

Urban Governance

Cooperative Project: Urban Development in Nepal

In Nepal's cities and municipalities, annual population growth is three times higher than the country's average. The authorities therefore face an increasing pressure to keep pace with rapid urbanisation.

This is the background against which cooperation between Nepal and Germany is taking place to promote local development and good governance in Nepalese local authorities. GTZ and KfW, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), are supporting the Government of Nepal with a joint programme, Urban Development through Local Efforts (UDLE). This programme encompasses strengthening of the Municipal Association of Nepal (MuAN), provision of advisory services to the 58 municipal administrations and advanced training of municipal staff. For the past 20 years, German Financial Cooperation has provided funds to refinance the Town Development Fund (TDF), which supports Nepalese cities to develop and upgrade municipal infrastructure.

The measures with UDLE focus on three levels:

- Supporting the elaboration and implementation of urban development policies;
- Strengthening of local governance by promoting participation of citizens in decision-making processes;
- Improving the living conditions of poor urban dwellers.

KfW and GTZ support the TDF by way of:

- Provision of grants and loans to finance municipal infrastructure and revenue-generating projects;
- Support for institutional development as well as for planning and implementation of the projects.

Results and impacts:

- Municipal revenues have risen, therefore also increasing the scope of decision-making at local level;
- In all municipalities, citizens' charters govern the work of the authorities and the rights of the citizens;
- Infrastructure in 40 towns and cities has been extended;
- The living conditions of tens of thousands of poor urban dwellers have been considerably improved.

Duration: since 1987