

APPENDICES

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Terms of Reference**RURAL DEVELOPMENT AND INSTITUTION SPECIALIST****Tasks**

The institutional component of the SPPD exercise shall cover the following aspects:

Review of the existing situation:

- A historical overview of the government's institutional provisions and mechanisms to address rural poverty and food security; from the national level policy formulation and planning to the central, district and local level capacity to implement and monitor the policies and programmes, and, to the extent possible, extend the analysis to the household and intrahousehold levels.
- Current policy provisions and institutional capacity as per the Ninth Plan and the existing institutional resources and capacity at the national and central to local levels.
- The extent to which the existing provisions address, or fail to address, poverty and food security issues, with particular reference to the vulnerable groups.
- Linkages and gaps in the institutional mechanisms at the various levels.

Field survey:

Field investigation mainly adopting the PRA method in the selected districts to assess the effectiveness and constraints of district and local level institutions in realising the food security objectives and poverty alleviation goals of the government. A checklist (Annex) will be used to ensure that all the relevant issues are covered during the fieldwork.

Analysis and findings:

The task is to identify critical institutional concerns related to accelerated growth in food production, enhanced food security and reduced poverty and recommend changes, if required, in reorienting the institutional framework and mechanisms to properly address poverty and food security issues at the national, district, households and intra-household levels. The report will constitute a technical annex of the main report.

APPENDIX II

Checklist Used for Gathering Field Level Information

I. General Context

1. District/VDC/Ward/Village:
2. Date:
3. Total population _____ Male _____ Female _____ % 14 years and below
4. Households

Total number _____
Number of female-headed HH _____
% HH that would be ranked as poor (those that can not meet their requirements with own production and income)
5. Land tenure:

What proportion of the households depends on other's rented land?

Who would these be in terms of their caste/ethnic origin and economic status?

What proportion rent out their land?

Who would these be in terms of their caste/ethnic origin and economic status?

What are the going rent sharing arrangements? Are there variations by type of and?
If yes, describe.
6. Besides agriculture, what other main income sources are available locally?

What proportion of the population is engaged in those other activities?
7. What proportion of the population has gone outside the village for income earning?

Who would these be in terms of their caste/ethnic origin and economic status?

II. Participation in programme planning and monitoring

1. Do you regularly participate in the annual planning workshops organized by different agencies?
If yes, what were they, who organized them, and when?

2. How do you assess your own role in influencing the planning process?

Active____ Decisive____ Inconsequential____

Please elaborate:

3. Have you also been involved in monitoring of the progress made in the agriculture and food production programmes implemented by the line agencies?

Please explain:

III. Local Institutions

1. How do you assess the role of the VDC and ward committees in helping the farmers in this area?

Have they been active/influential? Explain:

2. What have been the traditional coping mechanisms in this village to face poverty and food scarcity?

Who would take the initiatives, how will it be organized, and who would benefit most from such mechanisms?

3. What has been the history of social harmony/conflict in the area?

If conflicts have occurred, in what respect, and amongst whom?

4. List the active local institutions (traditional and modern, formal and informal) operating in the area, and their area of activity (mothers clubs, ethnic/tribal institutions, youth clubs, saving/credit groups, religious/cultural groups, etc.)

5. Describe how the above institutions are organized, who are the members, how they mobilize resources, how resources are spent, how records and accounts are maintained, and how democratic/participatory these are.

IV. VDC/ward committee

1. How do you perceive your role as a local body in achieving the broader objective of poverty alleviation and improved food security?
2. If a definite role is perceived, what has been done so far, and what are planned for the future? Describe in detail.
3. What are the working arrangements of the local bodies with the various line sectoral agencies, especially those related to agriculture, irrigation, forestry and local development? Do these arrangements offer adequate opportunities to these bodies to influence the agencies' plans and programmes? What procedures and mechanisms are followed, and are these evaluated by the local representatives?
4. Are the local bodies able to collect all the land revenues due from the local farmers? If no, what are the principal reasons/constraints?

How does the local body spend the collected land revenue?

5. What are the principal development activities and other items on which the local bodies are spending the annual block grants provided by the government?

V. DDC

(Basically the same set of questions as for VDC)

VI. Issues for discussion with the representatives of line agencies, NGOs and other agencies in the non-governmental sector

1. Area of activity, sector/subsector/enterprises covered
2. Principal target groups and target areas:
3. Obtain documented details on the main programmes and activities, targets, achievements, physical, human and financial resources, past experiences and future plans. Get progress reports, organograms, programme budgets, maps, or whatever relevant information that is available.
4. In what way do poverty alleviation and food security considerations feature in the agency activities?
5. What is the principal driving force in guiding and shaping the agency activities at the district and local levels? To what extent are these based on the directives from the centre? What is the level and degree of local level participation in the process? Is such participation accepted as a desired necessity, or is it taken as an undue burden?

6. What mechanisms and processes are developed and followed in getting participation? What has been the experience regarding the effectiveness of such mechanisms and processes? What specific organizations and institutions of the local beneficiaries have been organized and promoted, and what has been the experience thus regarding their effectiveness?
7. For public sector agencies, what has been the extent of collaboration and coordination with the nongovernmental agencies operating in the same or similar geographic and thematic areas?
8. For agencies in the nongovernmental sector, what has been the extent of collaboration and coordination with the public sector agencies operating in the same or similar geographic and thematic areas?
9. Social Capacity:

What local tradition is there to undertake the community development activities in general and anti-poverty actions in particular? How do local people cooperate and collaborate? Probe.

What example/s is/are there of the community development activities done on the basis of cooperation and collaboration? Probe.

Are there any problems to undertake development activity through cooperation and collaboration? If yes, what are they? How can they be solved?

To what extent do the community members trust each other in the community development works?

Has there been any dispute in the community during last five years in any community development work?

APPENDIX III

A Chronology of Pronouncements of Institutional Implications Which Also Influence Poverty and Food Security Issues Since the Inception of the Stabilization Programme and Important External Influencing Factors

1985:

November

- Partial deregulation of interest rates.
- Enactment of the Finance Companies Act
- Devaluation of Nepali Rupee by 14.7%.
- Introduction of ceiling on domestic borrowing.

December

- His Majesty the King directs HMG to launch programmes to fulfill the basic needs of the people by the turn of the century. The programme was actually announced nearly two years later.

1986:

May

- Official pegging of the rupee to a basket of currencies inclusive of the Indian Rupee (IC).

July

- Initiation of the process of reducing the number of sales tax rates.
- Introduction of a system of auctioning import licenses.

1987:

July

- Introduction of a reduced rate of land registration fee on account of exchange of and of equal size for land consolidation purpose.
- Initiation of the process of reducing the number of customs tariff rates from over 300 rates to ten.
- Introduction of a duty drawback system i.e. a system to refund the duties on imported raw materials and intermediate goods used in exported goods.
- Discontinuation of the excise duty on wheat flour and an increase on excise rates on vegetable ghee.
- Exemption of customs tariff on some agricultural raw materials.
- Encouragement given to the Village and Town Panchayats to levy Panchayat Development and Land tax.
- Introduction of Roads and Bridge Maintenance Tax.
- The Structural Adjustment Programme loan becomes officially effective.

1988:

July

- Exemption of excise duties on rice, edible oils, tea and jute goods.

October

- Introduction of a Bonded Warehouse Scheme.

- Enactment of a new Seeds Act, 2045. It provides for the regulation of the seed industry including establishment of a quality control system. The law came into force only on 17 August 1989 only in three districts of the Kathmandu valley i.e. Kathmandu, Bhaktapur, and Lalitpur.

November

- Introduction of auctioning of Treasury bills.

1989:

March

- Start of impasse in Nepal-India trade and transit arrangements and start of Nepal-India trade on the basis of MFN.
- Introduction of an Open General License (OGL) system for importation of industrial raw materials, fuel and lubricants, and spare parts.

April

- Establishment of a Credit Information Bureau.
- Setting up of prudential norms for lending.

May

- Announcement of a 22-point economic programme to address the situation arising from the expiry of Nepal-India Trade and Transit Treaties.

July

- Introduction of import duties on agricultural produce including live animals and food products. This policy was reversed on 10 July 1990.
- Introduction of a restriction on full convertibility of the Rupee.
- Introduction of a Reserve Money Management Programme.

August

- Redesigning of NRB's refinancing facilities.
- Full deregulation of interest rates.

1990:

April

- Replacement of the Panchayat regime by a multiparty polity.

June

- Restoration of the *status quo ante* to 1 April 1987, of the relation between India and Nepal. This restored Nepal's transit access and access to the Indian market in a relatively better terms.

July

- Introduction of a policy to lease out selected government farms and agricultural stations for private sector management.
- Introduction of the "one window" concept in dealing with industrial investment.
- Introduction of a property tax, which included agricultural land higher than 10 *bighas* in *Tarai* and beyond 20 and 32 *ropani* in the Kathmandu valley, and in the rest of the hilly regions, respectively.

1991:

April

- Creation of a 'Rural Self-Reliance Fund'.
- Establishment of a Citizen's Investment Fund.
- Enactment and enforcement of Nepal Agricultural Research Council Act, 2048. The Act provided for establishment of an autonomous Nepal Agricultural Research Council.
- Enactment and enforcement of a National Dairy Development Board Act, 2048. The act provides for establishment of an autonomous Dairy Development Board with authority to promote dairy industry.

May

- Enactment of a Pesticides Act, 2048, which provides for regulation of production, trade, registration and distribution of pesticides. The law came into force on 16 July 1994.

July

- Revaluation of the Nepalese rupee against the Indian rupee by 1.79 percent and devalued against the US \$ by 20.9 percent.

December

- Introduction of a system for auctioning NRB bonds.
- Introduction of a provision allowing the opening of savings accounts in selected convertible currencies.

1992:**March**

- Partial convertibility of Nepali Rupee in the current account.

May

- A new Cooperatives Act 2048 brought into force repealing the earlier Cooperatives Act, 2041. The new act provides a more open and democratic provision for establishment of cooperatives and reduces opportunities for government intervention in the management of cooperatives.

July

- Exporters permitted to retain a portion of foreign exchange earned through exports.
- Introduction of a new trade policy.
- Introduction of a new industrial policy as well as foreign investment and one window policy.

November

- Enactment of a new Foreign Investment and Technology Transfer Act.
- Enactment of a new Industrial Enterprises Act repealing the old act.
- Initiation of measures to privatize public enterprises

1993:**January**

- Enforcement of a new Forest Act, 2049 repealing the earlier Forest Act, 2018 and Forest Conservation Special Arrangement Act, 2024. The new act provides for private sector involvement in the management of forest resources.

February

- Revaluation of the Nepali rupee against the Indian rupee by 3 percent.
- Full convertibility of the Nepali rupee in the current account.
- Commercial banks allowed to fix their own buying and selling rates for foreign currencies (except for the IC).
- Further relaxation of the provision for retention of foreign exchange earned by exporters.
- Establishment of a Rural Development Bank in the eastern and far western Development regions.
- Announcement of a new aviation policy, allowing the operation of private airlines in both the domestic and international sector.

April

- Introduction of a new provision for importing goods from India on payment of convertible foreign exchange.

June

- Liberalization of loans in foreign currencies for the private sector.
- Enactment and enforcement of a Tea and Coffee Development Board Act, 2049. The act provides for establishment of an autonomous Tea and Coffee Development Board to promote tea and coffee industry.

July

- Abolition of the system of auctioning import licenses and de-licensing of import trade except for selected items.

August

- Signing of a contract to prepare a long term Agriculture Perspective Plan (APP).
- Announcement of a set of moral guidelines on maximum interest rate spread.

1994:**January**

- Enactment of the Privatization Act.

February

- Liberalization of borrowing in foreign exchange for tourism industries.

March

- Complete relaxation of the foreign exchange retention ratio for exporters.

June

- Opening of a secondary window for short-term government bonds

July

- Enforcement of the *Pesticide Act, 2048* (1991) and the *Pesticide Regulations, 2050* (1994), which were approved on 4 June 1991, and 7 February 1994, respectively, but were pending enforcement since then. The purpose of the Act is to make legal provisions for the import, export, production, trade and use of pesticides. The Act has defined the composition, terms of reference (TOR) and general framework of the working procedure of the *Pesticide Committee*, which is envisaged to provide necessary advice to HMG to determine pesticide policies and to implement national pesticide related policies. It has also provided for establishment of an agency to

register pesticides; for the registration of each pesticide prior to its importation, export, production, use or trade; and has barred production, trade or use of non-registered pesticide. *Inter alia*, a provision with a broad TOR for pesticide inspectors has also been made. The Pesticide regulations, *inter alia*, elaborate the provisions within the authority of HMG and as defined by the Act, such as application for pesticide registration, refusal to register a pesticide, suspension or cancellation of the registration, and labeling.

1995:

July

- Nepal becomes a member of the Multilateral Investment Guarantee Agency (MIGA).
- Official approval of a 20 year Agriculture Perspective Plan (APP) which *inter alia* sets priorities with the agriculture sector and chalks out a long term strategy for accelerating agricultural and through it the economic growth rates and poverty reduction.

October

- Import duty relief of 50 percent accompanied by 100 percent rebate on sales tax provided to tractors imported by farmers for the farm use. Also, complete waiver of the import duty and sales tax on one set each of pump set, rice and wheat threshers and winnowers.
- Waiver of the import duty and sales tax on raw jute.
- Announcement of tax exemption on income from veterinary clinics established for the promotion of livestock in rural areas outside the Kathmandu valley operated by the private veterinary doctors.
- Abolition of the property tax.
- Announcement that the permanent revenue board will be established in 1995/6.
- Announcement that private schools and campuses will be registered as part of the service industry for taxation purposes.
- Announcement that a 'Small and Cottage Industries Development Bank' will be established in cooperation with the private sector.

1996:

January

- Decentralization of land revenue collection to respective VDCs and municipalities.
- Private sector also authorized to import chemical fertilizers.
- First amendments to Foreign Investment and Technology Transfer Act, 2049 enforced. *Inter alia*, the amendments stipulate that foreign investment other than technology transfer will be allowed for poultry farming, apiculture, aquaculture and cottage industries.

March

- Enactment of the *Value Added Tax Act, 2052* (1996), which exempts primary agricultural products and livestock and inputs required to produce them including pesticides from the value added tax (VAT). Also, land rent and land transactions are exempted from the VAT. Act 2052 slated to be effective by the date to be announced by HMG.
- Enforcement of a new Development Bank Act, 2052 providing for establishment of development banks to provide financial resources and technology for, among others, rural and agricultural development.

April

- A new Irrigation Policy promulgated by Ministry of Water Resources in 1996 (revised) declares that the government shall focus on areas of wider national importance such as a review of sectoral policy, resource mobilization, economic analysis and technological development while maximizing the participation of the

private and non-government sector in the implementation and operation of programmes for irrigation development. The policy emphasizes utilization of irrigation water and the demand-driven approach. In this context, the farmers would: (i) request for tubewell and irrigation facility; (ii) form water users' group and association; (iii) be involved at all stages of irrigation development; (iv) contribute a minimum of 15 percent to shallow tube-well (STW) construction costs; and (vi) accept responsibility for tubewell O&M upon completion of construction works. The users would also have to provide all land required for the construction free of cost. Present government policy supports investment in irrigation infrastructure through capital subsidies, which for groundwater development range from 40 percent for an individual private shallow tubewell to 85 percent for a community shallow tubewells. Other significant provisions of the new irrigation policy are: (a) a 20 percent representation of women on all executive organs of farmer organizations; and (b) responsibility for delivering agro-inputs as per the demand of farmers to lie with DOA and other relevant agencies.

1997:

January

- Fourth amendment to the Lands Act 2021 brought to force. With the amendments: cultivation of other's land under contractual arrangements but without being amenable to the tenancy right legalized; women's access to parental tenancy rights improved; new regime of tenants' share in those which have legal tenants (i. e., the lands which are actually under the occupation of legally registered tenants) redefined and the tenancy systems legally done away with.

February

- First set of amendments to the *Civil Service Act, 2049* (1993) enforced. Although of no direct concern to SPIN, the legal enforcement of such policies as the creation of a separate Economic Planning and Statistics Service, restriction on creation of any new position without prior approval of the Ministries of General Administration and of Finance, creation of openings for any qualified person to enter Civil Service directly at the level of Joint Secretaries or its equivalent such as Director General, total ban on any appointment on a casual labour basis, waiver of compulsory retirement after 30 years of service, and improvement in the conditions of service have had their share of effect to the implementation of the pilot phase of the programme as hinted in Section 3.2.2 of the text.

March

- Repurchase (of treasury bills) agreement between Nepal Rastra Bank and Commercial banks.
- Enactment of an International Financial Centre Act.

July

- Creation of a High Level Poverty Alleviation Commission in the financial year 1997 - 1998 announced in Parliament.

- Introduction of value-added tax (VAT) system replacing contract tax, hotel tax and entertainment tax together with exemption of sales taxes for producers and traders registered for VAT purposes. Agricultural products are exempted from the VAT.
- Reduction of export duties on such by-products as husk, bran and oil cake.
- Replacement of quantitative restriction on export of food items including rice with export duties.
- Reduction of customs duty rates to five.
- Acceptance that HMG itself is unable to “adhere to fiscal discipline” and that “overdrafts taken unrestrictedly in the past years have caused negative impact on national economy” together with a promise to introduce a bill to limit HMG’s authority to issue overdrafts not exceeding one billion rupees from NRB.
- Start of the implementation of the APP.

November

- Liberalization of fertilizer trade which allowed private sector to import fertilizer without having to go through import license requirements. Subsidies on all fertilizers except urea officially removed, and the private sector traders also given the same level and equal access to any subsidy in fertilizers. A Subsidy Allocation Committee (SAC) consisting of the representatives from the Ministries of Agriculture and Finance and the Nepal Rastra Bank formed to administer the subsidy on Urea.
- A Fertilizer Unit established in the Ministry of Agriculture.

December

- A new “*Policy and Guidelines to Involve Private Sector in Fertilizer Trade, 2054*” (1997) issued to specify and elaborate on the Government policy of liberalization of the fertilizer trade.
- Enforcement of the *Seeds Rules 2054* (1997) formed under the Seeds Act 2045 (1988). Both the Act and the Rules are enforced in only the three districts of Bhaktapur, Kathmandu and Lalitpur ever since the Act was enforced effective 17 August 1988.

1998:

March

- The Government approves a set of policies and a strategy to implement the *Agriculture Perspective Plan*. The policy package includes: a pocket-package strategy to design and implement, at the field level, the activities implied by the APP; a strategy to make selected, hitherto government provided, services and facilities self-reliant; adoption of a double-track management approach to manage the government-owned farms and stations; expansion of the network of the ‘service centres’ on the basis of people’s participation; identification of key initiatives to promote establishment and operation of a chain of cold storage facilities in the country; and a set of incentive measures to make the Junior Technicians (JTs) and the Junior Technical Assistants (JTAs).

April

- “*Guidelines for Quality control of Chemical Fertilizers*” issued which gives technical specifications for Ammonium Sulphate, Di-ammonium Phosphate (DAP), Muriate of

Potash and Urea including the certification, packaging and labeling requirements for these fertilizers.

July

- VAT exempted on tractors, cultivators, harrow, leveler, thresher, straw chaffing machine for agricultural purpose, water pump up to 8 Hp and pipes, animal and poultry medicines, feed supplement, vaccine and feed, tools and accessories for fishery together with some reduction in customs duty.
- Import duty on cocoons fully exempted.
- Export of cows and oxen banned.
- Addition of a new rate in customs tariff.
- Threshold of business transaction for VAT purpose increased to Rs. 3 million from 1 million.
- Amendments to the *Civil Service Act, 2049* enforced. With them the policy of: restricting *ad hoc* and temporary appointments only on the recommendations of the Public Service Commission; placement on the basis of educational background, training and experience; provision of special concessions and handicap to female candidates; limiting term of office for secretaries in the Ministries and their equivalents to only five years; restricting the *ad hoc* transfers of civil servants and without prior approval of the Ministry of General Administration etc. enforced legally. These changes have reduced the frequency of transfers.
- Enactment and enforcement of the *Animal Health and Livestock Services Act 2055* (1998).

August

- Establishment of a Department of Local Infrastructure Development and Agricultural Roads.

October

- A Rural Micro-finance Development Centre Limited company registered with NRB as a public limited company. The promoters and share holders of the company include NRB, the 13 commercial banks (but not the Agricultural Development Bank), five Rural Development Banks, Nirdhan Utthan a private sector entity registered in the name of an NGO and the Credit Guarantee Corporation an outfit established under the NRB.

1999:

February

- First amendments to the Forestry Act, 2049 (1993) which *inter alia* provide for allocation of 75% of the revenue accruing from the community forests to development activities other than forestry activities and stipulate punishment of the office bearers of the community forestry users' groups should they be found acting counter to the approved community forestry management plan in the name of community welfare. They also introduce provisions related to *habeas corpus*.

March

- Approval of the Financial Intermediaries Act 2055.

- A *Veterinary Council Act, 2055* (1999) came in to force. Although of no direct concern to SPIN, the Act may influence the professionals involved in agriculture as well.
- A *Slaughterhouse (Abattoir) and Meat Inspection Act 2055* (1999) approved and came in to force. With the enforcement of the Act slaughter of females animal species have also become legal, while sale of meat with skin; save in the case of poultry, pork, wild boar, and those parts of other permissible animals which help identify the specie e.g. head; has become illegal. The law opens opportunity to legally dispose female buffalo, goat and sheep. It may also give a boost to leather industry.

April

- A *Chemical Fertilizer (Control) Order, 2055* (1999) issued. Fertilizers brought within the ambit of the Essential Commodities Control (Authorities) Act 2017 (1961). The “Order” provides *inter alia* rules and procedures for fertilizer import, their quality control and the role of key officials and agencies in the fertilizer trade.
- Enforcement of the *Local Self-Governance Act, 2055* (1999). The Act empowers the local level elected bodies to *inter alia* (a) decide on the implementation of small-scale projects and programmes including those related to agriculture and rural development (b) constitute autonomous project management bodies in the form of ‘user groups’ and (c) charge service fees for the services and facilities provided.
- Abolition of Octroi.

July

- A “*Chemical Fertilizer Manual, 2056*” issued and brought in to force. The manual: describes the process and procedures to be followed in the registration of fertilizer dealers; defines the qualification to be designated as Fertilizer Inspector; and provides guidelines to the ‘Fertilizer Inspectors’.

August

- Second amendment to *Civil Service Rules, 2050* (1993) enforced. Although outside the ambit of the mainstream agriculture the amendments will contribute to stabilize the agricultural administration. It is necessary to stabilize bureaucracy in order to give stability to policies and their sustained implementation so they could show some effect.

September

- Cabinet decision to separate the Seed Division of the AIC and to convert it into a public limited company with private sector participation.

November

- Complete removal of subsidy on all types of fertilizers.

December

- Local Self-Governance Rules, 2056 and Local Agency (Financial Administration) Rules, 2056 promulgated and brought into force.

2000:

March

- The Government decides to split AIC in to two separate companies. (a) An Agricultural Input Company to deal with procurement and distribution fertilizer. (b) A Seed Company to deal with seeds. These companies should be fully operational within one year. Their boards may have representation from the private sector also.

Source: Based on various issues of *Nepal Gazette*, National newspapers and publications of the relevant ministries and agencies.

APPENDIX IV

Laws Influencing Agricultural Decisions That Existed Prior to the Start of the APP

Laws	Sphere of Influence
1. Civil Code, 1961	Inheritance and slaughter of female animals.
2. Agricultural Development Bank Act, 1967	Establishes a specialized agricultural credit institution, restricts ADB's authority in lending against the collateral of mobile property or production projects.
3. Nepal Rastra Bank Act, 1995	Establishes a central bank and a monitory authority which regulates <i>inter alia</i> institutional flow of agricultural
4. Foreign Exchange (Regulation) Act, 1962	Authorizes government's control in exchange rate determination.
5. Audit Act, 1967	Centralizes auditing system.
6. Act to Promote Use of Nepali Currency, 1957	Forbids use of foreign currency in internal trade.
7. Alcohol Act, 1974	Regulates production of alcohol and permits home brewing and distillation.
8. King Mahendra Nature Conservation Trust Act, ...	Establishes a fund for conservation of bio-diversity.
9. Soil and Water Conservation Act, 1982	Establishes the legal framework for the conservation of Soil and Watersheds. Authorizes government to regulate cultivation practices in areas designated by it.
10. Decentralisation Act, 1982	Authorizes local governments to undertake development activities and to levy certain taxes.
11. Natural Calamity (Relief) Act, 1982	Authorizes government to regulate civil behaviour in case of natural calamities
12. National Parks and Wildlife Protection Act, 1972	Authorizes government to establish national parks and wildlife reserves and to evict people from the protected areas.
13. Finance Act (promulgated every year)	Authorizes the Government to implement its financial policies.
14. Village Development Committee Act, 1991	Establishes VDCs, authorizes them to levy certain taxes and to undertake local level development activities. Prorogues earlier Village Panchayat Act.
15. District Development Committee Act, 1991	Establishes DDCs, authorizes them to undertake district level development activities.
16. Foreign Trade (Regulation) Act, 1956	Authorizes government to regulate international trade including trade on agricultural commodities and raw materials.
17. Private Firm Act, 1957	Regulates the establishment and operation of private firm.
18. Company Act, 1964	Regulates the establishment and operation of private companies including those related to agriculture.
19. Black Marketing and Other Social Crime and Punishment Act, 1975	Controls trade in agricultural products, Cancels the earlier acts established in 1952.
20. Civil Rights Act, 1975	Defines and restricts certain civil rights including sale of property to foreigners.

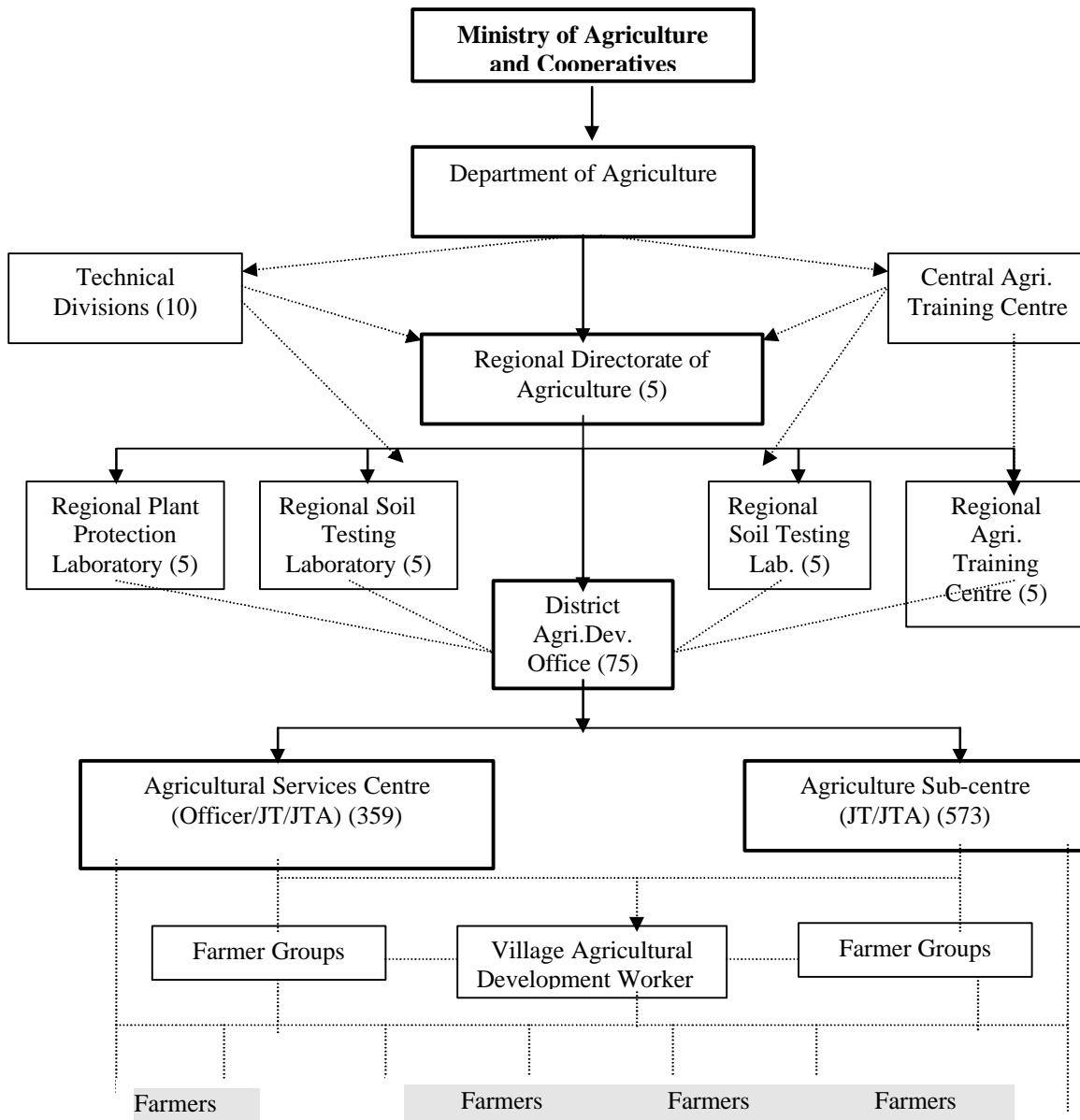
21. Immobile Property Acquisition Act, 1956	Authorizes government to procure any private property at the rate set by it.
22. Essential Commodities Control (Authority) Act, 1960	Authorized government to exercise control over trade in agricultural commodities.
23. Corporations Act, 1964	Authorizes government to establish corporate bodies and parastatals to undertake business activities related to agriculture also.
24. Development Board Act, 1956	Authorizes government to establish semi-autonomous bodies for any development related activities.
25. Revolving Fund Act	Authorizes government bodies to establish revolving funds for any purpose including agricultural development.
26. Act Related to contracts, 1967	Regulates and defines arrangements for contracts including contract in agricultural trade.
27. Standards Measures and Weights Act, 1968	Introduces metric system of weight and measures.
28. Drugs (control) Act, 1976	Declares hemp as one of the illicit drug and prevents production of specified crops without prior authorization of the government.
29. Social Behaviour (Improvement) Act, 1976	Regulates social behaviour and exercises control over some rural and traditional social functions.
30. Birta Abolition Act, 1959	Abolishes the exemptions granted on the payment of land revenue to the owner of 'Birta' land.
31. Aquatic Life Protection Act, 1960	Regulates fishing in rivers and natural lakes.
32. Land (Measurement and Categorization) Act, 1962	Authorizes government to undertake new land surveys and to categories them.
33. Ukhada Related Act, 1965	Abolishes Zamindari system of tenancy and transfers the land to tenants.
34. Lands Act, 1965	Introduces ceiling on land holdings.
35. Food Act, 1967	Control over food quality.
36. Act to Manage (Sale of) land of the Rapti Dune Development Area, 1968	Authorizes government sale of the land by clearing forests in the Rapti Valley.
37. Pasture Land Nationalization Act, 1974	Nationalizes traditionally communally owned pasturelands in the country.
38. Land Administration Act, 1967	Introduces <i>inter alia</i> formalities and formats for registration of tenants in the land title papers.
39. Act Related to Land in the Jhora Area 1971	Regularizes the distribution of land in Jhora area of Eastern Tarai.
40. Forests Act, 1990	Repeals the forestry act of 1956 and legalizes establishment of users' groups in community forestry and leasehold forestry.
41. Forests Act, 1956	Nationalizes forests
42. Feed Act. 1976	Regulates the production and distribution of animal feed.
43. Cooperatives Act, 1994	Repeals the earlier Cooperatives act of 1950s and reduces the governments control over formation of cooperatives.
44. Seeds Act, 1990	Regulates introduction of seeds of new varieties, authorizes government for quality control.
45. Pesticides Act, 1991	Regulates import, production and distribution of pesticides.
46. Statistics Act, 1958	Regulates collection, collation and publication of all statistical information.
47. Industrial Enterprises Act,	Repeals the Industrial Enterprises Act, 1961. Promotes private sector

1992	investment in industries.
48. Foreign Investment and Technology and Transfer Act, 1992	Repeals the Foreign Investment and Technology Transfer Act, 1981, liberalizes transfer of foreign technology.
49. National Cooperative Development Board Act, 1992	Establishes a national level autonomous Cooperative Development Board.
50. Nepal Agricultural Research Council Act, 1990	Establishes an autonomous Nepal Agricultural Research Council for agricultural research.
51. Water Resources Act, 1982	Licenses private sector investment in hydro electricity generation up to 100 kw. Protects against nationalization of the private sector investment in hydroelectric projects. Repeals the Related to Water Resources Related to Canal and Electricity, 1967.
52. Civil Service Act 1994	Repeals the Civil service Act of 1956, regulates recruitment, transfer and promotion of civil servants.

Organizational Charts of Selected National Level Government Institutions

Note: Sources of the following organizational charts are the respective ministries.

Chart 5.1
Organizational Structure of
the Department of Agriculture at
the Central, Regional and District Levels



Legend



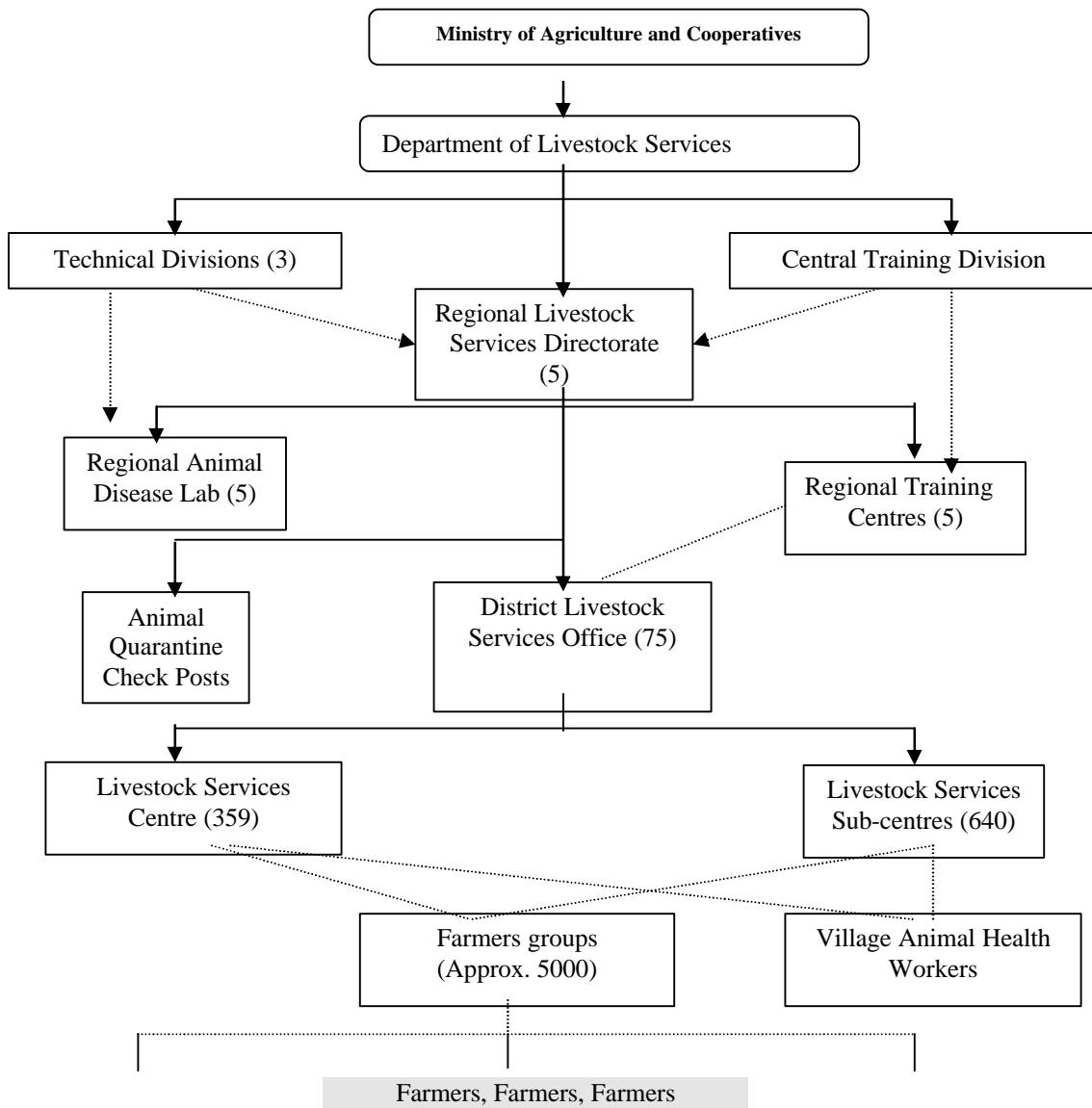
Line of control/command



Line of coordination/support/ exchange of knowledge and information

Note: Figures in parentheses show number of offices.

Chart 5.2
Organizational Structure of
the Department of Livestock Services at
the Central, Regional and District Levels



Note: Figures in parentheses show number of offices.

Chart 5.3
Organizational Structure of
the Department Of Irrigation at
the Central, Regional and District Levels

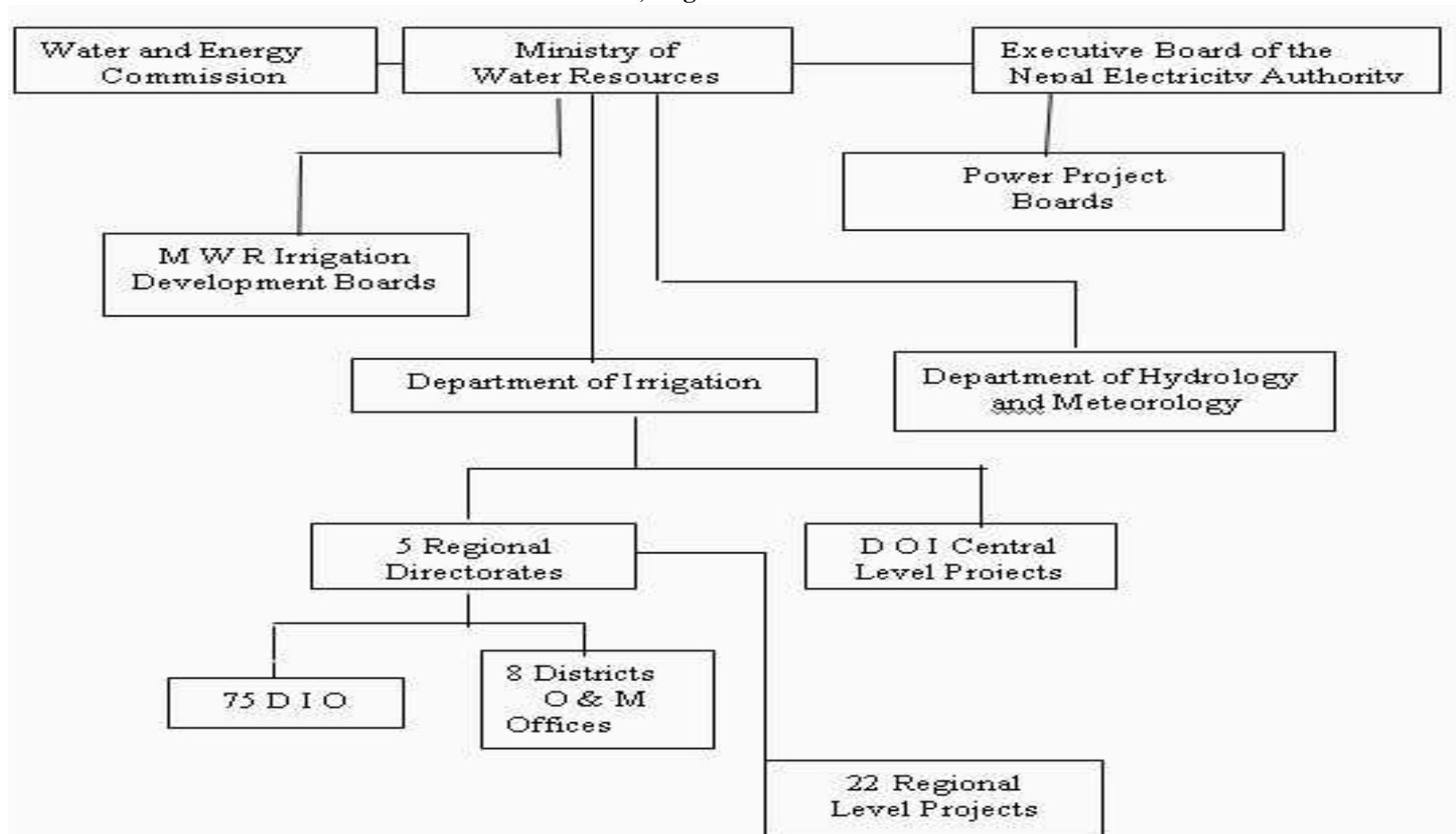


Chart 5.4
Organizational Structure of
the Nepal Agricultural Research Council at the Central Level

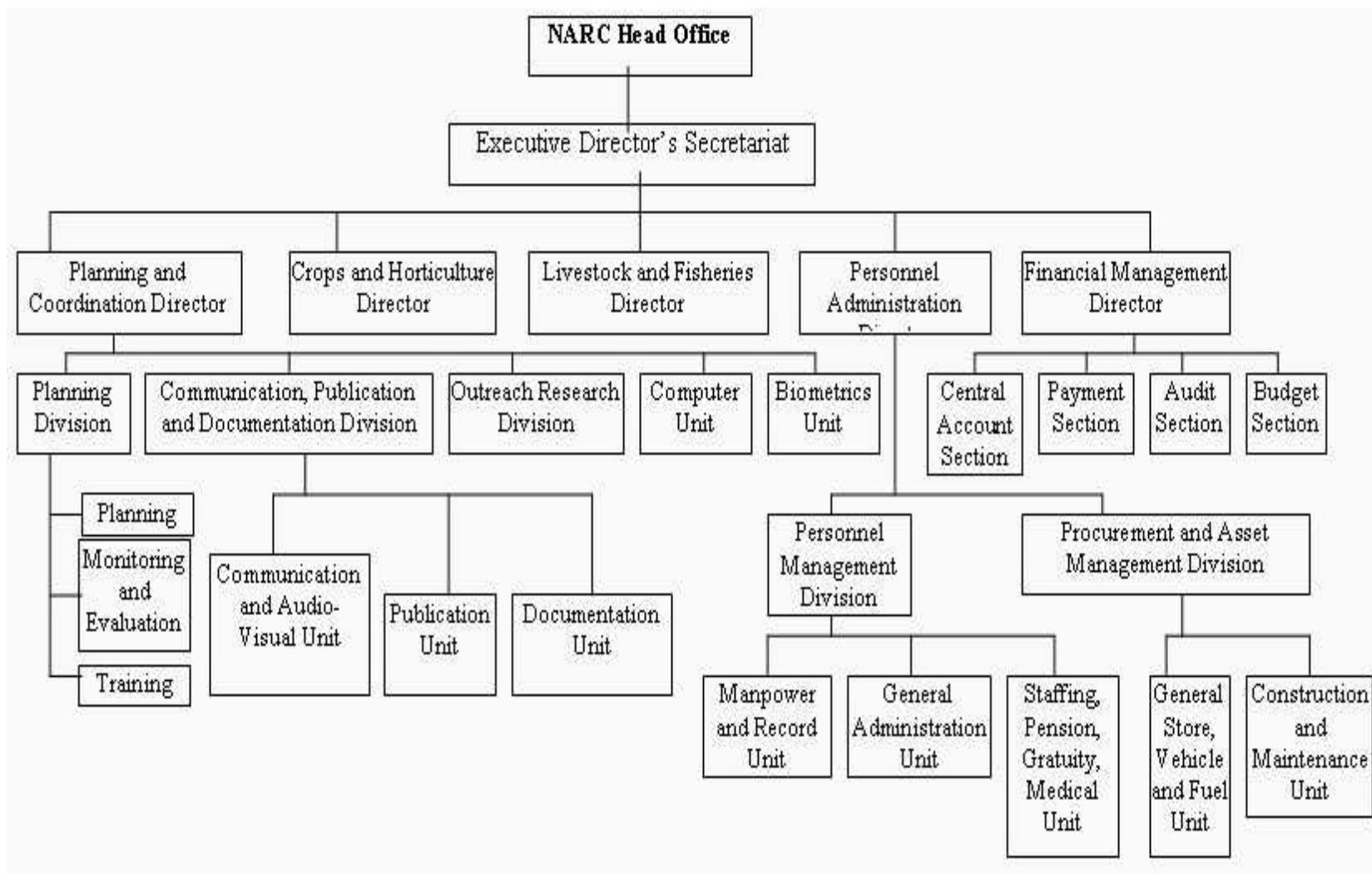
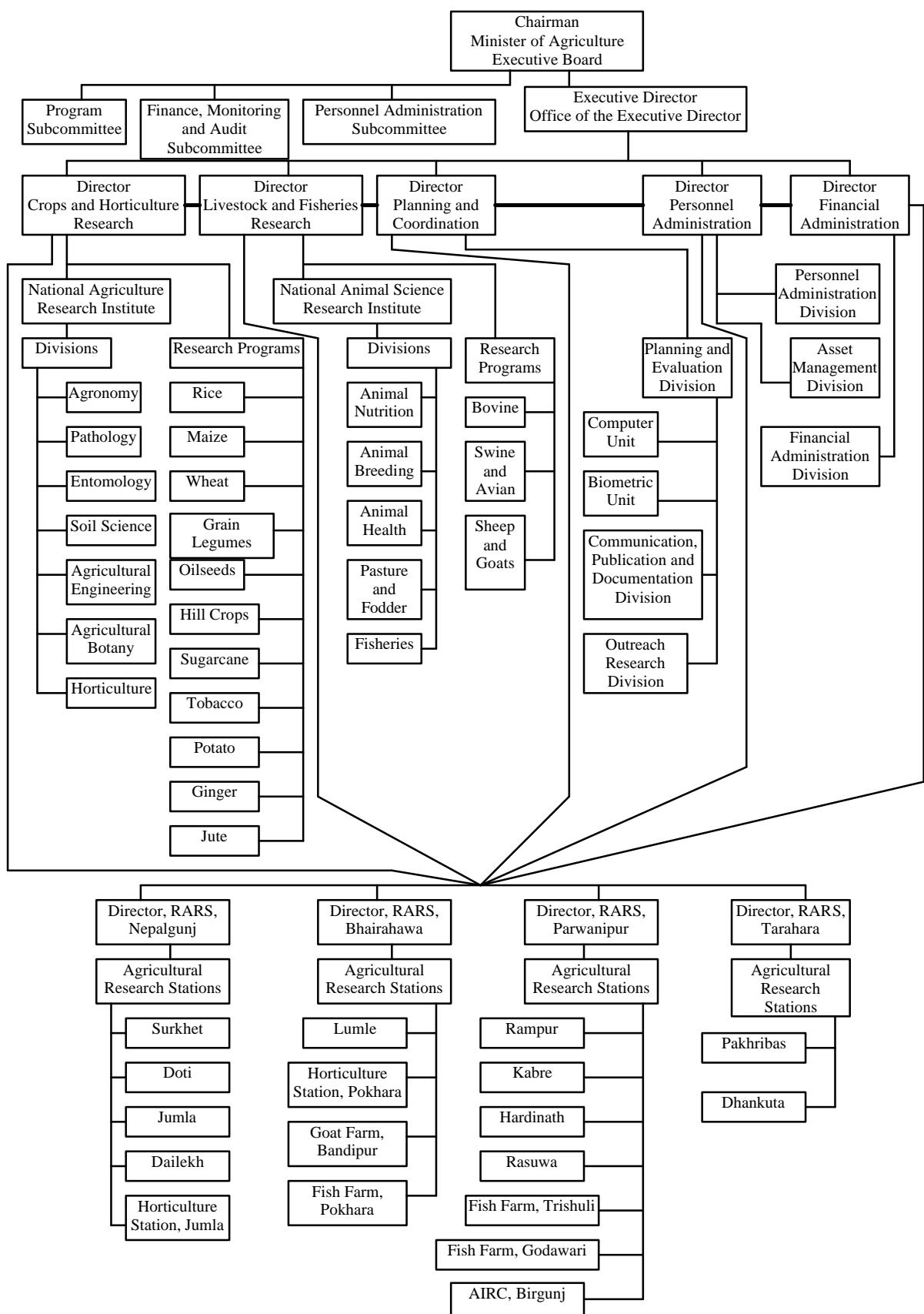


Chart 5.5
**Organizational Structure of the Nepal Agricultural Research Council
at the Central and Regional Levels**



**Human Resource Endowments of Selected National
Level Government Institutions
(Approved positions by service category and rank at
different levels)**

Note: Sources of the following information are the respective ministries.

Table 6.1: Ministry of Agriculture

Level of Post	Non-technical*	Technical*	Total*
Gazetted Special Class	1	2	3
Gazetted First Class	3	65	68
Gazetted Second Class	14	250	264
Gazetted Third Class	79	877	956
Non Gazetted First Class	405	1447	2152
Non-Gazetted Second Class	972	2455	3427
Non-Gazetted Third Class	80	318	398
Non-Gazetted Fourth Class	-	123	123
Typist	240	-	240
Driver	-	227	227
Peon	3322	-	3322
Total	5116	6064	11180

*The figure includes the ministry and the departments and departmental entities under it but excludes the corporations and other autonomous bodies.

Source: Ministry of General Administration (unpublished report), 1999.

Table 6.2: Department of Agriculture

Rank of the post	Non-technical	Technical	Total
Gazetted First Class	-	41	41
Gazetted Second Class	2	156	158
Gazetted Third Class	13	614	627
Non-Gazetted First Class	198	1 104	1 302
Non-Gazetted Second Class	207	1 256	1 463
Non-Gazetted Third Class	12	68	80
Non-Gazetted Fourth Class	-	77	77
Typist	108	-	108
Driver	-	121	121
Peon	1 696	-	1 696
Total	2 236	3 437	5 673

Source: Ministry of General Administration (unpublished report), 1999.

Table 6.3: Department of Livestock Development

Rank of the Post	Non-technical	Technical	Total
Gazetted First Class	-	18	-
Gazetted Second Class	2	73	2
Gazetted Third Class	9	246	4
Non-Gazetted First Class	49	612	26
Non-Gazetted Second Class	232	1 196	216
Non-Gazetted Third Class	6	248	3
Non-Gazetted Fourth Class	-	73	-
Typist	73	-	57
Driver	-	74	-
Peon	1452	-	1409
Total	1823	2510	1717

Source: Ministry of General Administration (unpublished report), 1999.

Table 6.4: Department of Cooperatives

Number of districts covered: 68

Rank of the Post	Non-technical	Technical	Total
Gazetted First Class	1	-	1
Gazetted Second Class	7	1	4
Gazetted Third Class	47	3	13
Non-Gazetted First Class	139	8	12
Non-Gazetted Second Class	521	-	3
Non-Gazetted Third Class	62	-	-
Non-Gazetted Fourth Class	-	2	-
Typist	48	-	-
Driver	-	24	-
Peon	151	-	-
Total	976	38	1014

Source: Ministry of General Administration (unpublished report), 1999.

Table 6.5: Department of Food Technology and Quality Control

Rank of the Post	Non-technical	Technical	Total
Gazetted First Class		3	3
Gazetted Second Class		12	12
Gazetted Third Class	1	25	26
Non-Gazetted First Class	4	45	49
Non-Gazetted Second Class	6	6	12
Non-Gazetted Third Class		4	4
Non-Gazetted Fourth Class		6	6
Typist	4	-	4
Driver		3	3
Peon	13	-	13
Total	28	104	132

Source: Ministry of General Administration (unpublished report), 1999.

Table 6.6: Department of Irrigation

Rank of the Post	Non-technical	Technical	Total
Gazetted First Class	0	17	17
Gazetted Second Class	4	121	125
Gazetted Third Class	36	371	407
Non-Gazetted First Class	732	180	912
Non-Gazetted Second Class	137	119	256
Non-Gazetted Third Class		8	8
Non-Gazetted Fourth Class		1	1
Typist	91		91
Driver		94	94
Peon	444	0	444
Total	1 444	911	2 355

Source: Department of Irrigation, 2000.

**Table 6.7: Nepal Agricultural Research Council
Organizational Structure**

Offices	Number
Nepal Agriculture Research Council	1
National Agriculture Research Institute and its divisions	2
Disciplinary Divisions	18
Regional Agriculture Research Centre	4
Crop Research Programme	11
Livestock Research Programme	5
Agriculture Research Station	18
Total	59

Source: Annual Report, NARC, 1999.

**Table 6.8: Nepal Agriculture Research Council
Human Resources Allocation by Discipline and Level**

	Executive director	Scientist	Technical support staff	Administrative support staff	Total
Executive	1	28	25	61	115
Crop science	-	267	689	272	1 228
Livestock	-	54	299	69	422
Total	1	349	1 013	402	1 765

Source: Annual Report, NARC, 1999.

Selected Corporations

Table 6.9: Agriculture Inputs Corporation

	Number of Offices
Central Office	1
Main Import and Distribution Centre	4
Import and Distribution Centres	9
Distribution Centres	11
Distribution Sub-units	32

Source: Ministry of Agriculture, 2000.

Agricultural Inputs Corporation

Table 6.10: Human Resources Allocation by Level

Level of the Post	Total
Special class (Managing Director)	1
First class (Deputy Managing Director)	1
First Class Officer	4
Second Class Officer	50
Third Class Officer	94
Assistant First Class	212
Assistant Second Class	195
Assistant Third Class	38
Assistant Fourth Class	1
Non Class	276
Total	872

Source: Ministry of Agriculture, 2000.

Agricultural Inputs Corporation

Table 6.11: Human Resource Allocation by Type of Office

Office	No. of Staff			Total	
	Type of office	Number	Officer	Assistant	
Central Office	1	43			117
Main Import and Distribution Centre	4	19		68	87
Import and Distribution Centre	9	18		69	87
Distribution Centre	11	11		78	89
Sub Distribution Unit	32	-		160	160
Total	57	91		449	540

Source: Ministry of Agriculture, 2000.

Nepal Food Corporation

Table 6.12: Human Resource Allocation By The Level Of Office

Office	No. of Staff			Total
	Number	Officer	Assistant	
Level Office				
Central Office	1	60	161	221
Zonal Offices	11	45	300	345
Branch Offices	50	33	222	255
Sale Depots	86	-	179	179
Total	148	138	862	1 000

Source: APROSC 1998.

APPENDIX VII

Excerpts of Articles Directly Related to Poverty Alleviation and Food Security from the Local Self-Governance Act 2055

Part 2

Provisions Relating to Village Development

Chapter 3

25. Functions, Duties and Powers of the Ward Committee:

The functions, duties and powers of each Ward Committee under the Village Development Committee shall be as follows.

- (a) To keep neat and clean the roads, ways, bridges, drainage, ponds, lakes, wells, deep water, taps, etc., within the Ward.
- (b) To arrange for disposal of wastes, dirt and rotten materials and to make arrangements to encourage the inhabitants of the Ward for maintaining sanitation.
- (c) To assist the Village Development Committee in keeping inventory of and in protecting population, houses, land, rest houses, shelters, inns, divine places like temples, shrines, and mosques, monasteries, *madrasa* (Muslim religious schools), etc., barren land, ponds, lakes, wells, deep water, taps etc., and similar other religious and cultural places of public importance, within the Ward.
- (d) To look after the canals, channels, dams (*Paini*) etc. in the Ward.
- (e) To assist in afforestation of the barren land and hills, steeps and steppe places and in conserving the environment, within the Ward.
- (f) To assist in management of health centres, health posts etc. in the Ward.
- (g) To assist in the establishment and operation of schools and libraries in the Ward.
- (h) To supervise the projects and programmes completed and being carried out within the Ward.
- (i) To motivate the inhabitants of the Ward to register personal events.
- (j) To assist in the acts relating to the protection and earning of livelihood of the backward ethnic communities, helpless, disabled and heirless persons within the Ward.
- (k) To carry out such other functions as directed and ordered by the concerned Village Development Committee.

26. Functions, Duties and Powers of Village Council:

- (1) The functions, duties and powers of the Village Council shall be as follows:
 - (a) To pass the budgets, plans and programmes submitted by the Village Development Committee.
 - (b) To adopt the resolutions relating to the levying and collecting of taxes, charges, few, levies etc. proposed by the Village Development committee.

- (c) To adopt the resolutions relating to the raising of loans or selling or disposing or transferring of immovable properties proposed by the Village Development Committee.
- (d) To discuss on the irregularities determined by the audit report of the Village Development Committee and direct the Village Development Committee to take necessary action for the clearance of the irregularities in respect of those irregularities which can not be regularized under the prevailing law.
- (e) To grant approval, as required, on such number of positions, remuneration, allowance and other facilities of the employees proposed by the Village Development Committee as are to be borne from its own internal source.
- (f) To evaluate the administrative functions of the Village Development Committee and give necessary directions to the Village Development Committee.
- (g) To evaluate the development and construction works carried out within the village development area and give necessary directions.
- (h) To approve the bylaws of the Village Development Committee.
- (i) To carry out such other functions as prescribed.

(2) The Village Council shall constitute an accounts committee under the chairmanship of any Member of the Village Council, consisting of three members including the Chairman; and the functions, duties and powers of such a committee shall be as prescribed.

(3) The Village Council may form various committees to render necessary advice and suggestions to the Village Council on various matters in a manner that the Members of the Village Council other than the members included in the accounts committee referred to in subsection (2) are included in the subject-wise committees as prescribed.

(4) Other functions, duties and powers of the Village Council shall be as prescribed.

27. Advisory Committee may be formed:

- (1) The Village Development Committee may, if it deems it necessary, form an advisory committee comprising of members ranging from three to nine, including social workers, intellectuals and persons having technical knowledge and skills to render assistance in its functions.
- (2) Other matters relating to the advisory committee shall be as prescribed.

28. Functions, Duties and Powers of Village Development Committee:

- (1) In addition to executing or causing to be executed the decisions and directions of the Village Council, the functions, duties and powers of the Village Development Committee shall be as follows:

(a) Relating to Agriculture

- (1) To carry out or cause to be carried out agricultural development programmes within the village development area.
- (2) To arrange for agricultural (weekly temporary bazaar), markets and fairs or to assist in organizing such fairs within the village development area.
- (3) To operate or cause to be operated veterinary hospitals, as per necessity, for the prevention and control of animal diseases within the village development area, and to arrange or cause to be arranged for pasture areas, as required, for cattle grazing.

(b) Relating to Rural Drinking Water:

- (1) To prepare drinking water projects for the supply of drinking water required within the village development area and to implement and operate the same, and to arrange or cause to be arranged for their maintenance. ,
- (2) To construct, maintain and repair or cause to be constructed, maintained and repaired wells, deep water, ponds, taps etc. within the village development area.
- (3) To preserve or cause to be preserved the sources of water within the village development area.

(c) Relating to Works and Transport:

- (1) To prepare projects on tracks and trails, and rural roads required within the village development area and to implement the same and make arrangement for their maintenance and repair.
- (2) To maintain and repair bridges, twines, *ghats* (embankments) and culverts handed over by various agencies.

(d) Relating to Education and Sports:

- (1) To establish pre-primary schools with own source, to give permission to establish them and to operate and manage the same.
- (2) To supervise and manage the schools being operated within the village development area.
- (3) To assist in providing primary level education in mother tongue within the village development area.
- (4) To make programmes on adult education and informal education and to carry out or cause to be carried out the same.
- (5) To establish and operate or cause to be established or operated libraries.
- (6) To formulate plans on the development of sports and to implement the same, and to extend support to the development of sports by constituting village level sports development committee. .
- (7) To make arrangements for providing scholarships to the students of oppressed ethnic communities who are extremely backward on economic point of view.

(e) Relating to Irrigation and Soil erosion and River Control:

- (1) To prepare projects of irrigation, dams, canals, water channel, water bank (*Pani ghat*), etc. required within the village development area and to implement or cause to be implemented the same.
- (2) To prepare programmes on soil-erosion and river control that affects the village development area and to implement or cause to be implemented the same.
- (3) To generate and distribute electricity and to cause to be generated and distributed the same.

(f) Relating to Physical Development:

- (1) To build community buildings, rest houses and public toilets.
- (2) To prepare criteria for houses, buildings, roads and other physical infrastructures etc. to be constructed within the village development area, and to grant approval as prescribed for the construction of them.
- (3) To formulate land use plans of the village and to implement or cause to be implemented the same.
- (4) To make or cause to be made arrangements for necessary sewerage and drainage in settlement areas.

(g) Relating to Health Service:

- (1) To operate and manage village level health centre, health post and subhealth posts.
- (2) To prepare programmes on primary health education and sanitation and disposal of wastes and garbage in the village development area and to implement the same.
- (3) To provide assistance in the development and expansion of herbs.
- (4) To launch programmes on family planning and maternity and childcare.

(h) Relating to Forests and Environment:

- (1) To afforest or have afforestation in barren land, hills, steppe and steep land and in public land.
- (2) To prepare programmes in respect of forests, vegetation, biological diversity and soil conservation and to carry out or cause to be carried out the same.
- (3) To make various programmes on environment protection and to carry out or cause to be carried out the same.

(i) Relating to Language and Culture:

- (1) To keep records of religious places and rest houses, inns, shelters etc. within the village development area and to look after and preserve them or cause to be done the same.

(2) To preserve or cause to be preserved various languages, religions and cultures and assist in their development.

(j) Relating to Tourism and Cottage Industries:

- (1) To preserve, develop and expand tourist areas and to make or cause to be made arrangements for preventing pollution in such places.
- (2) To act as a motivator for carrying out cottage industries in the village development area.

(k) Miscellaneous:

- (1) To develop human resources, to make arrangements for making available employment and self-employment opportunities.
- (2) To provide assistance for cooperative development.
- (3) To keep records of population, houses, land and livestock within the village development area.
- (4) To carry out or cause to be carried out necessary works, in respect of controlling natural calamities.
- (5) To register birth, death and other personal events in accordance with the prevailing law.
- (6) To maintain the inventory of the helpless, orphan and disabled children within the village development area and to make arrangements for keeping them in appropriate place.
- (7) To prepare necessary plans for the upliftment of women within the village development area and to implement the same.
- (8) To carry out activities regarding the protection of orphan children, helpless women, aged and old, disabled and incapacitated persons in line with the national policy and to carry out or cause to be carried out acts regarding the wiping out of social ill practices and the protection of girls and women.
- (9) To protect movable and immovable properties which are under ownership and control of the Village Development Committee.
- (10) To frame bylaws of the Village Development Committee and submit them to the Village Council.
- (11) To control immoral activities like sale and distribution of intoxicating substances and gambling and playing cards within the village development area.
- (12) To encourage or cause to be encouraged to carry out cooperative, industrial and commercial activities generating income to the Village Development Committee with the investment of private sector as well.
- (13) To formulate various programmes based on cooperatives and to carry out or cause to be carried out the same.
- (14) To evaluate the performance of the Secretary and forward it with recommendation to the authority.
- (15) To carry out such other functions as are prescribed by the prevailing law.

- (2) The Village Development Committee shall encourage consumer groups and other non-governmental organizations for the development and construction works to be done in the village development area and it shall have such works done through such groups or organizations.
- (3) The Village Development Committee shall exercise the powers conferred on it under this Act and the Rules and Bylaws framed under this Act.

Part 3

Provisions Relating to Municipality

Chapter 4

93. Functions, Duties and Powers of the Ward Committee:

The functions, duties and powers of each Ward Committee under the Municipality shall be as follows:

- (a) To assist the Municipality in keeping inventory of, and in protecting, population, houses, land, rest houses, shelters, inns, temples, shrines, hermitages, monasteries, mosques, *madrasa*, divine places, barren land, ponds, wells, lakes, deep water, canals, taps, stone water taps etc, within the Ward.
- (b) To keep neat and clean the roads, ways, bridges, drainage, ponds, lakes, wells, deep water, stone water taps, temples, shrines, monasteries, public place etc. within the Ward.
- (c) To arrange for disposal of wastes, dirt, 'rotten materials and for keeping the streets and corners within the Ward clean, and make arrangements to encourage the inhabitants of the Ward for maintaining sanitation.
- (d) To look after the canals, drills, water spouts (*paini*), etc. within the Ward.
- (e) To assist in afforesting in the barren land and hills, steeps and steppe places and in conserving the environment within the Ward.
- (f) To assist in management of health centres, health posts etc. in the Ward.
- (g) To assist in the establishment and operation of schools and libraries in the Ward.
- (h) To catch the strayed quadrupeds and hand over them to the concerned agency.
- (i) To arrange for electricity lamps on the roads and streets within the Ward.
- (j) To keep safely the accounts of incomes and expenditures and other documents of the Ward Committee.
- (k) To assist the Municipality in the selling of food grains and other necessary goods at reasonable price within the Ward.
- (l) To distribute the goods of sports for the development of sports and help to organize art, dramas and cultural programmes for the development of language and culture.
- (m) To take any unclaimed, or helpless person being seriously ill in the Ward to nearby hospital or health centre and have such, person treated.

- (n) In case any helpless or unclaimed person dies in the Ward, to arrange for cremation of such person.
- (o) To arrange for BCG and polio vaccination for the children in the Ward and to arrange for the prevention of infectious diseases.
- (p) To motivate the inhabitants of the Ward to register personal events.
- (q) To assist in carrying out various activities to raise the level of consciousness of the inhabitants of the Municipality.
- (r) To help in protecting the barren land.
- (s) To help in preserving ancient monuments within the Ward.
- (t) To help in preserving the temples of historical, archaeological, cultural and religious importance, within the Ward.
- (u) To help the Municipality in having continuity to the cultural dance, songs as well as hymns reflecting originality.
- (v) To assist in the acts relating to the protection and earning of livelihood of the backward ethnic communities, helpless, disabled and heirless persons within the Ward.
- (w) To carry out such other functions as directed and ordered by the concerned Municipality.

94. Functions, Duties and Powers of Municipal Council:

- (1) The functions, duties and powers of the Municipal Council shall be as follows:
 - (a) To pass the budgets, plans and programmes sub by the Municipality.
 - (b) To adopt the resolutions relating to the levying and collecting of taxes, charges, fees, levies etc. proposed by the Municipality.
 - (c) To adopt the resolutions relating to the raising of loans or selling or disposing or transferring of immovable properties proposed by the Municipality.
 - (d) To discuss on the irregularities determined by the audit report of the Municipality and direct the Municipality to take necessary action for the clearance of the irregularities in respect of those irregularities, which cannot be regularised under the prevailing law.
 - (e) To grant approval, as required, on such number of positions, remuneration, allowance and other facilities of the employees proposed by the Municipality as are to be borne from its own internal source.
 - (f) To evaluate the administrative functions of the Municipality and give necessary directions to the Municipality.
 - (g) To evaluate the development and construction works carried out within the municipal area and give necessary directions.
 - (h) To approve the by-laws of the Municipality.
 - (i) To carry out such other functions as prescribed.
- (2) The Municipal Council shall constitute one accounts committee under the chairmanship of any Member of the Municipal Council, comprising in maximum of five members including

the Chairman; and the functions, duties and powers of such a committee shall be as prescribed.

- (3) The Municipal Council may constitute various committee to render necessary advice and suggestions to the Municipal Council on various matters in a manner that members of the Municipal Council other than the members included in the accounts committee referred to in subsection (2) are included in the subject-wise committees as prescribed.
- (4) Other functions, duties and powers of the Municipal Council shall be as prescribed.

95. Advisory Committee may be formed:

- (1) The Municipality may, if it deems it necessary, form an advisory committee comprising of members ranging from three to nine, including social workers, intellectuals and persons having technical knowledge and skills, to render assistance in its functions.
- (2) Other matters relating to the advisory committee shall be as prescribed.

96. Functions, Duties and Power of Municipality:

- (1) In addition to executing or causing to be executed the decisions and directions of the Municipal Council, the mandatory functions and duties to be performed by the Municipality in the municipal area shall be as follows:

(a) Relating to Finance:

- (1) To prepare annual budgets, plans and programmes of the Municipality and submit them to the Municipal Council.
- (2) To keep the accounts of incomes and expenditures, and other documents pertaining thereto in an up dated manner.
- (3) To expend the money to execute the decisions of the Municipality, subject to the limits of the approved budget
- (4) To raise taxes, charges and fees etc. approved by the Municipal Council.

(b) Relating to Physical Development:

- (1) To frame land-use map of the Municipality area and specify and implement or cause to be implemented, the industrial, residential, agricultural, recreational areas etc.
- (2) To prepare housing plan in the area of Municipality and implement or cause to be implemented the same.
- (3) To carryout plans on drinking water and drainage in the areas of Municipality and operate, maintain and repair or cause to be operated, maintained and repaired the same.

- (4) To develop, or cause to be developed, green zones, parks and recreational areas in various places in the Municipality area.
- (5) To arrange for, or cause to be arranged for, public toilets in various places in the Municipality area.
- (6) To approve or cause to be approved designs of houses, buildings etc. to be constructed in the areas of the Municipality.
- (7) To build community building and rest houses.

(c) Relating to Water resources, Environment and Sanitation:

- (1) To preserve rivers, streams, ponds, deep water, wells, lakes, stone water-taps etc. and utilize, or cause to be utilized them properly.
- (2) In the event of necessity to carry out irrigation plans in the Municipality area, to make plans thereof and implement and cause to be implemented the same.
- (3) To control and prevent, or cause to be controlled and prevented the possible river-cuttings, floods and soil erosion in the Municipality area.
- (4) To assist, or cause to be assisted, in environment protection acts by controlling water, air and noise pollution to be generated in the Municipality area.
- (5) To protect or cause to be protected the forests, vegetation and other natural resources within the Municipality area.
- (6) To carry out or cause to be carried out sanitation programmes in the Municipality area.
- (7) To carry out and manage or cause to be carried out and managed the acts of collection, transportation and disposal of garbage and solid wastes.
- (8) To generate and distribute or cause to be generated and distributed electricity in the Municipality area.

(d) Relating to Education and Sports Development:

- (1) To establish, operate and manage pre-primary schools with own source in the Municipality area and give permission to establish the same.
- (2) To extend supports in the operation and management of schools being operated within the Municipality area and to make recommendations for the establishment and dissolution of such schools.
- (3) To assist in providing primary level education in mother tongue within the Municipality area.
- (4) To make arrangements for providing scholarships to the students of oppressed ethnic communities who are extremely backward on economic point of view.
- (5) To prepare and implement or cause to be implemented programmes on Municipality level adult education and informal education.
- (6) To open, operate and manage or cause to be opened, operated and managed, libraries and reading halls in the Municipality area.
- (7) To prepare and implement or cause to be implemented, sports development programmes.

(8) To develop or cause to be developed sports by constituting Municipality level sports development committee.

(e) Relating to Culture:

- (a) To prepare an inventory of the culturally and religiously important places within the Municipality area and maintain, repair, protect and promote, or cause to be maintained, repaired, protected and promoted, them.
- (b) To protect, promote and use or cause to be protected, promoted and used, archaeological objects, languages, religion and culture within the Municipality area.

(f) Relating to Works and Transport:

- (1) To prepare plans of non-black-topped and black-topped roads, bridges and culverts as needed within the Municipality area, except those roads which are under the responsibility and control of His Majesty's Government, and construct, maintain and repair or cause to be constructed, maintained and repaired, the same.
- (2) To arrange or cause to be arranged for bus parks and parking places of rickshaws (three-wheelers), horse-carts, trucks, etc., within the Municipality area.
- (3) To prescribe the upper limit of push-carts, rickshaws, horse-carts etc. in consideration of transport requirement of the Municipality and register and provide number to them.

(g) Relating to Health Service:

- (1) To operate and manage, or cause to be operated and managed, municipal level hospitals, Ayurvedic dispensaries and health centres.
- (2) To open, operate and manage, or cause to be operated and managed health posts and subhealth posts within the Municipality area.
- (3) To formulate programmes relating to family planning, mother and child welfare, extensive vaccination, nutrition, population education and public health, and to implement or cause to be implemented the same.
- (4) To arrange, or cause to be arranged, for prevention of epidemics and infectious diseases.
- (5) To ban the public use of such things and objects in the Municipality area as are harmful to the public health or remove the same.
- (6) To ban the sale, distribution and consumption of such type of consumer goods which may cause adverse effects on public health.

(h) Relating to Social Welfare:

- (1) To arrange, or cause to be arranged, for cremation of heirless dead person, and to make arrangements for orphanages for helpless people, orphans and children bereaved of parents.

(2) To carryout, or cause to be carried out, programmes relating to the interests and welfare of the women and children and acts relating to the control of immoral profession and trade.

(i) Relating Industry and Tourism:

- (1) To act or cause to act as a motivator to the promotion of cottage, small and medium industries in the Municipality area.
- (2) To protect, promote, expand and utilize or cause to be protected, promoted, expanded and utilized, natural, cultural and tourists heritage within the Municipality area.

(j) Miscellaneous:

- (1) To do plantation on either side of the roads and other necessary places in the Municipality area.
- (2) To determine and manage places for keeping pinfolds and animal slaughter house.
- (3) To protect barren and governmental unregistered (*ailani*) land in the Municipality area.
- (4) To determine and manage crematoriums.
- (5) To act for the development of trade and commerce.
- (6) To frame by-laws of the Municipality and submit it to the Municipal Council.
- (7) To carry out necessary functions on the controlling of natural calamities.
- (8) To maintain inventory of population and houses and landwithin the Municipality area.
- (9) To register birth, deaths and other personal events pursuant to the prevailing law.
- (10) To maintain inventory of the helpless, orphan and disabled children within the Municipality area and arrange to keep them in appropriate place.
- (11) To secure public interest by killing rabid and strayed dogs and specify the places to bury dead animals and birds into.
- (12) To have such trees cut and houses, walls etc. creating hazardous results demolished.
- (13) To up-date the block numbers of the houses in the Municipality area.
- (14) To arrange for 'animal slaughter houses.'
- (15) To impound and auction strayed animals.
- (16) To arrange for lighting on the roads and alleys.
- (17) To grant approval to open cinema halls in the Municipality area.
- (18) To arrange or cause to be arranged for Haat bazaar, markets, fairs and exhibitions etc.
- (19) To operate and manage or cause to be operated and managed fire brigades.
- (20) To confer the honor of distinguished person of the town on any distinguished person.
- (21) To carry out or cause to be carried out other acts relating to the development of the Municipality area.
- (22) To render assistance for the development of cooperative.
- (23) To evaluate the performance of the Secretary and forward it with recommendation to the authority.

- (24) To encourage or cause to be encouraged to carry out cooperative, industrial and commercial activities generating income to the Municipality with the investment of private sector as well.
- (25) To formulate various programmes based on cooperativeness and to carry out or cause to be carried out the same.
- (26) To carry out such other functions as are prescribed under the prevailing law.

(2) In addition to the functions, and duties referred to in subsection (1), the Municipality may also perform the following optional functions in the Municipality area:

- (a) To make necessary arrangement for providing standard school education in the Municipality area.
- (b) To launch literacy programmes to eradicate illiteracy from the Municipality area.
- (c) To open and operate libraries and reading halls in various places within the Municipality area.
- (d) To control unplanned settlement within the Municipality area.
- (e) To make the structure and development of the town well planned through the functions such as guided land development and land use.
- (f) To arrange for the aged rest-houses and orphanages.
- (g) To arrange for the supply of electricity and communications facilities.
- (h) To arrange for recreational parks, playing grounds, museums, zoos, parks etc. in the Municipality area.
- (i) In order to reduce unemployment, to collect the data of unemployed persons and launch employment-generating programmes.
- (j) To launch programmes to control river pollution.
- (k) To provide ambulance service in the Municipality area.
- (l) To arrange for dead body carriers in the Municipality area.
- (m) To carry out preventive and relief works to lessen the loss of life and property caused from natural calamity.

(3) Consumer groups and other non-governmental organizations shall have to be encouraged for the development and construction works to be done in the Municipality area and such works shall have to be done through such groups or organizations as far as possible.

(4) The Municipality shall exercise the powers conferred on it under this Act and the Rules and By-laws framed under this Act.

Chapter 4

Functions, Duties and Authorities of the District Development Committee

188. Functions, Duties and Powers of District Council:

- (1) The functions and duties of the District Council shall be as follows

- (a) To pass the budgets, plans and programme submitted by the District Development Committee.
- (b) To adopt the resolution relating to taxes, charges, fees, tariff, loans or borrowings and internal resources submitted by the District Development Committee.
- (c) To evaluate the programmes relating to the District plan operated by the District Development Committee and give necessary directions.
- (d) To hold discussions on the audit reports of the District Development Committee and give necessary directions to the District Development Committee for settlement of irregular amounts.
- (e) To approve the District level to be subject-wise programmes to be operated in the District.
- (f) To approve the by-laws of the District Development Committee.
- (g) To evaluate the administrative functions of the District Development Committee and give necessary directions to the District Development Committee.
- (h) To grant approval, as required, on the remuneration, number of positions, allowances and other facilities of the employees proposed by the District Development Committee.
- (i) To decide on the sale and disposal, transfer of or letting on hire, the property of the District Development committee.
- (j) To delegate some of the powers conferred on it to the District Development Committee.

(2) The District Development Committee shall not be entitled to carry out the following functions unless a resolution is passed by a majority of the total number of Members of the District Council:

- (a) To sell and dispose of, or transfer the property of the District Development Committee.
- (b) To raise loans.
- (c) To impose taxes, fees, charges, duties.
- (d) Any other matter as prescribed.

(3) The District Council shall exercise the power conferred on it under this Act and Rules and by-laws made under this Act.

(4) The District Council shall form an accounts committee under the chairmanship of any Member of the District Council, comprising in maximum of five members including him, and the functions, duties and powers of such a committee shall be as prescribed.

(5) The District Council may form different committees in a manner that the other Members of the District Council, except those who are the members of the accounts committee referred to in subsection (4), are included in subject-wise committees as prescribed to render necessary advice and suggestions to the District Council.

(6) The other functions, duties and powers of the District Council shall be as prescribed.

189. Functions, Duties and Powers of the District Development Committee:

(1) In addition to implement and cause to be implemented, the decisions and directions of the District Council, the functions and duties of the District Development Committee shall be as follows:

(a) Relating to Agriculture:

- (1) To make District level policy on agriculture and livestock development, and formulate and operate programmes in consonance therewith, and inspect and monitor, and cause to be inspected and monitored, the programmes operated.
- (2) To arrange for, and cause to be arranged for, the seeds, fertilizers and other agricultural inputs required in the District
- (3) To provide, and cause to be provided, the services relating to agriculture extension in the district development area
- (4) To promote, and cause to be promoted, the agricultural Haat markets and fairs.
- (5) To manage and cause to be managed, the markets for agricultural products.

(b) Relating to rural drinking and Habitation Development:

- (1) To formulate and implement, and cause to be implemented, such drinking water plans as are to benefit the people in more than one village development area in rural areas of the district development area.
- (2) To formulate plans on habitation and market development in rural areas of the district development area, and implement and cause to be implemented them.

(c) Relating to Hydropower:

To formulate, implement, operate, distribute and maintain and repair projects on mini and micro hydropower and other energy, and cause to be done the same.

(d) Relating to Works and Transport:

- (1) To prepare a master plan of district-level roads in the district development area and get it approved by the District Council.
- (2) To build, operate, monitor, evaluate and maintain and repair the approved District level roads, and cause to be done the same.
- (3) To formulate, build and maintain and repair the plans of suspension bridges required in the district development area, and cause to be done the same.
- (4) To make necessary arrangements on the means of transport to be operated within the district development area.
- (5) To give licence to "D" class contractors and cancel and renew it pursuant to the prevailing law.
- (6) To develop and promote the water-ways and ropeways.

(e) Relating to Land Reforms and Land Management:

To protect and promote the (unregistered) land and government barren land situated within the district development area.

(f) Relating to Development of Women and Helpless People:

- (1) To prepare and implement a plan required for the upliftment of the women in the district development area.
- (2) To carry out acts on the protection of the orphans, helpless women, the aged, disabled and incapacitated persons as per the national policy, and to carry out or cause to be carried out acts on the wiping out of social ill-practices and the protection of the girls and women.

(g) Relating to Forest Environment:

- (1) To prepare plans on forests, vegetation, biological diversity and soil conservation, and implement and cause to be implemented the same.
- (2) To protect and promote, and cause to be protected and promoted, the environment.

(h) Relating to Education and Sports:

- (1) To set priority for establishing schools in the district development area and make recommendation therefore.
- (2) To make recommendation, setting out rationale and reasons, for the approval and dissolution of the schools in the district development area.
- (3) To supervise and monitor the schools in the district development area and assist in their operation and management.
- (4) To formulate policies and programmes on the District level adult education as well as informal education.
- (5) To set programmes relating to sports and physical development, and implement and cause to be implemented them.
- (6) To form a District level sports development committee.

(i) Relating to Wages for Labour:

- (1) To determine rate of wages for labour and rate of workmanship at the district level.
- (2) To set and operate programmes on abolition of child labour and rescue of the children,

(j) Relating to Irrigation and Soil-erosion and River Control:

- (1) To formulate, implement, operate and maintain and repair programmes on irrigation, ditch, embankment and small ditch providing facility to more than one village development area in the district development area, and cause to be done the same.
- (2) To formulate plans on prevention of soil-erosion, river cutting etc. in the areas affected from such acts, and implement and cause to be implemented the same.

(k) Relating to Information and Communications:

- (1) To give approval to set up cinema halls in the district development area except the Municipality area.
- (2) To open district level libraries, reading rooms and information centres, in other rural areas except the Municipality area in the district development area.

(l) Relating to Language and Culture:

- (1) To keep records of culturally and religiously important places located within the district development area and to preserve and promote them by having them repaired and maintained.
- (2) To promote, and cause to be promoted, various languages, religions and cultures,
- (3) To preserve, promote and use, and cause to be preserved, promoted and used, the archaeological objects, languages, religion, art and culture within the district development area.

(m) Relating to Cottage Industry:

- (4) To maintain records of the cottage industries to be establish within the district development area.
- (5) To identify and develop an industrial zone in the district.

(n) Relating to Health Service:

- (1) To operate and manage, and cause to be operated and managed, the district level health posts, hospitals, Ayurvedic dispensaries, health centres, health offices etc.
- (2) To formulate and implement the programmes such as family planning, mother child welfare, extensive vaccination, nutrition and population education and public health.
- (3) To give approval to open subhealth posts in the village development areas under the district development area and inspect and monitor them.
- (4) To make arrangements for the supply of such medicines and materials and equipment relating to treatment as required for the district development area, and inspect and monitor the quality standards thereof.

- (5) To prohibit or remove the public use of the things injurious to the public health in the district development area.
- (6) To prohibit the sale, distribution and consumption of such consumable goods as may cause adverse impacts on the public health.

- (o) Relating to Tourism: To protect, promote, expand and utilize the natural, cultural, historical and tourist heritages in the district development area, and cause to be done so.

(p) Miscellaneous:

- (1) To maintain data of the district development area.
- (2) To carry out necessary acts in respect of controlling natural calamities.
- (3) To protect the movable and immovable properties remained under the ownership and control of the District Development Committee.
- (4) To draft the bylaws of the District Development Committee and submit it to the District Council.
- (5) To carry out such other functions as prescribed under the prevailing law.

(2) The District Development Committee may give grants for the approved programme to any organization, association or body, being subject to the approved budget.

(3) The District Development Committee may, subject to this Act, carry out the development and construction works by entering into agreement as prescribed with any individual, governmental or non-governmental organization or person. Information on the agreement so entered into shall have to be given to His Majesty's Government.
Provided that without prior approval of His Majesty's Government no such agreement shall be entered with any international non-governmental organization or foreigner.

(4) If it is received information that any project or programme of national level operated in the district development area has not been operated effectively or any kind of irregularity has been done there, the District Development Committee may give necessary suggestions in that regard or make recommendation to the concerned body for action.

(5) In addition to those as mentioned in this Act, other functions, duties and powers of the District Development Committee shall be as prescribed.

190. Power to Form Subcommittee:

- (1) The District Development Committee may, as per necessity, form a subcommittee to render assistance in its functions.
- (2) The subcommittee to be formed pursuant to subsection (1) may consist of the representative of the consumers' group, the representative of non-governmental organizations, women, backward class, intellectuals, social worker and experts.
- (3) The functions, duties, powers and procedures of the subcommittee to be formed pursuant to subsection (1) shall be as prescribed by the District Development Committee.

APPENDIX VIII

Excerpts of Articles Related to Judiciary Roles of Local Level Self-Governing Institutions from the Local Self-Governance Act 2055

Part 2

Provisions Relating to Village Development

Chapter 5

Judicial Power of Village Development Committee

33. Judicial Powers: The Village Development Committee shall have the power to hear and settle at first instance the following cases within such village development area from such date as may be prescribed by His Majesty's Government by publishing a notification in the Nepal Gazette

- (a) Cases on border/boundary of land, public land, *sandhi sarpan* (inconvenience in respect of boundary or way-outs), *aaali dhur*, canals, dams, ditches or allocation of water and encroachment on roads or way-outs,
- (b) Cases on compensation for damage of crops,
- (c) Cases on forced labour (*beth-begar*) and cases under the Chapter on Wages,
- (d) Cases under the Chapter on Paupers,
- (e) Cases under the Chapter on Missing and Finding of Quadrupeds,
- (f) Cases under No. 8 and 9 of the Chapter on Construction of Houses,
- (g) Cases under the Chapter on *Kalyan Dhan* (hidden and unclaimed properties),
- (h) Cases under the Chapter on Deposits except those under No. 5 of that Chapter,
- (i) Cases on providing expenses for food and clothing according to status and income under No. 10 of the Chapter on Partition,
- (j) Cases on uses of water bank and security of public property,
- (k) Cases under the Chapter on Quadrupeds other than the killing of cow,
- (l) Cases on pasture land, grass, fuel woods,
- (m) Cases on entering into, staying in or attempting to enter in or stay in another's house forcefully,
- (n) Except those cases referred to in Annex-1 and Annex-2 of the Government Cases Act, 2049 (1993), such other cases as assigned by. , His Majesty's Government by publishing a notification in the Nepal Gazette,

34. Formation of Arbitration Board:

- (1) The Village Development Committee shall form an arbitration board to hear and settle the cases filed in the Village Development Committee under Section 33.
- (2) In forming the arbitration board by the Village Development Committee pursuant to subsection (1), it shall appoint in the arbitration board three persons as agreed upon between

the parties to a case, from amongst the persons enlisted in the list of arbitrators referred to in Section 35.

(3) In case the parties to a case fail to reach an agreement in the appointment of arbitrators under subsection (2) from amongst the persons enlisted in the list of arbitrators, the parties to the case shall appoint each arbitrator of their own and provide the name of such arbitrator to the Village Development Committee.

The Village Development Committee, after having so received the names of two arbitrators, shall appoint one other arbitrator from amongst the persons enlisted in the list of arbitrators referred to in Section 35.

(4) In cases where the parties to a case fail to reach an agreement on appointment of arbitrators pursuant to subsection (2) or the parties to the case do not send the name of one arbitrator each appointed by them under subsection (3), the Village Development Committee shall appoint the three persons from amongst the persons enlisted in the list of arbitrators referred to in Section 35, as arbitrators.

(4) The Village Development Committee shall designate one arbitrator as the chairman of the arbitration board from amongst the arbitrators appointed as arbitrators under subsections (2), (3) or (4).

35. List of Arbitrators:

(1) For the purpose of bearing and settling the cases filed- under this Act at first instance, the Village Development Committee shall prepare a list of arbitrators, setting out their names, surnames and addresses as well, comprising such persons from among the local persons and social workers, as are deemed appropriate, with the consent of such persons, and shall publish it in the Office of the Village Development Committee for public information.

(2) The Village Development Committee shall have to include the women and backward class as well, to the extent possible, in the list of arbitrators referred to in subsection (1).

36. Exercise of Jurisdiction:

(1) The three arbitrators shall collectively exercise the jurisdiction of arbitrators and the opinion of majority shall be deemed the decision of the arbitrators.

(2) In case the majority of the arbitrators could not be formed under subsection (1) and they hold different opinions, such opinions shall be submitted to the Village Development Committee and the opinion supported by the Village Development Committee shall prevail on that matter.

37. Process of Decision Making:

(1) The arbitrators shall, to the extent possible, cause the concerned parties to negotiate with each other on the case submitted to them and have the case compromised.

(2) In case the arbitrators fail to have compromise pursuant to subsection (1), they shall exercise their jurisdiction under Section 36 on such case and decide it.

38. Crossing off the case list: In case a compromise or decision is made under Section 37, the Village Development Committee shall put its seal on the compromise or decision, mention it in its records and cross off the list of that case filed in the Village Development Committee.

39. Procedures on Cases: The process of filing the cases to be initially heard and settled by the Village Development Committee under this Act, the method of examination and proceedings on such cases, the process of the service of summons, the process of getting the parties appeared, provision on time-limit, period for disposal of cases, the procedures on making compromise or decision shall be as prescribed.

40. Right to Appeal: Any party not satisfied with a decision made pursuant to subsection (2) of Section 37 may appeal to the concerned District Court within thirty-five days of the hearing or knowledge of the decision.

41. Enforcement of Decisions:

- (1) In cases where the parties agree to fulfill any obligation of making payment or handing over things according to a compromise or decision made in regard to a case under the jurisdiction of the Village Development Committee, the Village Development Committee shall at once execute or cause to execute the compromise or decision.
- (2) In cases any party fails to fulfill obligation of making payment or handing over things under the compromise or decision, the Village Development Committee shall forward a list along with the details of the obligation to be so paid or fulfilled to the concerned Land Revenue Office.
- (3) The Land Revenue Office shall, upon being so requested under subsection (2), have to execute the compromise or decision by fulfilling the procedures under the prevailing law.

42. Transfer of Cases: The cases or complaints lying before the Village Development Committee constituted under the Village Development Committee Act, 2048 (1991) shall be transferred to the Village Development Committee constituted under this Act.

Chapter 8

Punishment

70. Punishments and Penalty May Be Imposed:

- (1) In cases any person does any of the following acts within the village development area, the Village Development Committee may punish him as follows:
 - (a) If any one does such acts as to plant trees, erect a wall, or construct house, shed etc. with an intention of causing obstacles to others, the Village Development Committee may order to remove such tree, or construction and, if the concerned person does not remove these objects as per such order, the Village Development Committee may remove the same. The expenses incurred while so removing may be recovered from the concerned person being reluctant to carry out the order and such person may be punished with a fine of up to one thousand rupees.

- (b) If any one constructs or places drainage, toilet, safety-tank etc. or does similar acts creating obstacles and barriers with an intention of causing trouble to others, the Village Development Committee may order to stop such act or demolish or remove such construction. If any one disagrees to stop, demolish or remove according to such order, the Village Development Committee may depute persons to, stop, demolish or remove the same. The expenses incurred while so demolishing or removing shall be recovered from the concerned person who has not obeyed the order and such person may be punished with a fine of up to one thousand rupees.
- (c) If any one dumps solid wastes at places other than those designated within the village development area, such person may be punished with a fine of up to one hundred rupees, and the expenses to be incurred on removal of such solid waste may also be recovered from the concerned person.
- (d) If any person without permission of the Village Development Committee erects fences or enclosures on or stops any public road, tracks and trails or place, and causes obstruction to the movement, the Village Development Committee shall require him to remove such fences or enclosures or things of obstruction and may punish him with a fine of one hundred to five hundred rupees.
- (e) If any person damages or causes loss to, or encroaches on, or misappropriates any public property or destroy any public structure within the village development area, such person shall be liable to punishment if any, prescribed under the prevailing law, and, if no such punishment is provided for, the Village Development Committee may punish such person with a fine of up to five thousand rupees, and may recover the amount of such loss or damage from the concerned person or require such person to render them into original condition.
- (f) If any person constructs a building, shed etc. without authorization on public land or does such construction works by encroaching public land situated within the village development area, the Village Development Committee may punish the person carrying out such construction works with a fine of up to five thousand rupees and 'may order' to demolish the building, sheds, etc., so constructed. In case any person does not obey such an order, it may depute persons to demolish such buildings, sheds, etc. The Village Development Committee may realize and collect the expenses incurred for such demolition from the concerned person.
- (g) If any person dumps solid wastes at the house, courtyard, or yard of any neighbor or does any act fouling the environment, the Village Development Committee may punish such person with a fine under clause (c) and require such person to remove such solid wastes.
- (h) If any person carries out such activity as to disturb peace in the neighboring place or society by way of installing any type of instrument, or through any equipment or means of entertainment within the village development area the Village Development Committee may order not to do such act or to remove the equipment if it is so required; and If the concerned person does not carry out such order, the concerned person may be punished with a fine of up to five hundred rupees.
- (i) The Village Development Committee may order to place a price index on the shops, and it may fine the concerned shop-owner with an amount of up to five hundred rupees, in case such shop does not place the price index accordingly.

- (j) It shall arrange for pinfolds in the Village Development Committee and the Wards to control strayed quadrupeds and may realize and recover the claimed amount or crops in accordance with the law.
- (2) In case any person does not pay the taxes, fees, charges, fares imposed or levied by the Village Development Committee or any other amounts due and payable to it, the Village Development Committee may punish such person with a fine of up to five hundred rupees and may stop the service made available by the Village Development Committee, in regard to such person.
- (3) In case any person commits any act in contravention of this Act, or the Rules, Bye-laws or Orders made under this Act, such person shall be prescribed with punishment, if any, prescribed elsewhere in this Act, and if punishment is not so prescribed, the Village Development Committee may punish such person with a fine of up to five hundred rupees.
- (4) If any person who has already been punished under this Section, commits the same offence again the Village Development Committee may punish such person with two-fold punishment for each instance.
- (5) Any party who is not satisfied with the punishment imposed by the Village Development Committee under this Section may appeal to the concerned District Court within thirty-five days of the date of knowledge of such decision.

71. Recovery of Punishment and fine: The punishment and fine imposed by the Village Development Committee under Section 70 shall be recovered by following the process as referred to in Section 260.

Part 3

Chapter 5

Judicial Power of Municipality

101. Judicial Powers: The Municipality shall have power to hear and settle at first instance the following cases within such Municipality area from such date as may be prescribed by His Majesty's Government by publishing a notification in the Nepal Gazette:

- (a) Cases on border/boundary of land, *sandhi sarpan* (inconvenience in respect of boundary or way-outs), *aali dhur*, canals, dams, ditches or allocation of water and encroachment on roads or way outs,
- (b) Cases on compensation for damage of crops,
- (c) Cases on forced labour (*beth-begar*) and cases under the Chapter on Wages,
- (d) Cases under the Chapter on Paupers,
- (e) Cases under the Chapter on Missing and Finding of Quadrupeds,
- (f) Cases under No. 8 and 9 of the Chapter on Construction of Houses.
- (g) Cases under the Chapter on *Kalyan Dhan*. (hidden and unclaimed properties).
- (h) Cases under the Chapter on Deposits except those under No. 5 of that Chapter,
- (i) Cases on providing expenses for food and clothing according to status and income under No. 10 of the Chapter on Partition,

- (j) Cases on uses of water bank and security of public property,
- (k) Cases under the Chapter on Quadrupeds other than the killing of cow,
- (l) Cases on pasture land, grass, fuel woods,
- (m) Cases on entering into, staying in or attempting to enter in or stay in other's house forcefully,
- (n) Except those cases referred to in Annex 1 and Annex 2 of the Government Cases Act, 2049 (1993), such other cases as assigned to the Municipality by His Majesty's Government by publishing a notification in the Nepal Gazette.

102. Formation of Arbitration Board:

- (1) The Municipality shall form an arbitration board to hear and settle the cases fled in the Municipality under Section 101.
- (2) In forming the arbitration board by the Municipality under subsection (1), it shall appoint three persons as agreed upon between the parties to a case from amongst the persons enlisted in the list of arbitrators referred to in Section 103, as arbitrators.
- (3) In case the parties to a case fail to reach an agreement in the appointment of arbitrators under subsection (2) from amongst the persons enlisted in the list of arbitrators, the parties to the case shall appoint each arbitrator of their own and provide the name of such arbitrator to the Municipality. The Municipality, after having so received the names of two arbitrators, shall appoint one other arbitrator from amongst the persons enlisted in the list of arbitrators referred to in Section 103.
- (4) In cases where the parties to a case fail to reach an agreement on appointment of arbitrators pursuant to subsection (2) or the parties to the case do not send the name of one arbitrator each appointed by them under subsection (3), the Municipality shall appoint the three persons of the concerned Ward, to the extent possible, from amongst the persons enlisted in the list of arbitrators referred to in Section 103, as arbitrators.
- (5) The Mayor shall designate one arbitrator as the chairman of the arbitration board from amongst the arbitrators appointed as arbitrators under subsections (2), (3) or (4).

103. List of Arbitrators:

- (1) For the purpose of hearing and settling the cases filed under this Act at first instance, the Municipality shall, immediately after the constitution of the Municipality, prepare a list of arbitrators, setting out their names, surnames and addresses as well, comprising such persons from among the local persons. Social workers and legal experts, as are deemed appropriate, with the consent of such persons, and shall publish it in the Municipality office for public information.
- (2) In preparing the list of arbitrators under subsection (1), it shall have to be so prepared that all the Wards of the Municipality can be represented, to the extent possible.
- (3) The women and back ward class as well, to the extent possible, shall be included in the list of arbitrators referred to in Subsection (1).

104. Exercise of Jurisdiction:

- (1) The three arbitrators shall collectively exercise the jurisdiction of arbitrators and the opinion of majority shall be deemed the decision of the arbitrators.

(2) In case the majority of the arbitrators could not be formed under subsection (1) and they hold different opinions, such opinions shall be submitted to the Municipality and the opinion supported by the Municipality shall prevail on that matter.

105. Process of Decision Making:

- (1) The arbitrators shall, to the extent possible, cause the concerned parties to negotiate with each other on the case submitted to them and have the case compromised.
- (2) In case the arbitrators fail to have compromise pursuant to subsection (1), they shall exercise their powers under Section 104 and decide the case.

106. Crossing off the Case List: In case a compromise or decision is under Section 105, the Municipality shall put its seal on the compromise or decision, mention it in its records and cross off the list of that case filed in the Municipality.

107. Procedures on Cases: The process of filing the cases to be initially heard and settled by the Municipality under this Act, the method of examination and proceedings on such cases, the process of the service of summons, the process of getting the parties appeared, provision on time-limit, period for disposal of cases, the procedures on making compromise or decision shall be as prescribed.

108. Right to Appeal: Any party not satisfied with a decision made pursuant to subsection (2) of Section 105 may appeal to the concerned District Court within thirty-five days of the hearing or knowledge of the decision.

109. Enforcement of Decisions:

- (1) In cases where the parties agree to fulfil any obligation of making payment or handing over things according to a compromise or decision made in regard to a case under the jurisdiction of the Municipality, the Municipality shall at once execute or cause to execute the compromise or decision.
- (2) In cases any party fails to fulfil obligation of making payment or handing over things under the compromise or decision, the Municipality shall forward a list along with the details of the obligation to be so paid or fulfilled to the concerned Land Revenue Office.
- (3) The Land Revenue Office shall, upon being so requested under subsection (2), have to execute the compromise or decision by fulfilling the procedures under the prevailing law.

110. Transfer of Cases: The cases or complaints lying before the Municipality constituted under the Municipality Act, 2048 (1991) shall be transferred to the Municipality constituted under this Act.

Chapter 10

Punishment

165. Power of Municipality to Punish:

- (1) The Municipality may punish as follows on the following matters:
 - (a) If any one constructs or places drainage, toilet, safety-tank etc. or does similar acts creating obstacles and barriers with an intention of causing trouble to others, the Municipality may order to stop such act, or demolish or remove such construction. If any one disagrees to stop, demolish or remove according to that order, the Municipality may depute persons to stop, demolish or remove the same. It may realize the expenditures incurred for so demolishing or removing from the concerned person who has not obeyed the order, and punish such person with a fine of up to fifteen thousand rupees.
 - (b) If anyone does such acts within the municipal area as to plant a tree, erect a wall or construct a building, shed with an intention of causing obstacles to others, the Municipality may order to remove such a tree, wall or building, shed, and if the concerned person does not remove it as per the order, the Municipality may depute persons to remove the same. It may realize the expenditures incurred for so removing from the concerned person who has not obeyed the order, and punish such person with a fine of up to fifteen thousand rupees.
 - (c) If anyone dumps solid wastes at any places other than those designated within the municipal area, it may punish such person with a fine of up to fifteen thousand rupees, and realize from such person the expenditures to be incurred to on removal of such solid wastes.
 - (d) If any person, without permission of the Municipality, erects fences or enclosures on or stops any public road or place and causes obstruction to the movement, it may require him to remove such fences or enclosures or the things of obstruction, and punish him with a fine of up to fifteen thousand rupees.
 - (e) If any one damages, or causes loss to, or encroaches on, or misappropriates, any public property or destroy any public structure within the municipal area, such person shall be liable to punishment, if any, prescribed under the prevailing law; and if no such punishment is provided for, the Municipality may punish such person with a fine of up to fifteen thousand rupees, and may recover the amount of such loss from the concerned person or require such person to render it into original condition.
 - (f) If any one dumps solid wastes at one's own house, the neighbour's house, courtyard, Junction, or does any act fouling the environment, the Municipality may punish such person with a fine of up to fifteen thousand rupees, and may recover the amount of such loss or damage from the concerned person or require such person to render them into original condition.
 - (g) If any one carries out such activity as to disturb peace in the neighbouring place or society by installing any type of instrument, or by any equipment or means of entertainment within the area of Municipality, the Municipality may order not to do such act or to remove the equipment, if it is so required; and if the concerned person does not carry out such order, it may punish such person with a fine of up to fifteen thousand rupees.
 - (h) The Municipality may order to place a price index on the shops within its jurisdiction, and it may fine the concerned shop-owner with a fine of up to fifteen thousand rupees, in case such shop does not place the price index accordingly.

(2) If any one does not pay the taxes, fees, charges, tariffs contracted or imposed by the Municipality and any other amount due and payable to it, the Municipality may take action as follows

- (a) If any one does not pay the taxes, fees, charges, which may be collected under this Act and other amounts due and payable to the Municipality, it may write to the concerned body to stop the transfer of ownership of the movable, immovable property of such person, may seal or lock up the trade, profession, and withhold the transactions including export and import.
- (b) If the amount, which the Municipality is entitled to collect under this Act, could not be covered up even from the stoppage of the house, land, transaction or assets of the concerned person pursuant to clause (a), the Municipality may recover it by auctioning his house, land or other assets, if any.
- (c) In cases where any contractor has furnished any deposit or guarantee in the course of any act or transaction under this Act but has failed to carry out such act accordingly, the Municipality may realize by forfeiting such deposit or auctioning off such guarantee.

Provided that in case the proceeds of amount received from the forfeiture or auction sale exceed the amount payable by such person to the Municipality, the excess amount shall have to be returned to the concerned person.

- (3) In auctioning by the Municipality pursuant to clause (b) or (c) of subsection (2), it shall do it according to the prevailing law.
- (4) If any one does not pay any taxes, fees, charges, duties, tariffs and any other amount due and payable under this Act, the Municipality may stop the service provided by it, in regard to such person.
- (5) If any one commits any act in contravention of this Act or the Rules, Bye-laws or Orders made under this Act, such person shall be punished with punishment, if any, prescribed elsewhere in this Act, and if punishment is not so prescribed, the Municipality may punish such a person with a fine of up to one thousand rupees.
- (6) If any one who has already been punished under this Section commits the same offence again, the Municipality may punish such person with two-fold punishment for each instance.
- (7) Any party who is not satisfied with the punishment imposed by the Municipality under this Section may appeal to the concerned District Court within thirty-five days of the date of knowledge of such a decision.

166. Recovery of Punishment and Fine. The punishment and fine imposed by the Municipality pursuant to this Act shall be recovered by following the process as referred to in Section 260.