Cooperative Project: Urban Development in Nepal

Annual population growth in Nepal's cities and municipalities is three times that of the country as a whole. The authorities are therefore facing increasing pressure to keep pace with this rapid urbanisation.

This is the backdrop against which cooperation between Nepal and Germany is taking place to promote local development and good governance in Nepalese local authorities. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), GTZ and KfW 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 consultancy services to the 58 municipal administrations, and advanced training of staff at municipalities. Funding to extend existing and establish new municipal infrastruture is partly provided by the Town Development Fund (TDF), which has received resources from German Financial Cooperation since 1988.

The UDLE measures focus on three levels:

· Supporting the elaboration and implementation of urban development policies;

· Strengthening local self-government with the participation of the citizens;

· Improving the living conditions of poor urban dwellers.

KfW and GTZ support the TDF by

· Providing grants and loans to finance municipal infrastructure and revenue-generating projects;

· Assisting with institutional development and with planning and implementing the projects.

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Results and impact:

· Municipal income has risen, thereby also increasing the scope for decision-making at local level;

· Citizens' charters govern the work of the authorities and the rights of the citizens in all municipalities;

· The 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

www.localfinance.org.np
www.udlenepal.org

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