

Poverty Reduction through Rural Urban Linkages: The Case of Rural Urban Partnership Programme (RUPP) in Nepal

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Background

Context

Nepal is a landlocked country situated between India and China. It covers an area of 147,181 square kilometers with the population of about 26 million, which is growing at an annual rate of 2.1 percent. About 16.2 percent of the total population lives in urban areas. It is an agriculture-based country where more than 31 percent of the populations live Below Poverty Line (BPL) and 78 per cent of the households are dependent on agricultural (CBS, 2003a). Similarly, more than 60 percent of the households own and cultivate less than one hectare of land, which, at most, acts as a survival source for less than six months of a year.

The economic growth rate is 3.6% and the per capita Gross National Product (GNP) is inordinately low at US\$ 269 (MoF, 2004). Nepal ranks 138th among 177 countries in terms of Human Development Index (HDI): 0.527 in 2004 (UNDP, 2006).

As per the 2001 census, there are 103 different castes and ethnic groups with different languages and dialects in Nepal. Nepali, written in Devnagari script, is the national language. The major religious groups in the country are Hindus (80.6% of the population) and Buddhists (10.7%). The overall literacy rate is 54.1 per cent: 65.5 male and 42.8 percent female (CBS, 2003b). Life expectancy at birth in 2006 was 63.3 years and infant mortality rate (under 1) is 56 (UNICEF, 2006) whereas the total fertility rate is 3.5 children per mother. About 80 percent of the population has access to safe drinking water, 39 percent have access to sanitation and about 31 percent of the households have electricity connections (CBS, 2003a).

After a decade of armed conflict between the Government of Nepal (GoN) and the Communist Party of Nepal (Maoist), an interim government including the CPN (M) with eight different major political parties of Nepal has been formed. This interim government is preparing for the elections of the Constituent Assembly (CA) to be held in November 22, 2007. The elected representatives are absent in the local bodies: Municipalities, District Development Committees (DDC) and Village Development Committees (VDCs).

Rationale

The implementation of Rural Urban Partnership Programme (RUPP) was in two of the following bases:

- 1) Most development projects and programmes in Nepal have strictly concentrated on addressing either rural or urban development problems or needs. They have encouraged an institutional culture largely associated with sectoral approaches to development. Sectoral approaches to development tend to direct resources towards development in isolation with little impact on the people's livelihood. Lack of focus on participatory planning, rural-urban linkages and application of largely sectoral approaches to development have diverted development investments away from addressing the priority problems at the local level. Besides, in the context of poverty reduction and good governance, it is very important to enhance the capacities and capabilities of the local authorities and the community for strengthening good governance, poverty reduction and rural- urban linkages.

2) The trend of rapid urbanization in Nepal with the urban population of 16 percent and sporadic growth of small towns and settlements all over the country are few of the situational evidences of rural poor adopting the rural-urban interaction as their survival strategy. Under such situation development efforts need to be directed towards: (a) strengthening rural-urban linkages, (b) empowering the poor so that they can access the socio-economic development opportunities and potentials emanating from linkages, and (c) constituting an appropriate institutional mechanism that enables them to cope with the risk inherent in the rural-urban interactions and reduce their vulnerability.

Project Formulation

GON, through its strategies under the Ninth National Five Year Plan and in accordance with its commitments made during the Habitat II conference, seeks to improve the peoples' livelihoods and strengthen the local economies by taking advantage of the social and economic development opportunities through improved rural-urban linkages. The Project was then formulated in consultation with the United Nations Development Programme (UNDP) in Nepal, Line Ministries, participating municipalities, major stakeholders like Municipal Association of Nepal (MuAN), Association of District Development Committee (ADDCN), Dalit Commission, Nepal Indigenous Peoples' Committee, civil societies, NGOs and the Federation of Nepalese Chambers of Commerce & Industry (FNCCI). The project is developed in a participatory manner. The Phase II and III of the Project was formulated incorporating the previous experience gained in Phase I and the demand received from the community and local level stakeholders.

Project Goals and Objectives

The main goal of the Programme is to **“Secure the right to sustainable livelihoods of rural and urban poor”**.

For achieving the above-mentioned goal, the Programme has set following **objectives**:

- a. Livelihoods of the rural and urban poor secured through social mobilization with the adoption of affirmative actions (with special emphasis on vulnerable groups – dalits, occupational castes, traditional tribes, indigenous groups and women)
- b. Economic and planning linkages between rural and urban areas strengthened
- c. Urban governance improved to provide efficient basic service delivery
- d. National level government and civil society institutions strengthened to implement the issues of the National 10th Five Year Plan Urban Section.

Key Elements of the Project

Target Beneficiaries

The primary beneficiaries of the Programme are dalits, indigenous groups, other disadvantaged groups and the poor populace of the municipalities and Rural Market Centres (RMCs). The Programme implements its activities in TLOs (Tole/Lane Organization) – a community level grass root organization, partner municipalities, respective VDCs where RMCs are delineated and with the private sectors.

Geographic coverage of the project

The working area of the Programme in Phase III is eight partnering municipalities mainly in Far Western, Mid Western and Eastern Development Region of Nepal (Ilam, Damak, Khandbari, Gularia, Dipayal Silgadhi, Dhangadhi, Tikapur & Mahendranagar). Apart from this, the Programme is providing technical supports on the basis of demand to twelve Phase I and II municipalities (Dhankuta, Biratnagar, Hetauda, Bharatpur, Byas, Pokhara, Tansen, Butwal, Tribhuwannagar, Tulsipur, Nepalgunj and Birendranagar), and additional 15 municipalities (Itahari, Inaruwa, Lekhnath, Ratnagar, Prithvinarayan, Kalaiya, Ramgram, Putalibazaar, Amargadhi, Mechinagar, Mdhapur Thimi, Bidur, Baglung, Bhadrapur & Kapilbastu) replicated by the Ministry of Local

Development (MLD) and the respective municipalities with their own resources. The Programme is also implemented in fifty RMCs.

Project activities

Key Components

The Programme is contributing to the joint efforts of UNDP and GON in meeting the Millennium Development Goals (MDGs) of halving the poverty level by 2015, promoting gender equality and empowering women, and reversing the spread of killer diseases, especially HIV/AIDS and some targets of developing a global partnership for development in the country and providing secure livelihoods for the rural and the urban poor.

A. Information and communication

A participatory modality has been followed in the development of information system that ensures the active participation of the partner organisations. The Programme has introduced ICT as a development tool for strengthening good urban governance, poverty reduction and rural-urban linkages.

B. Social mobilization

Social Mobilization is being carried out as an institutional base for implementing Programme activities with the concept of sustainable development. It is also used for mobilising the resources for local development, decentralisation and empowerment of the community. Social mobilization process has covered almost 100% households in the partnering municipalities and RMCs.

C. Social issues

RUPP is empowering the poor and disadvantaged people with special focus on the women, dalit, ethnic minorities and the Internally Displaced Persons (IDPs) for both equity and equality. With the inclusive approach, the Programme is committed to ensure their participation in all the Programme activities – both as participants in the decision-making process and as the beneficiaries.

D. Institution building and management support to good governance

The managerial capabilities of the local institutions should be enhanced in order to strengthen Good Urban Governance through participatory development efforts. The Programme supports the enhancement of professional capabilities of the municipal staff members and authorities to play a key role in planning, co-ordination and managing development activities effectively.

E. Linkage enterprise development

The development of Linkage Economic Enterprises (LEs) is concerned with the activities related to improving the livelihoods of the poor and disadvantaged by creating enabling environment for undertaking economic initiatives based on rural-urban linkage. The communities in partner municipalities and RMCs are mobilized to form self-managed organisations to be engaged in the economic activities that help to improve production and enhance trading by taking advantage of local potentials and opportunities. The traditional tribes, occupational groups and artisans are trained, organised into enterprises to use their skills to produce intermediary goods or directly provide services to existing companies. Although the UNDP stopped supporting in Enterprise Development, the partner municipalities have continued to support poor and disadvantaged with the livelihood opportunity through the Municipal Partnership Development Fund (MPDF).

F. Policy support

The main thrust of support at the national level including the MLD, Ministry of Physical Planning and Works (MPPW), National Planning Commission (NPC) and Municipal Association of Nepal (MuAN) in implementing National 10th plan urban chapter, the MLD decision to replicate the RUPP modality in non RUPP municipalities as well as support to the NPC, High Level Commission for Information Technology (HLCIT), National Information Technology Centre (NITC) and Nepal Telecom Authority (NTA) in ICT for Development policy.

Key Activities

A. Information and communication

Apart from harnessing the ICTs for strengthening information system which is crucial for municipal planning and rural-urban linkages, the resourcefulness offered by the ICTs have attracted RUPP attention in two specific areas: one that of e-Governance which is being promoted as a mean of strengthening tenets of good and inclusive local governance and other that of e-Commerce and market information system (compilation, processing and dissemination of daily agriculture price information) which are being promoted as strong means to complement RUPP efforts aimed at supporting poverty reduction by enhancing rural-urban market linkages as well as regional economic linkages. Similarly, ICTs have been used for supporting poverty reduction by expanding access to market prices of agricultural commodities to farmers and traders living in the RMCs and municipalities in addition to the Business-to-Business (B2B) e-Commerce-based implementation. These are the joint initiatives of partner municipalities, local Chamber of Commerce & Industries (CCI), Afro Enterprise Center/FNCCI and the Programme. While strengthening these activities, the demand for Rural/Community Tele Centers as means of bridging the digital divide have been felt and the Programme has provided support in establishing Community Tele Centers in the RMCs and some remote areas of municipalities to provide above services to the poor by establishing two way communications and strengthening rural-urban linkages.

RUPP has been continuously supporting the partner municipalities in the establishment of Urban Information Centers (UIC), preparation of socio-economic database of municipalities and RMCs, GIS-based resource/poverty maps and various other database software for planning and revenue generations. Preparation of Municipal/Ward/TLO Profiles, HIV/AIDS Profile, situation analysis of IDPs, etc. of partner municipalities are some of the ICTs-enabled implementations supported by the Programme.

B. Social mobilization

Covering more than 230,000 households, 5530 TLOs have been formed in all programme locations (35 municipalities and 50 RMCs, covering 100% households. With the objectives of ensuring increased participation of the Disadvantaged Groups (DAGs) in development efforts, the Programme has been adopting a set of affirmative actions that ensure a significant representation of the DAGs in TLOs leadership. Apart from ensuring appropriate representation of the DAGs, the affirmative actions adopted by the Programme also guarantee the allocation of appropriate amount of the Programme resource to these groups. The Programme is successful in mobilizing the urban community, though it is the mixture of individuals migrated from various localities and core community of the urban area, because of the opportunity provided to every household in planning and decision-making in the community governance and poverty reduction activities. Similarly, the TLOs being recognized as grass root institutions of the municipality for the overall development of the community and the municipality is another important fact that has brought the cohesiveness among the people with diversified characters. In addition, following activities also played a role in unifying and mobilizing the community.

- **Capacity development**

Capacity remains at the core of factors that determine the success or failure of entrepreneurial initiatives undertaken by of the target beneficiaries of the Programme. It is along these lines that structured economic enterprise development training and skill trainings are provided for entrepreneurs receiving support from the Programme. In addition to these training programmes, several trainings under human resource development are also provided to enhance the capacity of the TLO members and the staff/authorities of partner municipalities and VDCs. The trainings are: Urban Social Mobilization, Participatory Municipal Development Planning (PMDP), Saving & Credit Mobilization, Enumerators, Local Governance, Info Mobilization, Gender, Leadership, HIV/AIDS, and Inclusive Development etc. So far, more than 70,000 participants have been benefited from various training programmes conducted by RUPP, of which 56% are female participants.

- **Formation of internal capitals and their utilization (Saving and Credit Schemes)**

Saving and credit scheme is an important element that not only provides its member an immediate access to financial resources but also acts as a cohesive factor that binds its members in a group. Savings also help make the TLOs sustainable and effective towards initiating and implementing

development activities. Community savings have become major medium to attract outside resources. It boosts community morale, promotes financial discipline and empowers the TLO members. It is taken as a mandatory practice for each TLO. The saving is invested among the TLO members.

- **Mobilizing the communities' resources for local development through seed grants**

The RUPP has been assisting the TLOs with seed grants to support their community development initiatives especially towards the creation of pro-poor infrastructures and those strengthening rural- urban linkages. Initially intended to complement the TLOs efforts in local development, the seed grant interventions are fast evolving into a cogent model with proven capacity of mobilizing internal and external resources (non RUPP resources) to a significant scale. The Programme mostly provides seed grants to those community infrastructure projects that enhance local economy by strengthening rural-urban market linkages. For example, the Programme supports in the construction and management of link bridge, link roads, fruits and vegetable collection centres, milk chilling centres, periodic markets (haat bazaar), market outlets in the urban areas (collect rural produce and market in the urban areas), slaughter houses etc. These types of community projects constitute more than 80% of the total community infrastructure projects. Remaining 20% of the projects basically caters social issues like community building, drinking water, children welfare centre, etc.

This is verified by the fact that resource allocation on part of Programme, while supporting a total of 2,122 community-based projects was only 20% of the total financial outlay whereas communities themselves mobilized sizable proportion (80%) through varied sources.

C. Social issues

The Programme has been engaged in a range of activities aimed at addressing pressing developmental issues relating to inclusive development, IDPs, combating HIV/AIDS, girl child education, and other issues of social importance. The Programme is creating awareness-generating activities on HIV/AIDS to every household of partner municipalities, providing livelihood options for HIV positive, internally-displaced people, sex workers and other DAGs with easy access of credit through the MPDF. The Programme is also providing support to these communities with vocational skill trainings, enterprise management, participatory planning, saving and credit mobilization, etc in the line of affirmative action.

D. Institution building and management support to good governance

- **Ensuring sustainability through institutional development**

Institutional strengthening of partner municipalities began with the creation and establishment of Rural Urban Partnership (RUP) sections into municipality's institutional structure for the purpose of carrying out development activities. It must be noted that these institutional entities in the form of RUP section in municipalities are not ad-hoc arrangements put in place to coincide with the duration of partnership agreement reached by the Programme with participating municipalities, instead, RUP sections are permanently provisioned within the Municipal Organogram, thereby marking the process of Programme internalization from the initial stage of Programme implementation.

- **Ensuring financial and operational sustainability through MPDF**

With the vision of ensuring financial and operational sustainability of the Programme activities, RUPP, when it started its activities in 1997 created a Municipal Partnership Development Fund (MPDF) – located in each of the partner municipalities – to support poverty reduction activities by promotion of enterprises that strengthen rural-urban linkages. The fund was jointly created with the contribution of the partner municipalities, the VDC of the particular RMC and the RUPP. The fund increases its size basically through an investment as credit to the poor populace of RMCs and the municipalities to initiate linkage enterprises that enhance rural-urban linkages. With the significant amount of MPDF in every partner municipality and after a successful internalization of the RUPP and its activities, the Programme has given its endeavour to give MPDF a legal strength. In this regards, RUPP with the help of municipalities, supported MLD in preparation of MPDF Bylaw.

As of now, all the partner municipalities have adopted the Bylaws through its endorsement from their respective municipal council, not only giving a legal status to the MPDF but also ensuring its sustainability by provisioning the RUP Section, its job description, its personnel management and resource management.

- **Institutional strengthening of municipalities**

With the objectives of establishing effective Programme implementation structure within a partner municipality, especially on the front of information management and training of personnel, the Programme has supported partner municipalities in establishing Urban Information Centers (UICs) and Human Resources Development Centres (HRDCs). All the partner municipalities are adopting comprehensive guidelines prepared by the Programme for the operation of their UICs and HRDCs.

- **Linking TLOs to their respective municipal and village planning**

The Programme, with the intention of ensuring wide scale community participation in local development efforts and participatory planning, has introduced the Participatory Municipal Development Planning (PMDP) process in its partner municipalities.

Partner municipalities have been linking the TLOs to the process leading to the formation of their annual municipal plans. This is achieved through a practice of having a ward-level TLO meeting as per the Local Self Governance Act (LSGA) and its regulations. This meeting deliberates local development issues, identifies priorities and formulates development plans on a consensus basis, which are then included within the annual plans of municipalities and VDCs.

E. Linkage enterprise development

Giving a major thrust to poverty reduction, the Programme has been reaching the poorest of the poor with its enterprise development plan - a comprehensive and integrated package of credit, training and technology transfer - by strengthening rural-urban linkages.

The TLO members, during their regular meetings, express their desire to undertake some entrepreneurial activities and form Linkage Enterprises (LEs). The Programme supports only those enterprises that strengthen rural-urban linkages like agricultural marketing, service oriented enterprises, etc. The process is called formulation of Enterprise Development Plan (EDP). The communities themselves identify the needy people and recommend to the municipality for the credit support. Against the social security of the TLOs, the municipality provides the technical and financial support to the LEs through MPDF. Till date, more than 31,000 entrepreneurs have been benefited through the credit support to initiate linkage enterprises. These entrepreneurs are successfully running their linkage enterprises and providing services and agriculture inputs to the rural areas and supply rural agricultural products, dairy products and a variety of industrial raw materials to the urban centres. To enhance their marketing capacity, these linkage enterprises are provided easy access of daily agriculture price information of major markets of the country through bulletin boards, Community FM radios, Community Tele Centres on daily basis. These enterprises are also linked up with the B2B (Business-to-Business) e-Commerce for establishing rural-urban market linkages and regional market linkages as well. In addition, RMCs established with the objective of strengthening rural-urban market linkages also play a key role in collection and marketing of rural products.

Similarly, the Programme has been implementing a special and focussed enterprise development package; namely: Rural Labour Linkage (RLL) to support occupational and traditional castes/tribes as well as artisans to engage in some niche areas where their products and services would have tangible market potential. The skills of the interested and needy persons belonging to occupational castes/ traditional tribes are enhanced and their products and services are linked up to urban market system as well as industrial establishments.

F. Policy support

The best practices of RUPP have been incorporated in the 10th Five-year plan of GON as one of the processes to address urban poverty through rural-urban linkages. RUPP has supported the MLD to prepare *Municipal Partnership Development Fund by-law, Guidelines for Municipalities on Integrated*

Property Tax and Guidelines for Social Audit to ensure the monitoring roles of communities in Municipal development activities.

Furthermore, assistance is provided to tackle the rapid urbanization. Based on extensive monitoring and research, the Programme is providing data, information and recommendations to the ministries and line agencies to assist in the planning and policy formulation process to strengthen the capacity to deal with the rapid urbanization in the country and address the needs of the urban poor. The Programme is providing support to MuAN for its advocacy and coordination activities to help build a stronger association of municipalities. Technical assistance is also provided especially to MLD with the aim of enforcing the MLD's pledge to replicate the RUPP modality to a minimum of 5 new municipalities each year. A total of 15 municipalities have replicated the RUPP concept and modalities with financial support of GON and technical support through RUPP. RUPP also provided support to the NPC, High Level Commission for Information Technology (HLCIT), National Information Technology Centre (NITC) and Nepal Telecom Authority (NTA) in ICT for Development policy.

Key technical inputs

The Programme provides technical inputs to municipalities and VDCs in identifying new tools and techniques for urban development and poverty reduction through rural-urban linkages; provides trainings; prepares user-friendly guidelines without any discrimination; supports in social mobilization, participatory planning, decision-making, and poverty reduction activities. The Programme also provides inputs to local governments for the cross jurisdictional planning of urban and rural areas.

Timeframe

The Programme at present is running in Phase III from January 2004 to December 2007. The Programme in Phase I was from September 1997 to December 2001 and the Phase II of the Programme was from January 2002 to December 2003.

Impact or outcomes

- a. A sustainable mechanism is created for the promotion of good governance and poverty reduction through social mobilization and rural-urban linkages
- b. Increased awareness on "development is not limited to physical infrastructure but covers overall social, economic and political empowerment of communities"
- c. Bottom-up approach planning with the participation of the grass root communities
- d. People's direct participation in decision-making
- e. Increased awareness on the issues of inclusive development, democracy, rights and duties
- f. Immediate access to cash through saving and credit, i.e. complete eradication of money lenders
- g. Enhanced communities' ownership and initiatives in local development
- h. Enhanced resources mobilization capacity of communities
- i. Mainstreaming of HIV/AIDS, ICT and inclusion in Municipal Planning
- j. Increased awareness on ICTs as an effective development tool for poverty reduction and good governance
- k. Communities have easy access to information, markets and planning process
- l. Local response to HIV/AIDS generated
- m. Institutionalization of community governance through TLO Coordination Committee (CC)
- n. A study shows that 23% of entrepreneurs have successfully raised themselves out of the poverty line and 68% have highly increased their income.

Total Project cost

From September 1997 – December 2007

- **Government:**
National: US \$ 645000
Local: US \$ 2 million (only cash contribution to salary and other benefits)
- **Community**
Community: US \$ 2736778
Others: US \$ 300000
- **External assistance**
UNDP: US \$ 7015371

Project Management

Implementing agency

The partners of the Programme are at three different levels:

Macro Level

The partners at macro level are NPC, MLD and the MPPW. Besides, the partnership of the national apex institution of other government agencies, the private sector and local authorities is also ensured.

Meso Level

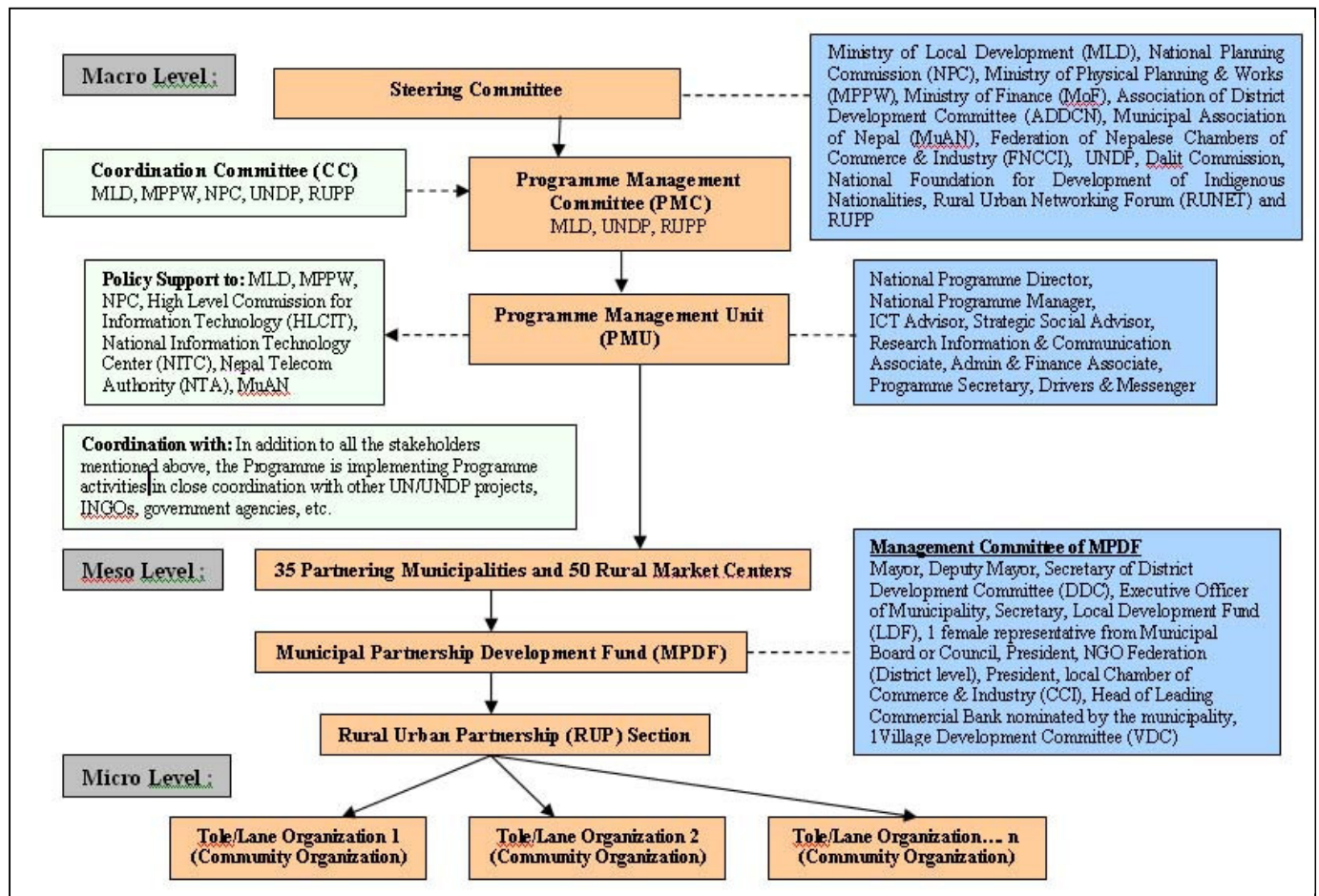
The municipalities, DDCs, VDCs, NGOs and private sector organizations are the partners at the meso level.

Micro Level

The partners at the micro level are the general populace (community) of the municipalities and the RMCs. The participation of the people is institutionalized into grass-root level organization called TLOs for the overall development.

Coordinating mechanisms used

Figure 1: Organizational structure of RUPP



RUPP has adopted coordinated and consultative approach with the partners for implementing activities. As Figure 1 shows, co-ordination is done at three levels of Programme implementation – the macro, the meso and at the micro or community level. **Macro level co-ordination** is achieved through the interactions at the Steering Committee and Co-ordination Committee meetings. Regular participation in the field level activities and monitoring visits by the members of those committees are the main tools for bringing synergy within and outside the Programme spheres. The Programme has also maintained a good relation with other organizations by regular interactions and experience sharing meetings. Being a Member Secretary of the National Rural Tele Center Coordination Committee of the HLCIT, it has established a good relation with all the major players in ICTs. **Meso level co-ordination** is maintained at the Management Committee meetings. Besides, two institutional mechanisms have been established to achieve coordination at municipal and RMC levels: (i) A Local Initiative Forum (LIF) at the municipal level composed of all Project/Programmes, NGO and INGO within the municipality has been established in all partnering municipalities. They meet monthly to share each other's experiences to avoid duplication in activities and supplement each other; and (ii) A network of partner municipalities called RUNET (Rural-Urban Linkage Network) has been formed. It has proved to be an important platform for sharing experiences as well as to mobilize their support to strengthen urban-based local development. **Micro level co-ordination** is established with the community of municipalities and RMCs – Tole/Lane Organization (TLOs - community based grass root institution) - through social mobilization process. TLOs meet regularly in a month and identify their needs and formulate plans and implement socio-economic development activities. They help support municipalities and VDCs in participatory planning, poverty reduction activities through enterprise development, services delivery, etc. Municipal level TLO Coordination Committee are also formed to make TLOs stronger and united in most of the partner municipalities.

Monitoring and evaluation of project activities

A comprehensive monitoring and evaluation system has been established to facilitate systematic monitoring of the RUPP activities at different stages of progress. The system is being made in such a way that the concerned personals at different levels of the Programme implementation visit partnering municipalities and communities at regular intervals to observe the activities. Computerized monthly progress reporting system is in place to monitor all the Project components. Separate computer package is also in place to record and monitor credit and seed grant supports. All partner municipalities are connected through Internet and email connections. A computerized evaluation and impact assessment system has been developed and is being instituted. Strategic planning, review and consultative meetings of the Programme staff are organized regularly.

Steering Committee Meeting and RUNET (a forum of Mayors) is organized every year. Programme Management Committee Meeting (PMC) represented by the UNDP, Ministry and the Programme is organized every month. The Management Committees of MPDF at partner municipalities chaired by the Mayor also carry out regular meetings every month. Similarly, monitoring project activities at the field by the concerned stakeholders is also ensured. In addition, a standard post project evaluation will be carried out at the end of the project.

Challenges and how they were overcome

- a. The absence of elected representatives at local bodies remained as a major challenge because the appointment of government employee in lieu of elected representatives hindered, to a significant scale, the Programme objective of improving good governance by making authorities (mayor and other elected representatives) accountable to public service deliveries through the political empowerment of communities. The request has been made to GON to overcome the challenge; the GON is planning to form executive bodies with all party alliance in the Local Governments.

- b. Frequent transfer of Executive Officers many a time delayed decision making process of the project implementation at the local level as it often takes a long time for new executive officers – who has the final authorities at local level for decision making - to understand the concept and modus operandi of the project. The issues have been conveyed to the MLD.
- c. In the perspective of increased capacity of TLOs in terms of consuming resources for the purpose of infrastructure development and ever widening gap of urban service deliveries because of swelling urban population, these two factors created resources limitation. More efforts have been given to resources mobilization.

Although the country remained significantly peaceful and violence free during 2006, the frequent road blockades hindered in staff movement, especially in the Far Western part of the country, thereby created challenges for the smooth implementation. Now the situation has been improved.

Lessons learned

Success factors

The effectiveness of the RUPP is considered not only as the programme successful in strengthening good urban governance and poverty reduction but also recognized as the 'Urban Development Concept' by the GON; and replication of the Programme in fifteen additional municipalities by the MLD and respective municipalities with their own resources till date is another success factor of the Programme. Similarly, the internalization of the Programme in all partnering municipalities by formation of RUP Section permanently in the Organizational Structure of the municipalities for carrying out RUPP activities is another major success of the Programme. In conclusion, the complete ownership of RUPP taken by the GON and municipalities for the overall development of the municipalities and RMCs is the major achievement of the Programme in long run.

Role of champions

One of the major champions of this Programme has been the UNDP, which helped the Programme to develop partnerships with the Government of Nepal, network with various NGOs/INGOs and leverage funds for the Programme implementation. Especially, the Ministry of Local Development, Government of Nepal has led the Programme implementation and recognized it as an Urban Development Concept for good urban governance and poverty reduction through rural-urban linkages by replicating the RUPP model in non RUPP municipalities in phase wise manner with their own resources. The Government of Nepal included the RUPP concept in the Poverty Reduction Strategy Paper and 10th National Document. The suggestions received from the partnering municipalities through Rural-Urban Networking Forum helped in the Programme implementation and internalization of Programme within the Government and Local Governments.

Support

The technical and financial support provided by the RUPP in partnering municipalities played a key role in the successful implementation of the Programme. The components like information systems, social mobilization, enterprise development, human resource development, policy support are some of the supports provided by the Programme to the partnering municipalities and central level governments.

Motivation

The empowerment of communities including more than 230,000 households socially, economically and politically in all partnering municipalities that initiated bottom up approach planning in strengthening good urban governance and poverty reduction is one of the major motivations of the Programme. Similarly, the concept of Poverty Reduction through rural-urban linkages owned by the GON and recognition of RUPP as an Urban Development Model are another motivation for the Programme.

Other innovations

The Programme introduced a concept of public hearing and social/public auditing in municipalities and provided Training of Trainers (ToT) to the TLO members on public hearing. This has resulted in greater participation, transparency, accountability, etc. in the municipalities even in the absence of elected representatives. These activities have become significant innovations of the Programme because it has created an open forum for discussion between people and the local government, which has helped people to interact, put their comments and grievances to the people in power. It also helped the people in authority to put their clarifications and further commitments for greater transparency and accountability. The partner municipalities have now started to conduct social/public auditing, which has helped municipalities to gain confidence of the public.

Similarly, the partnering municipalities are promoting enterprise development activities to support poverty reduction activities through MPDF even after the UNDP support was phased out. UNDP stopped supporting in Enterprise Development from the year 2005. The poor and disadvantaged people are still benefited from the easy access of credit for livelihood options from the MPDF.

Justification for the good practice

In the context where the municipalities were focusing only on the infrastructure development for a long period of time, the emergence of the RUPP has changed the traditional concept of municipalities by introducing social mobilization, poverty reduction, good governance, etc. Before the RUPP intervention, all the decisions were taken employing top-down approach and projects were implemented without people's participation. People were hesitant to visit municipalities and the authorities ignored them.

Now, after the RUPP intervention, people were socially mobilized by the TLOs - with the concept of a member per household. They are united, identify community needs, formulate plans and forward it to the municipality through Ward Offices for implementation. The bottom-up participatory planning and decision-making process has now been adopted by the municipality. The community organizations are actively involved in the poverty reduction and development activities. With their internal savings, they mobilize credit to the needy community members. If the demand is high, with their recommendations, the municipalities provide credit support to the potential entrepreneurs without any physical collateral. Municipalities have established MPDF to carry out poverty reduction activities. A study conducted by Murray (2003) shows that 23% of entrepreneurs have successfully raised themselves out of the poverty line and 68% have increased their income significantly. Municipalities have initiated cross jurisdictional planning between urban and rural areas, mainstreamed ICTs as a tool for development, HIV/AIDS, Gender, etc.

Realizing the effectiveness of RUPP in good governance and poverty reduction, the GON, first time in history, has started replicating Programme in phase-wise manner. Till date, GON has replicated RUPP in 15 additional municipalities with their own resources and reflected RUPP in the 10th National Plan Document.

Potential for replication

As stated above, the GON, realizing the effectiveness of RUPP has started replicating the Programme in 15 additional municipalities with their own resources and reflected RUPP in the 10th National Plan Document for its further replication. There is a high demand from non-RUPP municipalities for RUPP implementation, but due to the resource constraint, the Programme could not cater the demand of the municipalities. Realizing RUPP as an urban development concept, the Tribhuvan University, Purbanchal University, Public Service Commission and Urban Development Training Center of Nepal have incorporated RUPP in their curriculum. As a technical support, the Programme also prepared a book on Rural Urban Relations. Apart from national agencies, Cambodia and Afghanistan have also shown their keen interest for RUPP replication.

Conclusion

As per Local Self Governance Act (LSGA), municipalities as Municipal Government of Nepal are providing municipal services to its citizens. Most of the municipalities are depending upon the traditional systems and basically focus on the physical infrastructure development. Still, the planning is carried out with the top-down approach in many cases without active and meaningful people's participation. With the emergence of RUPP, the concept of urban development has taken a new dimension, for e.g., social mobilization, people's participation, enterprise development for poverty reduction and livelihood options, rural-urban linkages for balance development, ICTs, and some affirmative actions to IDPs and other disadvantaged people. Government of Nepal (GON) has taken the ownership of RUPP by replicating its modality in additional municipalities in phase wise manner with their own resources has been the success of the Programme in strengthening good urban governance and poverty reduction through rural-urban linkages.

Partnering municipalities started bottom-up approach planning through social mobilization and Participatory Municipal Development Planning (PMDP) process. Municipalities covered 100% households through social mobilization process, forming 5,530 Community Organizations – Tele/Lane Organizations (TLOs), including more than 230,000 households to support municipalities in overall development. With RUPP support, Municipalities established and operationalized Urban Information Centre (UIC) as a municipal Data Bank and Human Resource Development Centre (HRDC) as a Human Resource Incubation Center providing easy access to the community. Municipalities, with the objective of poverty reduction, established Municipal Partnership Development Fund (MPDF) to provide easy access of credit to the poor and needy community people without any physical collateral to initiate linkage enterprises that strengthen rural-urban linkages by enhancing local economy. Till date, the municipalities promoted more than 31,000 entrepreneurs that established rural-urban market linkages through MPDF for their livelihood options. RUPP's Impact Assessment clearly states the success of RUPP in poverty reduction activities through strengthening rural-urban linkages - 23% of entrepreneurs have successfully raised themselves out of the poverty line and 68% have increased their income significantly. The municipalities with Programme's affirmative action also provided support to IDPs for their livelihood options and basic services. To strengthen and expand the enterprises, municipalities started disseminating daily agricultural price information and supported in enhancing rural-urban market linkages through the community-based infrastructure projects and through the National Business-to-Business (B2B) e-Commerce Services establishing virtual markets named "*Nepali e-Haat Bazaar*". The effectiveness of rural-urban linkages for local development has been realized by the GON and incorporated in the National Document of 10th National Plan. In addition to this, municipalities have also shown their commitment to participatory planning and transparency by introducing the municipal e-Governance. For easy access to information, municipalities established community run Tele/Community e-Centers in municipal as well as in the rural areas of the RUPP working municipalities and Rural Market Centers (RMCs). The Programme also mainstreamed HIV/AIDS awareness in the municipal planning and gained recognition in reducing the social disparities with inclusive approach.

RUPP's objective is based on the targets of MDG, especially achieving the targets of Goal 1: Halve extreme poverty and hunger, Goal 3: Promote gender equality and empower women, Goal 6: Combat HIV/AIDS and some targets of Goal 8: Develop a global partnership for development. Through social mobilization, some targets of: Goal 2: Achieve Universal primary education; Goal 4: Reduce child mortality and Goal 5: Improve maternal health also cover by the Programme. Realizing the achievements of RUPP, it is considered not only as a successful Programme in strengthening Good Governance and Poverty Reduction but also as an **Urban Development Concept** by the GON.

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