



Preliminary Findings on Local Body Restructuring at the Local Level

September 8, 2016

This report provides the preliminary findings of Democracy Resource Center Nepal's (DRCN) observation seeking to better understand the status and perceptions of local body restructuring at the local level. It is based on findings from field research conducted across seven Tarai and hill districts from August 1 to 14.

DRCN commends the Local Body Restructuring Commission (LBRC) for efforts made to move the local body restructuring process forward and now urges the commission and other stakeholders to work diligently towards resolving outstanding political and technical issues, including those outlined in this report.

I. Introduction

DRCN finds it encouraging that first steps towards implementing local body restructuring outside Kathmandu have been taken. District-level Technical Committees were formed across the country in early July, and in many districts those committees are now working to determine the number, boundaries, and names of Nepal's new local governments.

The process unfortunately encountered several political and practical challenges as soon as it began. As of 6 September, 16 out of 75 Technical Committees had completed and sent restructuring proposals back to Kathmandu, the deadline for submission being August 16.¹ Several other Technical Committees are set to send proposals shortly, but there is uncertainty about whether political and public support for the work of these committees exists.

The goal of this report is to provide useful information from the local level about restructuring, including success and challenges, to help inform the debate and decisions currently being made in Kathmandu about the process.

The most important finding in this report is that a lack of information available about local body restructuring, or effort to involve a wider share of society in the restructuring process, has created confusion, concern, and misperception about the process. Information has been partial to a small number of district-level stakeholders who are responsible for restructuring, and among those stakeholders interviewed by DRCN there were often more questions than answers about the process. Citizens understanding and confidence in the restructuring were low, and in some places non-existent.

¹ 'Delayed reports from districts may push mid-Oct submission,' Kathmandu Post, September 6, 2016: <http://kathmandupost.ekantipur.com/printedition/news/2016-09-06/delayed-reports-from-districts-may-push-mid-oct-submission.html>

In hill districts, citizens interviewed often knew little about restructuring, but those who did frequently believed the new local bodies would make their situations worse, including having to walk further to access resources or pay more taxes. In the Tarai, frustration with the government after the events of the previous year has left citizens feeling suspicious and vulnerable. There was a strong concern among stakeholders about Madhesi citizens outright rejecting the process, as well as the possibility of protests if misunderstandings, real or perceived, prevail.

Local-level party policy towards restructuring largely reflected that of national-level parties in all places visited. Similar to in Kathmandu, Madhes-based leaders interviewed forcefully said they will not allow restructuring to move forward until provincial borders are decided, or local elections to occur until both processes are complete. Nepali Congress leaders interviewed had registered their opposition to the process with Technical Committees. In all Tarai districts visited, Technical Committees were unable to complete public consultations due to political party opposition to the process. It appears highly unlikely that the restructuring process can proceed successfully in the Tarai until a national-level compromise on the issue is reached, and that compromise is well received by local-level party cadres and communicated to citizens.

Stakeholders raised additional concerns about the framework and criteria used for restructuring. The rationale for federal versus provincial oversight of new local bodies and the population criteria set for formation of local bodies were frequently questioned. These are difficult issues to resolve that are certain to influence the immediate and longer-term debates concerning the nature of Nepali federalism.

Although not the focus of this report, DRCN must acknowledge that there is a lack of clarity about certain constitutional and legal issues concerning local body restructuring that impacts the ability to make informed choices about the process. For example, the constitution defines local bodies, or 'local governance units'² as including village councils, municipalities, and district assemblies. The powers of each of these units have however not yet been determined. Deciding how many local bodies should exist, without first resolving the responsibilities of these bodies, has added additional complication. Further, the conversation about restructuring to date has largely focused on village councils and municipalities, overlooking the significant role district assemblies will play given their overlapping jurisdiction with the two other local units.

Strong leadership, compromise, and concerted effort on the part of all stakeholders is required to successfully complete the restructuring process in a timely manner. If restructuring is to be accepted and embraced at the local level, there is an immediate need to clarify and explain the process, and to raise awareness about it in order to ease concerns. At the same time, the government and political parties will need to compromise at the national-level in order to accommodate the wide range of existing demands. Local body restructuring will not be politically and practically possible at the district and local levels until then.

² 'Local governance units' is the term used in the constitution, whereas 'local bodies' has become the common phrase used in the media and by political parties.

In addition to this introduction, this report includes four other sections: Section II explains the scope of observation and methodology used for research; Section III provides more detail about the local body restructuring process, including a brief overview of the status of the process at the national level; Section IV includes main findings from DRCN research; and Section V is the conclusion, with recommendations for the government and other stakeholders to consider going forward.

II. Scope of Observation and Methodology

From August 1 to 14, a team of DRCN researchers travelled across seven districts to observe the local body restructuring process outside of Kathmandu. DRCN's objective was to gain a status update on the progress of Technical Committees, as well as to better understand perceptions about the restructuring process through meetings with political parties, government officials, civil society members, and citizens. Districts visited include: Dhanusha, Parsa, Rautahat, and Rupandehi in the Tarai; Dang in the inner-Tarai; and Palpa and Kaski in the hills.

The research team conducted a total of 137 interviews, including 77 with government officials, civil society members, and political party leaders, and 60 with citizens. During observation, the research team used a qualitative questionnaire informed by the Terms of Reference (ToR) of the Technical Committees, as well as information from interviews conducted in Kathmandu with leaders and experts about the process. Observation was limited to seven districts, meaning this report cannot be considered comprehensive of the performance of the Technical Committees in all districts across Nepal, or of perceptions of people living elsewhere in the country.

III. Background and National-Level Update

The Commission for Restructuring of Village, Municipalities, and Special, Protected and Autonomous Areas, commonly known as Local Body Restructuring Commission (LBRC), is in the process of determining the number of and delimiting the number of local bodies in each district. The commission was formed in accordance with article 295 of the Constitution of Nepal and began its work in March 15, 2016 with a one-year mandate.³

On July 18, the LBRC released a preliminary report proposing 565 local bodies, which includes village councils and municipalities.⁴ Under the LBRC's proposal no district will consist of more than 13 local bodies. A "Technical Committee" has been formed in each district to assist the LBRC with restructuring at the local level.⁵

³On January 28, 2016, the Development Committee of Parliament instructed the government to immediately form the LBRC. Headed by a former bureaucrat, the nine-member commission is comprised of experts and former bureaucrats and is tasked with restructuring Nepal's local administrative system according to the article 56 of the constitution. The commission is mandated with determining the number of and borders of village councils, municipal councils, and special, protected, and autonomous regions. The commission's recommendations are supposed to be implemented within one year of its formation.

⁴This number does not include autonomous regions, protected areas, and special zones for which there are constitutional provisions.

⁵ The Technical Committees were formed as per the LBRC's ToR. The committees were formed primarily to accelerate the restructuring process, which would take a significant amount of time and resources if the LBRC were to send representatives from Kathmandu to each district. There remains concern that sufficient technical capacity does not exist on many committees to complete assigned responsibilities.

Technical Committees have the following responsibilities:

- a) To send a proposal that includes a number of local bodies, delineated boundaries, and names for village councils and municipalities.
- b) While determining the number of local bodies and delineating the boundaries of the local bodies, the committee can also propose special, protected, and autonomous regions according to the criteria set by the commission.
- c) The number of wards proposed in village councils and municipalities should be according to the criteria set by the commission.
- d) To conduct public consultations with stakeholders at the district and local levels, including collecting suggestions received in the consultations, and analyzing the collected suggestions and comments.⁶

Technical Committees were formed across Nepal in early July 2016. Part of the LBRC's mandate was to provide a two-day orientation to the members of the committee in each district. The committees were to conduct public consultations to gather stakeholder opinions about new local bodies, and then to send proposals to the LBRC by August 16. While Technical Committees were reportedly formed in all districts, DRCN found that the work completed by committees varied significantly between districts (See Finding 1 on the status of the committees).

At the national level, restructuring has become a sensitive topic within the parliament and national media. Different political factions have expressed strong opinions about the proposed number of local bodies, with some directly saying the LBRC's work has not been "scientific" and thus not credible.

The government, led by Prime Minister Pushpa Kamal Dahal, has asked the Election Commission of Nepal (ECN) to expedite preparations for local elections in the spring of 2017, and originally set a September 1 deadline for parties to reach consensus on restructuring. Although that deadline came and went without resolution, Prime Minister Dahal still appears focused on forging consensus among the different parties. Opposition party Communist Party of Nepal - Unified Marxist-Leninist (CPN-UML) has strongly supported the LBRC's proposed number of local bodies.

Madhes-based parties have taken a strong stance against the current restructuring process, calling for the dissolution of the LBRC. Nepali Congress representatives have expressed reservation about the current restructuring process. Several Nepali Congress leaders have called for an increase in the number of local bodies from 565 to approximately 1,000, whereas Chairperson Sher Bahadur Deuba has publicly floated the possibility of local elections being held under the current local body structure in order to provide more time for the local body restructuring process.

⁶ The responsibilities listed here are according to the ToR provided to each Technical Committee the LBRC. DRCN obtained the ToR and other relevant documents from the LBRC. Translation by DRCN researchers.

IV. Preliminary Findings of Observation at the Local Level

- 1. Technical Committees were formed in all seven districts visited, but the status of committee work varied significantly between districts. Committees in all four Tarai districts visited had been unable to complete work due to lack of political party support in the restructuring process.**

Technical Committees were formed July 2 to 4 in all seven districts that DRCN researchers visited. Each committee was comprised of eight members and led by a Local Development Officer (LDO).⁷ In all districts committees had held a meeting about the ToR and work plan, but beyond this the status of committee work varied significantly between districts.

A main responsibility of committees is to hold public consultations at the district and local levels with key stakeholders about restructuring. As of August 14, public consultations had been held in a handful of Village Development Committees (VDC) in Dang and Kaski districts. In Palpa, the committee had held closed-door meetings with district-level political leaders and journalists, and members said the committee intends to hold a more public consultation at a later date. Public consultations had not taken place due to political parties preventing committees from undertaking their work in the Tarai districts of Dhanusha and Rautahat. In Rupandehi, a lack of party support had delayed the committee from holding consultations. In Parsa, the committee held a closed-door consultation with district-level political leaders and journalists, but there were no plans to hold a public consultation.

During the DRCN visit, the Technical Committees in Dang and Kaski appeared on track to complete and send a recommendation report back to the LBRC on or around the August 16 deadline.⁸ It appeared unlikely that final reports would be submitted from Dhanusha, Rautahat, Rupandehi, and Parsa by the deadline due to committee work being delayed or postponed until a later date. Further, it is unlikely reports submitted from these districts would have received support of key stakeholders who were boycotting the process. In Palpa, the work of the Technical Committee had been stopped by the LDO until further clarity was received from the LBRC, given calls from political parties in Kathmandu for a different number of units, as well as for dissolution of the LBRC.

Dhanusha

The Technical Committee held its first meeting on August 2, but postponed public consultations as demanded by district parties. Both Madhes-based parties and Nepali Congress in the district did not want the process to move forward, and asked the LDO to not conduct a public consultation. Madhes-based parties explained their position that provincial delineation must happen before any committee work continues. A Nepali Congress leader told DRCN researchers that they do not want the consultation to occur because the committee would use it as a venue for “endorsement of the proposal that the commission has come up,” one not supported by Nepali Congress. The LDO confirmed the positions of the protesting parties, but was adamant that the process should move forward with or without consultations saying, “Yes, they have their

⁷In addition to the LDO, Technical Committees should include an officer from the District Development Office, District Technical Office, Land Tax Office, Survey Department, District Statistics Office, and District Forest Office.

⁸DRCN researchers have not followed up on whether these districts met their deadlines.

reservations against the proposal of the commission. But I will have to fulfill my duty. Once the statistics department provides relevant data, we will map out the local bodies."

Rautahat

Shortly after formation in the first week of July, the Technical Committee called a public consultation meeting at the Gaur Municipality hall in Rautahat. Madhesi activists who oppose restructuring before provincial delineation disrupted the consultation. Explaining what happened, the LDO told DRCN researchers, "They tore our banner and started shouting slogans against the restructuring of the government. They said that this is unscientific and will not work." The LDO had written a draft report on the restructuring of the local bodies, to be shared and discussed amongst participants, but it was not presented due to the disruption.

After the interrupted consultation, the LDO called a closed-door meeting with district-level political leaders at his residence. At the meeting, according to the LDO, most of the parties discussed their reservations about restructuring." All the parties have said that the proposed number of local bodies is too little for Rautahat... and the Madhes-based parties want it to happen after the dispute over provincial government is settled." After this meeting the Technical Committee reportedly postponed its work.

Parsa

The Technical Committee had held separate meetings with district-level journalists and political party leaders about the restructuring process at the time of the DRCN researchers' visit. According to the LDO, the Madhes-based party leaders in Parsa immediately rejected the LBRC's proposed model, whereas Nepali Congress demanded the number of the local bodies to be increased. CPN-UML on the other hand had supported the proposed model. Other than meetings with the parties and journalists, no public consultation had taken place or was planned for Parsa due to the lack of party support for the process.

When asked about the Technical Committee's next steps, the LDO said that he had requested all the relevant data from the statistics department to map out the local bodies, and that "Once we finish the mapping, we will have a meeting with political party leaders and civil society members and seek their endorsement." A journalist from Parsa told DRCN that nothing has been done to disseminate information about the benefits of restructuring the local bodies, leaving citizens confused and worried about the process.

Rupandehi

The Technical Committee had distributed a copy of its proposal for local body restructuring to all the district-level leaders of the major parties in Rupandehi. No public consultation had happened at the time of the DRCN visit and one was not planned. A member of the Technical Committee explained that Madhesi parties and Nepali Congress have expressed reservations about the process, and that the consensus necessary to hold a public consultation or reach consensus on a proposal for the LBRC does not exist.

Dang

After the formation of the Technical Committee, the committee sent village development committee (VDC) and district development committee (DDC) staff members to conduct public consultation in five VDCs. Although parties had brought complains about the large size of proposed local bodies, no party had attempted to disrupt the process. The Technical Committee created three possible maps for restructuring in the district, and according to an officer interviewed at the DDC, the "Technical Committee's next step is to hold a meeting with district-level political leaders to reach consensus on one of these maps."

Palpa

Shortly after formation, the Technical Committee conducted separate meetings with journalists and political parties about the process, seeking suggestions from both groups. The Technical Committee asked the parties to reach consensus on the number, boundaries, and names of local bodies, and to present this to the committee. The LDO told DRCN researchers, "While we are creating a few options based on the criteria provided by the commission ... we are not going to impose anything. We will let the parties decide..."

Nepali Congress, CPN-UML, and CPN (Maoist Center) leaders interviewed said they had mostly reached consensus about a model, one that proposes to increase the number of local bodies in the district by one or two, and that they are hopeful of commission agreeing to the proposal they will put forward. The committee had not held a broader public consultation at the district or local levels at the time of the DRCN visit. According to the LDO, "there is confusion about the model proposed by the commission in Kathmandu, and we want to wait until this is resolved before proposing our model [which could be different than the national model] to the community."

Kaski

Public consultations had been held in five VDCs in Kaski when DRCN visited on August 12. According to reports published in local newspapers, including Samadhan Dainik, at almost all the consultations citizens raised concerns about the proposed size of the new local bodies. The Technical Committee has not proposed a map for local body restructuring in the district. When interviewed, the LDO said, "We will soon create several maps and try to find consensus among political actors here in the district, and we will also make the maps public so that people can provide suggestions."

2. The level of information available about the restructuring process was low, with understanding of the process limited in all districts visited. Civic education about the process was absent.

In all districts visited, there was consensus amongst interviewees that the level of information available and awareness about the restructuring process is low. Information about the procedures and basis of the restructuring of local units has not been disseminated beyond government and district-level party offices, and the information that has been received from the LBRC was often described as lacking details necessary for committees, stakeholders, or citizens to make informed decisions about the restructuring process.

There were no political parties or civil society members in districts visited working to distribute information about the process. In many cases, government officials, civil society

leaders, and political party leaders were confused or uninformed about the process. When interviewed, most district-level party leaders explained that they had not yet circulated information about restructuring to lower-level cadres at the VDC or ward levels.

Of 60 citizens interviewed across the districts visited, very few were aware that the numbers of local bodies are to be decreased, and that VDCs will no longer exist. The few interviewed who had read about the process in the newspaper or heard about it on the radio expressed concern about the process. There was little optimism about the changes restructuring might bring among those interviewed.

In the Tarai districts visited, nearly all citizens interviewed were unaware of the process. Those interviewed who had heard about restructuring did not trust that it could be of benefit to them.

A principal concern of informed citizens in the hills was that their VDC or municipality would be merged with neighboring ones, distancing service centers even further away from where they are living now. For example, in Tripur Municipality of Dang, citizens expressed confusion and concern about the ongoing restructuring process, particularly the supposed merger of the only recently formed Tripur Municipality with the city of Ghorahi to form a new sub-metropolitan city. Shopkeepers in the Tripur Bazar were perplexed as to why only after recently forming a new municipality that another change was occurring. The same shopkeepers were also concerned about the burden of additional taxation, not believing they would benefit from the merger. Others in the bazaar were also frustrated about potentially having to travel to Ghorahi to access the services, which they are currently accessing at the nearby municipality office.

Public involvement in the consultation process was minimal to non-existent across all seven districts visited. This was largely because the Technical Committee list of responsibilities does not specify that citizens be involved in the consultations. It was positive that Technical Committee members in Dang and Kaski went to the VDCs to seek opinion, though these consultations were conducted in only a small number of VDCs. While most interviewed believed broader public consultations were important, a prominent civil society representative interviewed in Kaski summed up a concern several others held when he said, "I do not see the relevance of public consultations since our advice and opinions will not be entertained."

DRCN researchers found that information available in the newspaper and on radio at the VDC-level about local body restructuring has focused on the dissolution or merger of VDCs, but not on the new local bodies being created, including where services can be accessed under the new structure.

3. Local-level party policy towards restructuring largely reflected that of national-level parties.

Madhesi district-level leaders have registered the same strong reservations with the process as national-level leaders, and put those words into action by boycotting or disrupting public consultations. Although district-level Madhesi leaders raised specific reservations with the restructuring process, the process was largely being opposed on the basis that provincial borders issue must be resolved before restructuring begins (See Finding 4).

District-level Nepali Congress leaders expressed similar opinions as their national-level leaders about the proposed number of local bodies, had registered their reservations with committees, but had not disrupted committee work. Most district-level Nepali Congress leaders interviewed believed that there would be changes to the number of bodies proposed by the LBRC before Technical Committee work could be completed.

CPN (Maoist Center) cadres in districts visited consistently told DRCN researchers that consensus must be reached for the restructuring process to move forward. In Janakpur and Birgunj, Maoist leaders did not believe the committee work at the local level could be completed until national-level parties reached a deal. CPN-UML district-level leaders in all districts visited remained fully in support of the LBRC proposal the technical committees' work.

A unique situation as observed in Palpa, where the district-level parties had nearly reached consensus on a final report, but the LDO postponed the committee's work until there was more clarity from the central level about the restructuring process. The LDO was concerned that any continued work or proposal sent by the committee would not reflect the decisions reached by political parties in Kathmandu over the coming weeks.

4. Madhesi leaders and activists raised concerns about the restructuring process and public consultations, and strongly believed that provincial boundaries must be delineated before local body restructuring begins.

Nearly all Madhesi leaders and activists interviewed expressed concern that the restructuring process was being done in haste and without proper consultation, akin to the rushed manner in which the constitution was promulgated. Many interviewees voiced their belief that the focus on local body restructuring was to distract from provincial delineation, with some alleging that placing local body restructuring before provincial delineation is a tactic to avoid addressing Madhesi demands regarding federalism before the upcoming elections. One district-level leader of Nepal Sadhbhavna Party in Parsa, said, "They come to restructure local bodies without even consulting us while we are still demanding redrawing of provincial boundaries. This is unacceptable."

The legitimacy of the public consultation process was also questioned in nearly all interviews with Madhesi leaders and activists across Dhanusha, Rautahat, Parsa, and Rupandehi. Many believed that it would not be inclusive, and superficial. One Nepali Congress affiliate in Dhanusha said, "Once public consultation is held, the bureaucrats will pressure people to compromise and sign the model that he puts forward ... the document will later be produced as an evidence of endorsement that they have got from the public."

Madhesi leaders and activists in Tarai districts visited uniformly voiced strong opposition to local body restructuring occurring before provincial bodies are demarcated. Public consultations had been blocked or disrupted in Dhanusha and Rautahat by Madhesi activists raising this demand. All major party leaders (excluding leaders from CPN-UML) in Rupandehi, Dhanusha, Parsa and Rautahat maintained that the issue of restructuring of local body should be secondary to the agenda of finalizing provincial boundaries. Interviewees consistently warned that further efforts to continue restructuring without first addressing provincial boundaries could trigger additional resistance or another movement in the Madhes.

5. Failure to promote awareness and meaningful consultation about restructuring has the potential to spark a new round of protests in the Tarai.

Nearly all interlocutors affiliated to Madhes-based parties, Nepali Congress, and from civil society organizations maintained that there should have been much broader public consultation before the LBRC released the proposal for 565 local bodies, and that the LBRC and government should now be taking steps to inform citizens about the process. The level of mistrust of the government in the Tarai remains high, with concerns that misunderstandings perceived or real, at any stage of the restructuring process, could quickly spark a fresh round of protests.

Political party interviewees were concerned that their constituents were dissatisfied with the proposal, and might ultimately reject or protest changes that they view have been made against their interest and take to the streets. Civil society leaders and journalists saw the confusion and lack of information responsible for creating an environment in which parties or activists could easily bring citizens back to the streets. A professor interviewed in Janakpur said, “They are trying to invite another movement. The government should be very careful and do more consultations and educate people on what they are trying to do with this restructuring. Otherwise, people may anytime come out on the street.”

Interviewees often described events or “triggers” that could lead to outright public rejection and protest of the restructuring process. Commonly discussed potential triggers included: the submission of Technical Committee reports without public consultation and party approval; the announcement of local body borders without first addressing provincial borders; and the announcement and beginning of preparations for local elections without first resolving provincial and then local body borders.

6. Madhesi party representatives in the districts visited said they would strongly oppose and disrupt any efforts to hold elections before their demands are met, this including provincial delineation and then restructuring of local bodies.

Maoist and Nepali Congress leaders, as well as civil society members, interviewed were in agreement that local body restructuring, and then elections, could not be conducted without first addressing outstanding Madhesi demands. When asked how problems should be resolved, DRCN researchers were consistently told that the three major parties and the Madhes-based parties must meet, discuss, and reach a consensus on provincial delineation and local body restructuring.

Nearly all Madhesi leaders and activists stressed the importance of holding local elections as soon as possible, acknowledging that governance was absent in places due to a lack of locally elected bodies. Young leaders interviewed were optimistic that the local elections would provide them with the opportunity to establish themselves at the vanguard of their parties. One youth activist in Dhanusha said, “We do not oppose any election but it is imperative for the state to resolve the major disputes in the constitution. How can we hold an election under the same constitution which is against the Madhes and Madhesis?”

7. In hill and inner-Tarai districts visited, concerns were raised about new local bodies not benefitting citizens, including that the increased size of local bodies will distance citizens further from state resources.

In Dang, Kaski, and Palpa, DRCN researchers found that the restructuring process was generally further along than in Tarai districts visited. Provincial delineation was not as contentious of an issue, or strongly demanded before restructuring, and the conversation was more about the implications of specific policy changes.⁹

One of the primary concerns raised by party and civil society members was about the increased size of new local bodies making access to resources more difficult, particularly that citizens will have to walk longer distances to reach local body centers. Confusion and skepticism about where citizens would access services under the new model was prevalent. In several instances, interviewees believed the center of new local bodies would be where most services are accessed, similar to the current VDC structure, making services a much longer walk for many in the hills. Others did not believe the wards could provide increased services under the new model. As a local teacher in Dang explained, “To make wards more functional, and to devolve more power to the wards, you need resources at the ward level. I don't think our government will be able to do that.”

There was also concern amongst those interviewed in Dang, Kaski, and Palpa that the merger of existing VDCs into larger bodies would only create economic burden in the form of additional taxes for rural villagers, with funds going to the municipality, but not to development of outlying areas.

Several interviewed believed the process would be completed haphazardly due to how fast it was being undertaken, and that the influential would be able to unduly affect the process. For example, several civil society members interviewed in Pokhara said that during the public consultation held in Pokhara, Kaski, influential individuals from the village of Siklis, who also have properties in Pokhara, strongly lobbied for Siklis to be merged into the Pokhara Sub-Metropolitan City. Another local intellectual from Siklis, who DRCN met in Pokhara, explained that, “...as Siklis is more than a four-hour drive from Pokhara, it makes no sense to merge it in Pokhara. The rich people may benefit from this but the poor and the marginalized people of Siklis will have to pay more taxes for nothing in return.” He then asked, “If this federalism is to reach the essential services in the doorsteps of people, will this haphazard merging of VDCs fulfill that?”

Similar concerns to those heard in Kaski were voiced in Lakshmiपुर, Dang. Three residents of Lakshmiपुर who DRCN interviewed in the market were disgruntled with the process. One pointed towards a hill in the distance and asked, “That village is also going to be merged in Ghorahi, does that make sense? You have to walk for hours to reach Ghorahi.” A local journalist who participated in a public consultation in a VDC near Ghorahi said that citizens in the area were not happy with this idea, explaining that people expressed their dissatisfaction with the idea of merging several remote VDCs into one unit because it would make rural outlying areas part of a municipality, which makes little sense to them. Party

⁹ Although Dang is considered an inner-Tarai district, and noticeably different geographically and socio-politically than many hill districts, it shared more with the hill districts of Palpa and Kaski regarding restructuring than with the other Tarai districts visited.

leaders interviewed explained that although Ghorahi is a distance from Lakshmiपुर, they are lobbying for it to be capital of Province 5, instead of neighboring Butwal.

In Palpa, DRCN researchers found stakeholders competing over the placement of local body centers. Interviewees told DRCN researchers that village leaders are lobbying for their area to be a center of the village council, and that in some places village leaders have called meetings to pressure the district-level leaderships and the administrators to announce their village as center of a village council.

Although party and civil society leaders in Kaski, Palpa, and Dang had assisted the Technical Committees during its work, they remained concerned that their final proposals might not bring benefit to them or their constituents. Similar to the ongoing national-level debate, some interviewed wanted the basis for restructuring to be on factors beyond the basis of population, including geography and general level of development of the concerned area.

8. Madhesi leaders are dissatisfied with the different population criteria set for forming local bodies in the hills versus the Tarai.

Madhesi leaders and activists uniformly expressed strong dissatisfaction with the different population criteria set for the hill versus Tarai districts.¹⁰ Interviewees were frustrated with the lack of explanation for the criteria, and were most concerned that the imbalance in size of bodies between the Tarai and the hills would eventually result in less representation of Madhes-based parties in the National Assembly. A Sanghiya Samajwadi Forum Nepal (SSFN) representative in Rupandehi alleged that the restructuring model proposed by the commission is a conspiracy to reduce the representation of Madhesis in National Assembly by “massively curtailing the number of units at the local level in Tarai.” The district chairs of other Madhes-based parties in Rupandehi also held similar concerns.

Although most citizens interviewed were not informed about the restructuring process, teachers and journalists across the four Tarai districts visited held strong opinions about the criteria in place. Similar to the Madhesi leaders and activists interviewed, they were worried about the possibility of under representation in the National Assembly and asserted that the number of local bodies should correspond with population.

9. Madhesi activists and intellectuals interviewed believed that the provincial governments, not federal government, should restructure and regulate local bodies.

Nearly all Madhesi activists and intellectuals interviewed in Dhanusha, Rautahat, Parsa, and Rupandehi were against the constitutional provision that the federal government regulates local bodies. They stressed that regulation, including restructuring, should fall under the jurisdiction of the provincial governments. Interviewees believed that without the capacity to regulate the local bodies, provincial governments would be powerless and become overshadowed by Kathmandu. The need for provinces to play a larger role in restructuring and regulation of local bodies was a key reason why many interviewees believed provincial delineation should occur before local body restructuring.

¹⁰In order to form a village council in hill districts, the population must surpass 15,000 people, whereas in the Tarai it must surpass 50,000 people. To form a municipality in hill districts the population must surpass 35,000 people, whereas in the Tarai it must surpass 75,000 people.

V. Conclusion and Recommendations

The LBRC was originally expected to submit its final report in February 2017, but has been asked by the government to expedite the process and deliver the report by October 2016. Without the LBRC's report, the government and Election Commission of Nepal (ECN) will not be able to complete necessary preparations for local elections expected in spring 2017.¹¹

As detailed in this report, the restructuring process has faced several challenges. A lack of information, or effort to involve a wider share of society in the process, has created confusion, concern, and misperception about the process. Many citizens and stakeholders in the hills believe the new local bodies will make their situations worse off. In the Tarai, the process has ground to a halt as Technical Committees are unable to complete public consultations due to political party opposition to the process.

Some of the above challenges threaten the quality and credibility of the process. Others must be resolved before the LBRC can conclude its work, local administration can be established, and elections can take place. Worry exists that concern and frustration about the restructuring process will undermine ownership of new local bodies, and that citizens may reject the new local bodies and protest them. There is little possibility that peaceful and accepted elections can be held in the Tarai before local body restructuring is resolved.

Appreciating the complexities of the restructuring process, as well as the tight constraints the process must be completed in, Democracy Resource Center Nepal offers the following recommendations:

To the Local Body Restructuring Commission

1. Effectively communicate the basis and justification for the committee's proposal to create 565 local bodies to all stakeholders.
2. Increase the level of public awareness and understanding of the restructuring process. The LBRC should create a public outreach plan and execute it. Outreach should particularly target citizens outside of Kathmandu, and consider the use of pamphlets as well as television and radio ads.
3. Encourage broadened public participation during local-level consultations in order to be inclusive of citizen opinion, as well as to increase citizen ownership of the process.

To the Political Parties

1. Reach an agreement on the numbers of the local bodies and the broader process of local body restructuring in order for the LBRC to continue its work.
2. Appropriately address the demands of marginalized communities, including the Madhesis, Janajatis, Dalits, and others, through an inclusive process that builds

¹¹The government is constitutionally mandated to hold local, provincial, and parliamentary elections by January 21, 2018.

confidence. Without such an agreement the restructuring process is unlikely to be completed successfully in many districts.

3. In cooperation with the LBRC, work to educate citizens about the restructuring process. Concurrently represent the opinions of constituents as restructuring continues.

To the Government of Nepal

1. Provide clarity about the roles and responsibilities of local bodies, including relationships and respective powers of and between village councils, municipalities, and the district assemblies. This information will assist the LBRC and Technical Committees in their work, and provide all stakeholders an opportunity to better understand how changes will impact their livelihoods.
2. Provide the financial and technical support necessary for to the LBRC and Technical Committees to successfully undertake their responsibilities.