal administration, representatives from political parties and the civil society was formed in all municipalities with the task of oversight and support of the planning and decision making process.

The poverty profiles include general information on poverty level in the municipality. It identified also special excluded and poor settlements (traditional but neglected and poor settlement, slums and squatters).

In most of the municipalities a mini-census was carried out and provided up to date information. Additionally poverty and social exclusion maps were prepared. These maps identify the location and deficiencies of the poor settlements.

Pilot projects of Poverty reduction and social inclusion

On the basis of the Profiles the Steering Committee proposed a ranking of the poorest and most excluded settlements to the political decision makers (seven party committees). In the selected settlements a Coordination Committee and Task force were established. The coordination committee has the task of establishing and maintaining the link between the settlement and the municipal administration, the line agencies and UDLE. The task force is directly involved in the mobilization of the population, the organising the improvement measures and the execution of activities.



Typically the activities of a pilot project consist of:

- Strengthening or creating community organisations (specially women and youth groups);
- Improvement of “community infrastructure” which could include: extension of water supply (public tap), drainage, street pavement and community buildings etc.
- Income generating activities like skill improvement, revolving funds, saving and credit groups.

Presently in all 21 municipalities pilot projects are either under implementation or completed.

Municipal Poverty Reduction and Social Inclusion Strategies

As part of the periodic plans, the Municipal Poverty Reduction and Social Inclusion Strategy is supposed to provide a basis for the annual programming and budgeting for the municipalities. The development of the strategies is still in its early stages and its usefulness is only partly proved.

However some municipalities have started to separate a specific budget for poverty reduction and social inclusion activities. The discussion of the Poverty profiles and the experiences of the pilot projects have sensitized the political decision makers at local and national level about the problem and possible solutions.

The ongoing revision or elaboration of periodic plans in some 15 municipalities is an opportunity to anchor the poverty reduction and social inclusion activities in the overall development strategies of the municipalities.

Outlook

Nepal has embarked on a new chapter of its history. The declaration of the Federal Democratic Republic of Nepal, the abolition of the Monarchy and the composition of the Constituent Assembly are signs of a change in Nepali politics. Improving the participation of traditionally excluded lower castes and ethnic minorities in public life and politics as well as reducing poverty is a political priority at national level.

Municipal decision makers and civil society groups are pushing the inclusion and poverty reduction agenda aggressively. MLD and GTZ through UDLE support this process in providing inputs to Capacity Development of civil society groups and municipal administration as well as financial resources for concrete improvement measures.

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