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Strengthening the knowledge infrastructure system: A review of the national policies for addressing poverty and marginality

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1. Introduction

The aim of this project is to explore and expose the strategies, challenges, and overall political capabilities of the poor and marginalized urban population for accessing various infrastructures such as road, drinking water, electricity, sewerage, market, network, and relation. Hence it is important to understand the broader policy context and how different policies (can) facilitate or constrain for enhancing political capability, i.e. ability to access urban services and take part and voice in the decisions related to the urban infrastructure systems. Policy mapping includes a review of (i) urban development policies and investment plans (ii) policies related to marginalization (and social inclusion), informality and poverty reduction.

Aiming to strengthen the knowledge infrastructure system needed for exploring and improving the access of poor and marginalized groups to various services in the urban context of Nepal, this document reviews the concept of poverty and marginality and, primarily, reviews various national policy documents with a focus on poverty and marginality issues, and discusses the policy gaps. The reviews reflect on

- How do these policies define or identify poor and marginalized?
- What provisions do these policies have for inclusion of poor and marginalized groups?
- Do these policies envision or mandate any institutional or organizational structures, mechanisms and processes in improving the access of such groups to resources and decision-making processes?
- What the policies frame as “risk” for urban development and for addressing marginality, reducing poverty and the issues of informal settlements.
- What responses or strategies do these policy documents take for managing or reducing these risks and what they frame as risk-sensitive planning.
- What are the (potential) risks or weaknesses of these policies in including the marginalized groups and improving their access to resources and services?

This is followed by a discussion of the findings in relation to our research sites, Manohara informal settlement and Dhulikhel municipality. Subsequently, the report on “Exploring potential study

sites in Dhulikhel Municipality: Summary”, which we shared in May, has also been included at the end.

2. Poverty and Marginality: Understanding the concepts

2.1 Poverty: A brief review of the conceptual transition

Poverty is described in different ways. Historically, poverty has been defined in monetary terms using income or consumption levels. Over the past centuries, mainstream thinking on poverty has changed substantially from one that considered poverty “inevitable” “trap” to one that considers poverty a “social ill” that can be reduced and even eliminated through public action (see Ravallion, 2016). The single dimensional definition of poverty based on Income/Consumption (I/C) Approach evolved to include the idea of “basic needs”. This approach to poverty, interpreted in terms of minimum specified quantities of goods and services a person needs to survive, was highly popular in the 1970s (Ravallion, 2016; Shaffer, 2008). This poverty discourse has been broadened through conceptualization of poverty as “relative deprivation”, including income and other resources, as well as social conditions to participate actively in society and drawing attention to the issues of vulnerability, exclusion, inequality and human rights (Shaffer, 2008; Sen, 2000). The concept of relative deprivation adds a whole new dimension to absolute poverty concepts as it provides a more comprehensive understanding of the causes of poverty that are multifaceted and complexly interlinked (von Braun and Gatzweiler, 2014). This idea of poverty as a relative and multidimensional phenomenon was explained by Peter Townsend (Townsend, 1979) and further developed by Chambers (Chambers, 1983). While it is now understood that poverty is a multidimensional phenomenon, appropriateness of a multidimensional index for policy purposes than treating each indicator separately is still debated (Shepherd, 2013). The poverty line, the idea that classifies those that live below a given level of income as poor, was introduced as a measure to compare poverty levels across countries and over time (Ravallion, 2013). In 1990, the extreme poverty line for developing countries was set at US\$1 per person per day. The US\$1-a-day threshold was increased to US\$1.25 in 2008, and in

October 2015 to US\$1.90 to reflect the actual national poverty lines in the 15 poorest countries (PovcalNet – The World Bank).

The views on how best to fight poverty have also evolved over many centuries. The idea of poverty as a social ill that can be avoided through public action emerged in the nineteenth century and was reinforced since 1960s.¹ In this modern approach state has a prominent responsibility for addressing poverty and various “antipoverty policy” responses and the interventions targeted directly at poor people have emerged. Over the years, it is widely accepted that eliminating poverty is an essential precondition for growth and that governments (in both rich and poor countries) and the international development aids should give greater emphasis on poverty reduction as a legitimate goal of public action. Millennium Development Goals (MDGs) developed in the 1990s and ratified in 2000 targeted halving the developing world’s 1990 “\$1 a day” poverty rate by 2015. The MDG target of halving the proportion of people living below the extreme poverty line was achieved five years ahead of the 2015 deadline (United Nations, 2015).² However, poverty remains widespread global issue, with growing relative poverty within and across countries (OECD, 2013). Continuing the efforts against poverty, Sustainable Development Goal 1 (SDG) targets to end poverty in all forms and dimensions by 2030. Target 1.1 of SDG aims at eradicating extreme poverty, measured as living on less than US\$1.25 a day, by 2030 for all people. It also calls for reducing at least by half the proportion of people living in poverty in all its dimensions according to national definitions. Other goals related to reducing hunger, inequalities, ensuring good health and well-being, inclusive and equitable education, gender equality, universal safe and affordable drinking water, expanding access to safe and affordable energy, employment, entrepreneurship and economic growth, and sustainable cities, communities and global peace and partnership are aligned to mobilize actions against poverty by all member countries, which include Nepal.

¹ According to Ravallion (2016) the idea of a public responsibility for poverty had very little support two hundred years ago, or even a century ago. Widespread was the idea that the poor are to blame for their poverty (Chamber, 1983).

² The MDGs assessment by United Nations claims the proportion of people living on less than \$1.25 a day globally fell from 36% in 1990 to 15% in 2011 (United Nations, 2015).

Nepal has more than halved the proportion of people living in absolute poverty, from 49% in 1992 to 23% in 2015 and substantially reduced the multi-dimensional poverty (NPC, 2017; 2018). Government of Nepal envisages upgrading Nepal from a least development country to a middle-income country by 2030, with absolute poverty in the low single digits.³ These national and international commitments against poverty provide important enabling environment for enhancing political capabilities of the poor people who often remain marginalized from the main stream of development planning and activities. While there has been a considerable progress against extreme absolute poverty, progress has been uneven and the rising inequality constraints continuing progress against poverty (NPC, 2017; 2018).

2.2 Marginality

Definitions of marginality are many and diverse (Cullen and Pretes, 2000, Gurung and Kullmai, 2005; von Braun and Gatzweiler, 2014). Wilson (2015) states the term marginal comes from the Latin, “marginalis,” which relates to an edge or border. von Braun and Gatzweiler (2014) define marginality as “an involuntary position and condition of an individual or group at the margins of social, political, economic, ecological, and biophysical systems, that prevent them from access to resources, assets, services, restraining freedom of choice, preventing the development of capabilities, and eventually causing extreme poverty”. As rightly pointed by von Braun and Gatzweiler (2014), the concept of marginality, influenced by Sen’s “capability approach”, facilitates to reveal real opportunities or barriers that exist as a result of what people have (goods, rights, knowledge, and opportunities) and where they are (understood as their geographical location or their positions within socio-political and economic systems) in respect to their access to resources, services, or decision making. As in Sen’s capabilities approach, what matters for achieving desired well-being is not only what people have and can do, but also how they transform these assets into real and fully functioning opportunities (Nussbaum and Sen, 1993; Nussbaum, 2004; Schlosberg, 2007; von Braun and Gatzweiler, 2014). Literature notes marginality is a multi-dimensional, dynamic and relative phenomenon primarily driven and

³ <https://www.spotlightnepal.com/2019/04/21/fifteenth-5-year-plan-high-expectations/>

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defined by two major conceptual frameworks: societal and spatial (Cullen and Pretes, 2000; Gurung and Kollmair, 2005; von Braun and Gatzweiler, 2014). Spatial marginality focuses on the connectivity of geographical areas with centers of economic activity at different geographical scales (e.g., globally or regions within a country). The marginal places are however not necessarily on geographical peripheries but, are placed on the periphery of development systems that rank the places on a hierarchy relative to one another (Shields, 1991 as cited in Cullen and Pretes, 2000).

Societal marginality is concerned with “human dimensions such as demography, religion, culture, social structure (e.g., caste, hierarchy, class, ethnicity, gender), economics, and politics in connection with access to resources by individuals and groups” (Gurung and Kollmair, 2005: 10). The emphasis is on understanding the underlying causes of exclusion, inequality, social injustice, and the spatial segregation of people. Marginalization is seen here as a social construction and a manifestation of deeply embedded unequal socio-political power relations (Cullen and Pretes, 2000). Moreover, spatial and societal marginality often overlap creating and recreating disparities in access to physical and social infrastructures and services. In this regard, marginality is conceptualized as a process that emerges and evolves with time in various types and scales under socio-economical and geo-political environment (Gurung and Kollmair, 2005).

Understanding marginality entails an interdisciplinary and systemic perspective on the lives of the poor with the aim of revealing the underlying contributors to poverty, which have their roots in the functioning (or malfunctioning) of economic, sociocultural, or ecological systems (von Braun and Gatzweiler, 2014). While a person (or a group) may be simultaneously integrated with one or more centers while being marginal from one or more other centers, it is usually the poor people who get repeatedly marginalized. Yet, the concept of marginality should not be construed as an alternative to the concept of poverty. Rather these two concepts overlap and are complementary encompassing broad approaches like relative deprivation, social exclusion, or the capabilities approach (von Braun and Gatzweiler, 2014; Gurung and Kollmair, 2005). Understanding and addressing marginality demand scrutinizing the marginalization process with an emphasis on understanding the underlying causes of exclusion, inequality, social injustice and

spatial segregation of people and interlinked social, economic and political disparities among and between marginal regions and marginalized groups.

3. Review of national policies: a focus on poverty and marginality

3.1 “Poor”, poverty line and status in Nepal

Poverty Alleviation Fund Act, 2006 of Nepal defines “Poor” as “a person or a group remained below the national or regional poverty line prescribed by Nepal Government as per necessity from time to time under the set standard; remained backward on the basis of human development indicators such as education and health etc.; and excluded from the national development process on the grounds of particular gender or social group”. Nepal Living Standard Survey, 2010/11 refers “poor” as the households or persons who consume an average of less than 2,220 calories of food per person per day. The 2015 constitution of Nepal defines “indigent” as a person who earns income less than that specified by the Federal law.

Poverty in Nepal was traditionally measured by a monetary indicator, using data from Living Standard Surveys. Monetary values of consumption expenditures on multiple aspects of life, including food, education, housing, and assets were calculated for surveyed households and compared against poverty lines below which individuals are deemed poor. Poverty line is estimated based on the “Cost of Basic Needs (CBN)” approach and defined as the minimum amount of Nepali rupees needed to fulfill his/her basic needs in terms of both food and non-food goods and services (CBS, 2010). Nepal’s first comprehensive poverty assessment was published in 1991 and was based on the Multi-Purpose Household Budget Survey conducted in 1984/85. Nepal Living Standard Survey (NLSS), officially used for poverty estimation in Nepal, involves collecting data on different aspects of household welfare including consumption, income, housing, labor markets, education, health etc. The first NLSS was conducted in 1995/96 to monitor poverty, understand the drivers of changes in poverty and evaluate the impact of various government policies and programs in improving living conditions of the population.

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The NLSS in 1995/96, 2003/04 and 2010/11 show percentage of population below poverty line was 41.8% in 1995, 30.8% in 2003, and 25.2% in 2010 (NPC, 2018; CBS, 2010). These estimations of poverty followed the Cost of Basic Needs (CBN) approach (CBS, 2010). Considering the overall improvement in the economic well-being, particularly based on rising consumption data, a new poverty line was estimated in 2010 NLSS. This increased the monetary poverty rate and a new poverty line was set at NPR. 19,262, which was an increase in real value of 35% from the poverty line of NPR.7,696 per capita per year in 2004 (CBS, 2005, 2010; NPC, 2018). The poverty rate in 2010 was using the new poverty line. In 2010, the urban poverty rate was 15.5%, significantly lower than the rural poverty rate of 27.4%. Similarly, regional disparities were noted with the Mid-western and Far Western regions of the country being poorer than the rest of the country.

The National Planning Commission states that the Multidimensional Poverty Index (MPI) of Nepal is slightly adapted from the global MPI and includes multiple indicators related to health, education, and living standards rather than income and consumption based poverty line. Such an index considering multiple indicators is expected to support more effective integrated and multi-sectorial policies at both national and provincial levels (NPC, 2018). The nationally defined poverty stood at 21.6% in 2015 compared to 31% in 2004. Also, the poverty at US\$ 1.9 per day is estimated to be 36%. Nepal has also reduced the multidimensional poverty (using harmonized datasets) from 59% in 2006 to 39% in 2011 and 29% in 2014, which shows official MPI of Nepal halved between 2006 and 2014, from 0.313 to 0.127. MPI 2018 shows that 28.6% of Nepalese are multidimensionally poor. Similarly, 7% of the urban population and 33% of the rural population are multidimensionally poor. Poverty incidence is still predominantly a rural phenomenon. Nonetheless, rural poverty and inequality amongst the rural poor is declining while increasing is the inequality amongst the urban poor (ibid). Among the seven provinces, provinces 6 and 2 have the highest rate of Multidimensional poverty – with every second person being multidimensionally poor (50%) – followed by Provinces 5 and 7 (approximately 30%). Provinces 3, 4, and then 1 have the lowest MPI and incidence at roughly 12%, 14%, and 20%, respectively. The indicators that contribute most to multidimensional poverty in Nepal are: under-nutrition and households that lack any member who has completed five years of schooling. Contribution

of remittances has been a key factor in increasing per capita income and poverty alleviation in Nepal.

The poverty rate in Nepal shows a decreasing trend (see Table 1). The Government of Nepal has announced the aim to upgrade Nepal from a least development country status by 2022 and become a middle-income country by 2030. The 15th periodic plan for the fiscal year 2019/20 to 2024/25 includes a 25-year vision of “Prosperous Nepal: Happy Nepali” and has set a target double-digit economic growth in the country in the next fiscal year. The approach paper to the fifteenth periodic plan of Nepal envisages reducing extreme poverty to less than 5% and raising per capita income from US\$ 766 in 2015 to US\$ 2,500 in 2030. It has set a target of reducing nationally defined poverty to less than 5% and the multidimensional poverty to less than 7% in 2030. To address poverty faster, it has set of target of increasing the consumption share of bottom 20% household from 7.6% in 2015 to 12% in 2030. Similarly, social protection expenditure is targeted to reach 15% of the federal budget in 2030. These show poverty reduction is a major policy priority in Nepal. Poverty reduction was, however, not always the major focus of development plans in Nepal as will be discussed in the following section. Over the years, poverty reduction programs have focused on reducing rural poverty. Urban poverty, despite growing, remains largely unaddressed, including in the poverty alleviation fund.

Table 1: Temporal change in poverty rate in Nepal

| Year | Poverty rate (%) | Urban Poverty (%) | Rural Poverty (%) |
|------------|------------------|-------------------|-------------------|
| 1992 | 49% | | |
| 1995 | 41.8 | | |
| 2003 | 30.8 | | |
| 2006 (MPI) | 59 | | |
| 2010 | 25.2 | 15.5 | 27.4 |
| 2011 (MPI) | 39 | | |
| 2015 | 21.6 (23%) | | |
| 2018 (MPI) | 28.6 | 7 | 33 |

(Source: Compiled by the author based on NPC, 2017; NPC, 2018; CBS, 2010; CBS, 2005)

3.2 Periodic plans of Nepal and their priority for poverty reduction

The concept of development planning emerged in 1928 A.D. in the former Soviet Union. It became very popular after the end of 1930's great economic depression and Second World War. Nepal started formulating development plans in 1956 as a means to systematic development. The main emphasis of the first (1956-61), the second (1962-65), the third (1965-1970) and the fourth (1970-1975) was the establishment of basic infrastructures, particularly with focus on roads for linking different parts of the country as a means for socio-economic development of the country. Although the fifth five-Year Plan (1975-80) stressed the need of people-oriented development and egalitarian distribution built in the production process, it did not pay attention to structural issues. Although the Land Reform Program, the Integrated Rural Development Program and the Small Farmers Development Program were introduced in third, fourth and fifth plans respectively to equitably increase income and employment opportunities for rural poor and reduce rural poverty, these ignored the complexities of rural poverty and largely failed to reach the poor (Gewali, n. d.).

The sixth Plan (1981-1985) was the first periodic plan to explicitly accept the poverty as a prevailing problem. It stressed on increasing agricultural and industrial production and promoted women's participation in development work for addressing poverty issue. Reiterating extensive poverty as the main problem for the economic growth of the country, the seventh plan (1985-90) prioritized "basic needs" program as a strategy to address poverty. The program, however, had adopted a supply oriented approach in its formulation paying no attention to the purchasing power of the proposed consumers (GoN, 1992). It also continued women empowerment programs, which was stimulated by the United Nations celebration of 1975 as the Women's Year.

Alleviating poverty was one of the three principal objectives of the eighth plan (1992-1997) which was the first plan of the democratic government formed after the restoration of democracy in 1991. It introduced special programs for poverty alleviation targeting the population living below the poverty line. This approach of focusing poverty in a planned way was a major policy shift as

compared to the earlier plans which focused on sectorial development approach as a means of socioeconomic development of the country.⁴ However, the eighth plan lacked “clear-cut vision on decentralization ... and effective institutional system for local development and development of backward areas and ethnic groups” and consequently was unable to reduce unemployment, economic inequality and poverty (HMG, 1997). Furthermore, the Maoist Insurgency which began in 1996 disturbed the implementation of the eighth plan.

In 1996, poverty rate was approximately 42%, of which about 17.1% were ultra-poor or the poorest whose incomes are less than half the poverty line (CBS, 2005). Amid growing concerns for addressing poverty as a serious challenge for development of the country, the ninth plan (1997-2002) focused on poverty alleviation as its sole objective. Special welfare-oriented poverty alleviation programs were launched targeting “backward areas and community, disadvantaged and ‘ignored’ groups” for creating development and employment opportunities for these groups, eliminating prevailing discriminations and bringing the backward sections of society into the mainstream development. The ninth plan set a target of bringing down the population below poverty line from 42% to 32% by the end of the plan and to 10% by 2017. It confessed the marginalization of deprived and poor communities and areas from national planning process and from accessing development activities and opportunities. Agricultural Perspective Plan was promoted as a major means to improve rural economy. Its urban settlement and housing improvement program included an aim to provide cost effective and cheap housing plots to 50,000 families of backward minorities of the society, landless farmers and genuine squatters and upgrade unplanned squatters settlements in urban areas. However, the insurgency jeopardized the implementation of ninth plan leading to the diversion of development budget to security forces (Karna, 2018).

Local Self-governance Act 1999, Local Self-governance Rules 2000, Local Body (financial administration) Rules 2000 were formulated during the Ninth Plan period for strengthening the

⁴ World Bank’s World Development Report 1990 heralded a major policy shift as Poverty reduction became the World Bank’s overriding operational objective based on the labor-intensive growth and investment in human capital (health, education) with a priority for excluded population as anti-poverty strategies (Shaffer, 2008).

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decentralization process by transferring necessary authority as well as resources and means to local bodies directly and involving them in development planning and activities. Since the ninth plan, poverty eradication continues to be a major priority of the periodic plans of Nepal. The Tenth Five-Year Development Plan (2002-2007) was formulated as the Nepal's Poverty Reduction Strategy Paper (PRSP) (NPC, 2002). It advanced the policy of significant and sustainable reduction in poverty with the target to bring down the percentage of people living under poverty line to 30% by the end of the plan. It accepted that economic growth is necessary, but not sufficient, to alleviate poverty and included social inclusion as one of the four pillars of poverty reduction strategy.

The policy was formulated based on a four-pillar strategy. The pillars were:

- a) High, sustainable and broader economic growth.
- b) Social sectors and rural infrastructures development.
- c) Targeted programs
- d) Good governance

The tenth plan also accepted that the government needs to play "active role" in mainstreaming backward, oppressed society and physically challenged population. Formally all policies were directed towards mainstreaming the deprived, "helpless" backward communities and areas in sector-wise planning and development process. It recognized women as the "focal point" of development and different Commissions were established in 2002 to improve social disorders and enhance gender equality. In line with "the national objective of poverty reduction", the Poverty Alleviation fund was established in 2003 as a special and targeted program to bring the poor and excluded in the mainstream of development.

Built on the success of *People's Movement-II*, *People's War* and growing identity movements, integration of issues of minority, indigenous and other socially excluded groups became a major agenda in the eleventh plan (2007/08-2009/10). This first plan after the *People's Movement-II* of

2006, aimed laying the foundation for a “Prosperous, Modern and Just Nepal” by establishing peace, reducing unemployment, poverty and inequality. It adopted “broad-based, employment-oriented, inclusive and equitable economic growth” to alleviate poverty and establish sustainable peace (GoN, 2010). It aimed accelerating the pace of development and prioritized reconstruction of physical infrastructures damaged during the conflict, reintegration, relief to the conflict affected people, continued inclusive development and targeted programs, and increased investment in physical infrastructures, good governance and effective service delivery (GoN, 2008). A progress of 5.8% in the economic growth rate was achieved, which was above the set target of 5.5%. But the reduction in poverty to 25.4% was lower than the target of 24% during the plan period (GoN, 2010).

The economic prosperity has been the national development goal since the twelfth plan (2010/11-2012/13). The twelfth plan focused on economic prosperity. It promoted broad-based and sustainable economic growth by adopting employment-centric, equitable and inclusive development programs as the national objective. It continued the poverty reduction and human development programs and aimed improving living standards by empowering targeted groups and sectors, both socially and economically. It had set a goal to decrease the proportion of the population living below the poverty line to 21% by the end of the plan, which however was not met during the plan period.

The thirteen plan (2013-2016) reinforced the goals of eradicating economic poverty and human deprivation prevalent in the country and improving living standards with targets of lowering the percentage of people living below the poverty line from the current 23.8% to 18%, increasing the annual average economic growth rate to 6.0%, maintaining the population growth rate at 1.35% and raising the life expectancy to 71 years. However, most of these targets were not achieved due to various reasons, including the devastating earthquake of 2015 and the political protests and economic embargo by India in the southern part of the country against the new constitution. Overall nub of the 13th plan was the ambitious aspiration to upgrade Nepal from a least developed to a developing country by 2022. As a strategy to achieve this ambition, the Government of Nepal increased priority for urbanization with aspiration “to construct modern

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urban cities with the slogan of ‘Wave of Development, Well Facilitated City’” (MoF, 2015). The growing priority for urbanization is illustrated through the government decisions declaring several new municipalities, increasing the number of urban areas from 58 until mid-2014 to 293 in 2017. Ministry of Urban Development drafted the National urban Development Strategy (see MoUD, 2017) and, Kathmandu Valley Authority (KVDA) drafted long term development master plan for Kathmandu Valley (see KVDA, 2016). In line housing as a basic need recognized constitutionally, the thirteenth plan aimed to establish building sites and construct buildings to serve the poor and disadvantaged.

The fourteenth periodic plan (2016/17-2018/19) continued the focus on economic prosperity with a target of reducing poverty to 17% by FY2020 from the estimate of 21.6% in FY2016. The objective of the 14th plan was to facilitate socioeconomic transformation and poverty reduction through high economic growth, with productive employment and equitable distribution of resources for building “socialism-oriented prosperous” nation and transforming Nepal into a developing nation by 2022 and a middle-income country by 2030. Continuing its priority for urbanization, the government also announced the decision of constructing a “satellite city” with the area of 100,000 *Ropani*⁵ in Kathmandu Valley within five years and preparing detailed plan for two additional satellite cities in Kathmandu Valley,⁶ and “modern and prosperous” “smart” cities in different part of the country (see MoF, 2016).⁷

The approach paper for the fifteenth periodic plan (2019/20 to 2024/25), the first periodic plan of the federal Nepal, includes a 25-year vision of “Prosperous Nepal: Happy Nepali”. It has set a target double-digit economic growth in the country, with an average annual growth of 10.5% and raise Per capita Income (PCI) to \$12,100 in the next 25 years from the existing \$1,047. The government also prioritized poverty reduction and aims to reduce absolute poverty which at present stands at 18.7% to 4.9% by 2022 and eradicate by next 25 years. Similarly, it aims to reduce the multidimensional poverty index from 28.6% at present to 10% by 2030 and to 3% by

⁵ 1 hectare= 19.65 ropani

⁶ <https://thehimalayantimes.com/business/dpr-for-four-smart-cities-in-valley-within-next-year/>

⁷ <https://www.facebook.com/bhadgauntv/videos/680560899175168/?v=680560899175168>

the next 25 years. In this vein, the plan envisages that all three tiers of government to cooperate and undertake poverty reduction and inclusive policies and targeted programs.

The growing priority for addressing poverty in the national development plans is also stipulated by the international human rights and development agendas, particularly Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs), both of which prioritized poverty eradication as a major global goal.

3.3 Poverty Alleviation Fund (Act and Operation Manual 2006)

Poverty Alleviation Fund (PAF) focuses on poor households defined as the households whose food grain production from self-operated land, and wage earnings are insufficient to meet the food requirement of the family for a year. PAF advocates demand led community-based approach to poverty alleviation. It was initiated as a special program to reach the poor with special emphasis on women and the vulnerable groups including the Dalits, ethnic minorities and other socially excluded groups. The targeted beneficiaries of PAF are poor women, Dalits and Janjatis, the indigenous peoples/nationalities. The Dalits include Biswakarma (Kami, Sunar, Lohar, Tamata, Chunara, Aod), Darji (Damai, Pariyar, Hudke, Dholi), Sarki (Mijhar, Charmkar), Badi, Gaine (Gandharva), Kapali, Khadgi, Deula, Kuche, Chamar, Dushadh (Paswan, Hajara), Dhobi (Rajak), Tatma, Doom, Batar, Khatwe, Musahar, Halkhor, and Pattharkatta. Likewise, Janjatis include Bankariya, Kusunda, Kushbadiya, Route, Suret, Hayu, Raji, Kisan, Lepcha, Meche, Santhal, Jhangad, Chepang, Thami, Majhi, Bote, Dhanuk (Rajbansi), Lhomi (Singsawa), Thudamba, Siyar (Chumba), Baramu, Danuwar, Sunuwar, Tharu, Tamang, Bhujel, Kumal, Rajbansi (Koch), Gangai, Dhimal, Bhote, Darai, Tajpuria, Pahari, Dhokpya (Topkegola), Dolpo, Free, Mugal, Larke, (Nupriba), Lhopa, Dura, Walung, Jirel, Tangbe (Tangbetani), Hyolmo, Limbu, Yakkha, Rai, Chhantyal, Magar, Chhairotan, Tingaule Thakali, Bahragaunle, Byansi, Gurung, Marphali Thakali, Sherpa, Newar, Thakali.

PAF was formed in 2003 as an autonomous umbrella institution working through partner organizations (PO) including NGOs, private sector, civil society, community organizations, and local government agencies (VDC/DDCs). PAF is financed by the Government through

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International Development Association (IDA) grant from the World Bank. PAF involves 12 member PAF Board including the Chair, Vice-Chair, representatives from the National Planning Commission, District Development Committee Federation, Village Development Committee Federation, National Women's Commission, National Dalit Commission, and five (including a women) from persons contributing substantially to poverty alleviation in Nepal and from groups, regions which could not appropriately represent in national context. The PAF Board is mainly responsible for providing policy guidance, program approval and review of PAF activities. Initially piloted in 6 remote districts, lowest in the Human Development Index based on the 28 poverty related social-economic indicators.⁸ PAF now executes its regular programs in 55 districts, including Kavrepalanchowk to which one of our study sites belongs. However, the website is not updated and does not provide details on the areas and activities within these districts. Further it is not clear how PAF operation modality changes in federal system and how it collaborates with the local governments.

The “key aim of PAF is to reach disadvantaged and vulnerable groups that have been excluded in previous development efforts”. Towards achieving the aim, the objectives of PAF is to uplift economic and social status of the poor person, household or community through social mobilization and ensure their access to the service and facility they need. Further PAF aims to build up the capacity of such groups to exercise their right, claim and power by making them active in the decision making process of the local development fund and address “the root causes of poverty in local level and by utilizing the local know-how and resources through the medium of social mobilization”. It supports a wide range of programs including income generation, skill development, employment creation, community-based and development of small scale infrastructures that are demanded by targeted groups and community for poverty alleviation.

As stipulated in the “Poverty Alleviation Fund: Vulnerable Community Development Plan/ Operational Manual 2006”, PAF adopts demand-led community-based approaches to poverty alleviation. It adopts two operational approaches for reaching the target groups. The first

⁸ [The PAF Act mentions that these indicators are provided in Annex but annex is missing in the document available online and have not been considered in this report.](#)

approach is geographically based, targeted for underserved districts and VDCs (then local government) and within these the target groups. Under the second approach, which is not geographically based, PAF provides financial support to organizations representing target groups for programs to address their needs or to initiatives with particular innovative ways of addressing the needs of the target population. It provides grant support to targeted community groups, particularly poorer women and vulnerable groups to undertake economically viable and sustainable income/employment generating activities. Following the demand-driven approach, PAF supported activities are chosen by communities, including activities such as livestock, agriculture, crafts, forestry, trade and service sectors and the beneficiaries are required to contribute 10% in cash to qualify for the PAF grant support. Similarly, as a strategy to increase the access of the communities to infrastructure for improving the living conditions particularly of poor women, the vulnerable and socially excluded groups, PAF grant support for small-scale community infrastructure projects (CIP) chosen by the communities themselves. For this, the beneficiary community needs to contribute at least 20% of the cost of infrastructure in local labor, material, and cash with exceptions possible for situations of hardship in remote areas. The PAF act and the operation manual acknowledge that the risk for poverty alleviation in Nepal is not the lack of legal protection, policies, committees and plans, but rather their effective implementation. Despite this realization, the broader approach to reach poor and the mandatory contributions from the beneficiary disadvantaged and vulnerable to access PAF risks the continuation of business-as-usual. Without critical and careful monitoring, the resources and supports allocated for poor and vulnerable are likely to get appropriated by relatively privileged within such groups. Understanding the effectiveness of PAF in reaching the poor and reducing poverty need scrutinizing the activities undertaken PAF.

Based on the well-being ranking, the households are categorized in different categories of “poor” as shown in Table 2.

Table 2: Categorization of “poor” in Nepal

| Category | Designation | Criteria |
|----------|-------------|----------|
|----------|-------------|----------|

| | | |
|-----|-----------------|---|
| Ka | Hardcore - Poor | for food sufficiency of less than 3 months, |
| Kha | Medium-Poor | for food sufficiency of 3 to 6 months, |
| Ga | Poor | for food sufficiency of 6 to 12 months |
| Gha | Non-Poor | for food sufficiency of more than a year |

3.4 “Poor” Identity Cards

Although identifying the poor and targeting them for development has been the aim of poverty alleviation of Nepal, yet these have been often criticized for failing to reach the real poor. In 2012 the then Ministry of Cooperatives and Poverty Alleviation introduced an ambitious program to identify all poor households in the country and distribute poverty identity cards. The government launched the poor identification survey in September 2012 in 26 districts. The survey used 18 different indicators to identify the poor households, covering information about income status, consumption, education, ethnicity, toilet use, structure of dwelling, geographic location, and access to utilities, among other things. While first phase of the program conducted the survey in 26 districts, the government is preparing to initiate the survey in the remaining 51 districts and identify eligible citizens for poor identity cards that entitle them to reliefs on various government facilities. The government has conducted surveys⁹ in a number of districts to identify people living below the poverty line and has started distributing “poor identity card” in a few districts. However, this ambitious plan of the government has faced criticism for its slow progress, poor involvement of the local governments and inclusion of fake “poor” for the privileges targeted for the identified “poor” people while indigent remain excluded.

The government plans to provide the poor identity cardholders discounts on education, health facilities, transportation and foodstuffs, among others. However, this mechanism needs to learn from the past experiences and remain alert to avoid the problem of “ghost names”¹⁰ (NPC, 2012)

⁹ The first phase of the survey was done in Bhojpur, Khotang, Siraha, Sindhuli, Ramechhap, Rauthat, Gorkha, Tanahun, Baglung, Kapilbastu, Arghakhachi, Pyuthan, Rolpa, Rukum, Bardiya, Jajarkot, Dolpa, Jumla, Kalikot, Mugu, Humla, Bajura, Bajhang, Achham and Kailali. The districts included for the second phase are Taplejung, Dhankuta, Mahottari, Kavrepalanchok, Rasuwa, Lamjung, Syangja, Myagdi, Bake, Dailekh, Dadeldhura and Darchula.

¹⁰ Fake names

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in the list of beneficiaries as privileged groups taking advantage of such relief programs can exacerbate exclusion and marginalization of the poor and deprived. Poor Family Identification and Identity Card Distribution Guidelines, 2018 (2075) includes nine indicators to identify poor family (see Table 3). As per the guideline, the families which score least based on the above indicators are to be selected for the governmental facilities provisioned for the “poor”.

Table 3: Indicators to identify poor family

| S.N | Indicators | Parameters |
|-----|--|--|
| 1 | Population and human situation | family size, educational status of the family, family members studying at a private school, average life expectancy of the family members. |
| 2 | Employment status of family members | income source, numbers of dependents family members |
| 3 | Physical status of their residence (house) | ownership of house, roof type, wall of house, foundation of house, number of rooms in the house |
| 4 | Domestic services | availability of drinking water, availability and type of toilet, fuel type, type of energy used for kitchen and other domestic uses, |
| 5 | Household property | vehicle, internet connection, television, cable connection, telephone, refrigerator, number of domesticated animals |
| 6 | Geographical area and poverty based on geographical area | Geographical area (Mountain, hills, terai) |
| 7 | caste-based poverty | Marginalized caste group |
| 8 | Status of Land | Status of Land and its economic valuation |
| 9 | Income of the family | income of the family estimated based on the above indicators |

3.5 The Constitution of Nepal, 2015: A focus on the marginalized groups

Constitution is the fundamental law of Nepal (Part 1, Clause 1). The preamble of the 2015 constitution of Nepal recognizes “multi-ethnic, multi-lingual, multi-religious, multi-cultural” characteristics of Nepal. Among other, it recognizes Nepal as “an inclusive, democratic, socialism-oriented, federal democratic republican state” (Article 4). Criticizing the past unitary system of governance as the cause of discrimination and oppression, the constitution aims to “eliminate discrimination based on class, caste, region, language, religion and gender and all forms of caste-based untouchability”, “ensure economic equality, prosperity and social justice” and “build an egalitarian society founded on the proportional inclusive and participatory principles”. The constitution mentions that the nation needs “economic, social and cultural transformations” “to guarantee good governance by ensuring the equal and easy access of the people to the services and facilities delivered by the State, while making public administration fair, competent, impartial, transparent, free from corruption, accountable and participatory” (see Article 51 b).

The constitution defines marginalized as “communities that are made politically, economically and socially backward, are unable to enjoy services and facilities because of discrimination and oppression and of geographical remoteness or deprived thereof and are in lower status than the human development standards mentioned in Federal law, and includes highly marginalized groups and groups on the verge of extinction”. The constitution criminalizes any form of discrimination and the three levels of government the federal, provincial and local levels are held responsible for monitoring and raising awareness against discrimination.¹¹

It defines “minorities” as “ethnic, linguistic and religious groups whose population is less than the percentage specified by the Federal law, and includes groups that have their distinct ethnic, religious or linguistic characteristics, aspirations to protect such features and subjected to discrimination and oppression”. Right to live with dignity, right to freedom, right to equality, right to housing (Part 3, Articles 16, 17, 18, 37) are some fundamental rights enshrined in the constitution of Nepal, 2015 and the state prohibits discrimination of the citizens on grounds of

¹¹ The Caste-Based Discrimination and Untouchability (Offence and Punishment) Act, 2068 (2011)

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origin, religion, race, caste, tribe, sex, economic condition, language, region, ideology or on similar other grounds. The constitution mandates special provisions by law for the protection, empowerment or development of the citizens including the socially or culturally backward women, Dalit, indigenous people, indigenous nationalities, Madhesi, Tharu, Muslim, oppressed class, Pichhada (backward) class, minorities, the marginalized, farmers, labors, youths, children, senior citizens, gender and sexual minorities, persons with disabilities, persons in pregnancy, incapacitated or helpless, backward region and indigent Khas Arya on the basis of principle of proportional inclusion in their access to public services as well as other sectors of employment. Under the right to social justice (Article 42), “the economically, socially or educationally backward women, Dalit, indigenous nationalities, Madhesi, Tharu, Muslims, backward classes, minorities, marginalized communities, persons with disabilities, gender and sexual minorities, farmers, laborers, oppressed or citizens of backward regions and indigent Khas Arya shall have the right to participate in the State bodies on the basis of principle of proportional inclusion”. Similarly, the Constitution mandates the representation of marginalized groups, including women, Dalits, and minorities in all levels of governments on basis of “the principle of proportional participation”. It also mandates special provision for the empowerment, representation and participation of the marginalized groups in public services as well as other sectors of employment. In regards to addressing the address the historic exclusion of Dalits, the rights of Dalits (Article 40) is enshrined in the Constitution and endorses the policy to “once provide land to the landless Dalit” and “arrange settlement for the Dalit who do not have housing” in accordance with law (see clause (5) and (6) of Article 40).

The constitution protects the right against untouchability and discrimination (Article 24) and mandates that the facilities conferred to the Dalit community “must be distributed in a just manner so that the Dalit women, men and Dalit in all communities can obtain such facilities proportionately” (Article 40, Clause 7) attempting to reach the marginalized population within the marginalized groups. However, policy analysts have criticized the constitution for cluttering different terms for historically marginalized groups and lack of a comprehensive definition of discrimination but also for providing reservations to the already dominant *Khas Arya* (Karna,

2018; FWLD et al., 2018).¹² The constitution also has the provision of the National Inclusion Commission and other several marginalized groups-specific commissions as policy think-tanks to make research-based recommendations for the protection of rights and empowerment of the “Khas Arya, Pichhada class, persons with disabilities, senior citizens, labors, peasants, minorities and marginalized community, backward class, people of Karnali and the indigent class”. While the special provisions are intended for inclusion and equitable development of the “indigent” *Khas Arya*, the constitution does not clearly states this. This increase the risk of the special reservations gets appropriated by the already dominant *Khas Arya*.

In addition to introducing measures for greater inclusion of women and Dalits among the marginalized communities, for the first time in Nepal, the 2015 Constitution also recognizes the right to housing as a part of fundamental rights. Article 37 of the Constitution of Nepal recognizes the “right to housing” and provides twofold guarantees: (1) Every citizen shall have the right to an appropriate housing. (2) No citizen shall be evicted from the residence owned by him or her nor shall his or her residence be infringed except in accordance with law. Although the constitution entitles the citizens of Nepal the right to “appropriate” housing and the government has promulgated the Right to Housing Act 2018 as a step forward in materializing the housing right the *ownership* is the determinant in realizing this “right to housing”. Thus, the residents of informal settlements, without land and thus house ownership certificate, remain prone to eviction even in the “inclusive” Nepal.

In addition to issues of landless Dalits, the constitution addresses the landlessness issue under the Policies relating to social justice and inclusion (Article 51, clause 5, sub-clause 6). This aims “to identify the freed bonded labors, *Kamlari*, *Harawa*, *Charawa*, tillers, landless, squatters and rehabilitate them by providing housing, housing plot for residence and cultivable land or employment for their livelihoods”. The constitution recognizes that addressing landlessness issues calls for co-ordinated actions of different governments levels and includes the landless squatters management issue under Schedule 9, the concurrent Powers of Federation, State and

¹² <https://www.indigenousvoice.com/en/nepals-new-constitution-makes-mockery-of-reservation-policy.html>

Local Level (see Table 4). Under the policy of the state regarding the provision of basic needs, the constitution also stipulates that the policy of the state “to manage unplanned settlement and develop planned and systematic settlement” (Part 4, Clause 51, (h) Sub-clause 11).

Similarly, the constitution recognizes that “the indigent citizens and citizens of the communities on the verge of extinction shall have the right to get special opportunities and benefits in education, health, housing, employment, food and social security for their protection, upliftment, empowerment and development” (Article 42. 2). It defines “indigent” as “a person who earns income less than that specified by the Federal law”. Article 43 of the constitution states “the indigent citizens, incapacitated and helpless citizens, helpless single women, citizens with disabilities, children, citizens who cannot take care themselves and citizens belonging to the tribes on the verge of extinction shall have the right to social security, in accordance with law”. The constitution clearly mentions poverty alleviation, social security and landless squatters’ issues are among the common agendas of all three layers of government, however without clarity on operational modality, exacerbating the risk of poor co-ordination among the different organizations working on poverty reduction issues. Some other fundamental rights recognized by the constitution include right to live in clean and healthy environment (Article 30), right to free basic health services (Article 3 Clause 1) and the right of access to clean drinking water and sanitation (Article 35 Clause 4). As stipulated in this constitution “the State shall, as required, make legal provisions for the implementation of the rights conferred by this Part, within three years of the commencement of this Constitution”.

Part 4 of the constitution stipulates the “Directive Principles, Policies and Obligations of the State” as the guiding principles for the governance of the State. Under this, the responsibilities of the State include establishing “a public welfare system of governance, by establishing a just system in all aspects of the national life through the rule of law, values and norms of fundamental rights and human rights, gender equality, proportional inclusion, participation and social justice, while at the same time protecting the life, property, equality and liberties of the people, ... and incorporating the principle of proportional participation in the system of governance on the basis of local autonomy and decentralization (Article 50). Under the policies relating to political and

governance system of State is responsible to guarantee good governance by ensuring the equal and easy access of the people to the services and facilities delivered by the State, while making public administration fair, competent, impartial, transparent, free from corruption, accountable and participatory, (Article 51 Clause b Sub-clause 4). Questioning poor implementation of fundamental rights and other obligations committed in the constitution is however difficult as the constitution, in its article 55 clarifies “no question shall be raised in any court as to whether any matter contained in this Part (on the Directive Principles, Policies and Obligations of the State) has been implemented or not”, which is ironic in an inclusive democratic nation.

The constitution of Nepal has established the local governments in Nepal as federal units that are self-governed and can exercise state power autonomously. The constitution authorizes the local government with the power to make local laws without being inconsistent to federal or provincial laws. Accordingly, local governments can legislate and administer executive power with regard to 22 functions under their exclusive jurisdiction and further 15 functions with the concurrent jurisdiction of the federal and provincial governments as mentioned in Schedule-8 and Schedule-9. The executive power of the Local Level is vested in the Village Executive and the Municipal Executive and exercised under the law formed as per the legislative powers of the Local Level vested in the Village Assembly and the Municipal Assembly, as per the Constitution and the Federal laws (Constitution, Article 214).

Table 4: List of local and concurrent power

| List of Local Level Power (Schedule-8) | List of Concurrent Powers of Federation, State and Local Level (Schedule-9) |
|---|---|
| 1. Town police | 1. Cooperatives |
| 2. Cooperative institutions | 2. Education, health and newspapers |
| 3. Operation of F.M. | 3. Health |
| 4. Local taxes (wealth tax, house rent tax, land and building registration fee, motor vehicle tax), service charge, fee, tourism fee, | 4. Agriculture |

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| | |
|--|---|
| advertisement tax, business tax, land tax (land revenue), penalty, entertainment tax, land revenue collection | |
| 5. Management of the Local services | 5. Services such as electricity, water supply, irrigation |
| 6. Collection of local statistics and records | 6. Service fee, charge, penalty and royalty from natural resources, tourism fee |
| 7. Local level development plans and projects | 7. Forests, wildlife, birds, water uses, environment, ecology and bio-diversity |
| 8. Basic and secondary education | 8. Mines and minerals |
| 9. Basic health and sanitation | 9. Disaster management |
| 10. Local market management, environment protection and bio-diversity | 10. Social security and poverty alleviation |
| 11. Local roads, rural roads, agro-roads, irrigation | 11. Personal events, births, deaths, marriages and statistics |
| 12. Management of Village Assembly, Municipal Assembly, District Assembly, local courts, mediation and arbitration | 12. Archaeology, ancient monuments and museums |
| 13. Local records management | 13. Landless squatters management |
| 14. Distribution of house and land ownership certificates | 14. Royalty from natural resources |
| 15. Agriculture and animal husbandry, agro-products management, animal health, cooperatives | 15. Motor vehicle permits |
| 16. Management of senior citizens, persons with disabilities and the incapacitated | |
| 17. Collection of statistics of the unemployed | |

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| | |
|---|--|
| 18. Management, operation and control of agricultural extension | |
| 19. Water supply, small hydropower projects, alternative energy | |
| 20. Disaster management | |
| 21. Protection of watersheds, wildlife, mines and minerals | |
| 22. Protection and development of languages, cultures and | |

(Source: Constitution of Nepal, 2015)

3.6 Local Government Operation Act 2017

The Local Government Operation Act, 2017 (the “LGOA”), which replaced LSGA (1999), is the most important legislation in institutionalizing the new local governments and operationalizing the power enshrined by the constitution of Nepal. The LGOA (2017) stipulates the roles and responsibilities of both, rural and municipal governments and provides a basic structure for the working of municipal and village assemblies. Clause 11, Sub-clause 4(f) specifies social security and poverty alleviation is one of the major roles of the Local Government. The Local government is responsible to formulate social security and poverty alleviation-related local policies and legislation and undertake studies for these. They should adopt local plans and activities, mobilize local resources, and work in collaboration with institutions at the national, provincial and local levels to alleviate poverty. Local government is also responsible to conduct household surveys to identify the poor households and manage the information obtained. As part of local social security planning and management, the local level government can prioritize poverty issues and adopt special programs targeted to promote the poor, vulnerable, and marginalized groups within their jurisdiction. Under the Clause 11 4 (h), local government is also responsible for management of “squatter” population. Under this role, local government is mandated to conduct

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survey to identify squatter population and manage the record and manage livelihood and housing for the squatter population.

The local government is responsible to prepare and implement periodic as well as annual development plans and strategies for the mid-term and long-term development of the areas within its jurisdiction. These plans should be prepared within the time allocated by the central and provincial government. Aligned with the development objectives and goal of central and provincial government, the local development plans and strategies should be socially inclusive, facilitate poverty alleviation and promote gender equality and directly benefit socially marginalized groups and areas within the jurisdiction (see Chapter 6, clause 24).

In this Act, the urban areas are classified as municipality; sub-metropolitan and metropolitan (see Clause 8). The classification is mainly based on population size, annual income of residents and provision of services and suitability of infrastructure (see Table 4).

- Municipality
- Sub-Metropolitan City
- Metropolitan City

Table 5: Classification of municipalities in Nepal as the Local Government Operation Act 2017

| Categories | Location | Municipality | Sub-Metropolitan City | Metropolis |
|-------------------------------|------------------------|--------------|-----------------------|------------|
| Population of Local Residents | High Mountain | 10,000 | 200,000 | 500,000 |
| | Low Mountain and Hills | 40,000 | | |
| | Inner Madhesh | 50,000 | | |
| | Terai | 75,000 | | |
| | Kathmandu Valley | 100,000 | | |

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| | | | | |
|------------------------------|----------------|---|--|--|
| Annual Income (NPR) | Mountain | 10,000,000 | 250,000,000 | 1,000,000,000 |
| | Other | 30,000,000 | | |
| Services and Infra-structure | Education | Basic services of education as prescribed by the government | Higher education as well as technical education | Education institution up to Masters level |
| | Health | Hospital with at least 25 beds | Hospitals with at least 200 beds including at least one with 100 beds, disabled-friendly physical structures | Medical service for at least five hundred beds including at least one hospital with 100 beds and specialist doctors |
| | Transportation | Road with footpath, bus station with restroom and public toilets | Metalled main roads and other services at least as prescribed for the municipality | Bus station with terminal, parking and subway. Disabled-friendly public transportation, and at least 75% of road is metalled |
| | Communication | Basic services of communication as prescribed by the government | Basic services of communication as prescribed by the government | Basic services of communication as prescribed by the government |
| | Recreation | Open spaces and parks in each ward, availability of playground and a meeting hall | Public garden, assembly hall, stadium, gym hall and covered hall of national standard | Museum, stadium, assembly hall and exhibition area of international standard. |

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| | | | | |
|--|-----------------------------|---|--|--|
| | | | | Sufficient recreation places for children and elderly people |
| | Water Supply and Sanitation | Basic water supply, sanitation services. | Basic water supply and sanitation services. Garbage treatment and management system | Basic water supply and sanitation services. Garbage treatment and management |
| | Others | Market place, animal slaughter house, human corpse disposal place | Market place, animal slaughter houses, human corpses disposal place. Hotel, motel and resorts of tourism standards. Disable friendly and physically accessible infrastructures | Shopping mall, vegetable and fruit market, hotels of international standards. Urban greenery and scenic beauty |

(Source: Shrestha et al., 2018)

3.7 Poverty Alleviation Policy 2019 (2076)

The long-term vision of the Poverty Alleviation Policy 2019 is to end poverty and achieve equitable society. It has set a target of reducing the population below poverty to 5% by 2030 (2087) B.S and end poverty by 2043 (2100 B.S). The policy recognizes that while poverty in Nepal has been predominantly rural, in the recent years the poverty has significantly shifted to urban areas, an example is the increasing informal settlements and population in such settlements. And

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improving access of the urban poor to basic services and alleviation urban poverty is a serious challenge to achieve the national aim of poverty reduction.

The Poverty Alleviation Policy 2019 is based on six guiding policies:

1. Increasing employment opportunities and self-employment for poor individuals and families
2. Ensuring easy and equitable access of poor and marginalized group to natural resources
3. Establishing participation of poor and deprived section of population in poverty alleviation program
4. Ensuring easy and equitable access of poor and deprived section of population to basic needs.
5. Ending any form of discrimination against poor and deprived group.
6. Continuing to identify poor individuals and family, distributing “poor identity card” and using this for effectively involving the targeted groups and implementing targeted programs.

The policy prioritizes mainstreaming poverty alleviation in sectorial development policies, plan and projects by institutionalizing programs targeted for integrated socioeconomic development of poor. The policy clarifies that poverty alleviation is a joint responsibility of all three tiers of government and related activities are to be continued in coordination with non-governmental and private sectors.

The policy takes seven bases for identification of poor. These are income, consumption, access to productive resources, access to education, health services and other basic goods and services, social discrimination and exclusion, basic human rights, capability. Ministry of Land Management, Cooperatives and Poverty Alleviation (MoLCPA) is the responsible for implementation and monitoring of the programs under this policy. The policy explicitly recognizes alleviating poverty is extremely challenging and highlights 10 major challenges, including addressing existing inequalities and ensuring access to basic needs for the urban poor and alleviating urban poverty.

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1. develop a common understanding on “poor” and make the poverty alleviation integrated, meaningful and effective
2. eradicate poverty as SDG has aimed
3. existing inequalities between rich and poor and rural and urban and between different geographical region
4. Ensuring access to basic needs for the internally displaced urban poor and alleviate urban poverty
5. creating employment opportunities and reduce the out-migration and dependency on remittances.
6. utilizing socioeconomic resources for capital development
7. enhancing and improving education opportunities for children of poor families and break the poverty trap.
8. enhancing the capacity to cope with natural and climate change-induced adversities.
9. regulating inflation
10. Identifying the actual poor population and implement targeted programs effectively

Poverty Alleviation Policy 2019 acknowledges that poverty is a cross-cutting issue reducing which calls for synergies across many policies, involving many ministries for various services such as free health, education, housing, social security allowances etc. in imparting trainings for skill development and enterprise creation for the deprived sections of society. Twenty-four various programs on poverty alleviation are currently under implementation by various ministries. Among these communal housing for urban poor and urban housing project are specifically targeted for urban poor. However, lack of coordination among the several poverty alleviation programs remains a major risk in reaching to the poorest people and ensuring their access to

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resources, which is of core importance in achieving the aim of mainstreaming them into the center of development.

3.8 Gender Equality and Social Inclusion (GESI) Operational Guidelines

With gender inequality and social exclusion becoming a global concern, Nepal has also made commitments in the international arena towards non-discrimination, gender equality and social justice. Ministry of Urban Development (MoUD) has published “GESI Operational Guidelines 2013” for mainstreaming and institutionalizing gender equality and social inclusion in its portfolios and operations in an integrated manner. The main objective of this guideline is to provide guidance to ensure gender and social inclusion responsive approach is adopted in all aspects of MoUD policies, institutions and in its program/ project implementation processes in an integrated manner and monitored accordingly in order to improve the access of women, poor and excluded (WPEs) to resources, opportunities and benefits from the infrastructures-based development programs/ projects. The guidelines define “Excluded Groups” as “women, dalit, indigenous ethnic groups, madhesi, mushlim, persons with disabilities, elderly people and people living in remote areas, who have been systematically excluded over a long time due to economic, caste, ethnic, gender, disability, and geographic reasons and include sexual and gender minorities”. It defines poor as “households or persons who consume an average of less than 2,220 calories of food per person per day (according to Nepal Living Standard Survey, 2010/11)”. Vulnerable Groups, as defined in the guidelines, refer to “groups that experience a higher risk of poverty and social exclusion than the general population. Ethnic minorities, migrants, person with disabilities, the homeless, those struggling with substance abuse, isolated elderly people and children all often face difficulties that can lead to further social exclusion, such as low levels of education and unemployment or underemployment”.

A Social Coordination/ GESI Section has been formed on a permanent basis under the Planning, Monitoring and Foreign Aid Division at the MoUD office. The guideline mandates that all the central level projects and the organizations which are directly implemented and supervised by the Ministry i.e Kathmandu Valley Development Authority, Department of Urban Development

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and Building Construction (DUDBC), Town Development Fund (TDF), and High Powered Committee for Integrated Development of the Bagmati Civilization and other offices also establish a GESI Unit for the operationalization and mainstreaming of GESI related activities.

The guideline adopts identifying the barriers faced by these excluded groups in project identification, preparation and implementation level and responses at policy level, programming and budgeting level as well as institutional level and processes in addressing these barriers. The guidelines accept that the current monitoring and evaluation formats of Ministry/Department/Regional Directorate need to be reviewed and revised and MoUD aims to develop the reporting formats, monitoring process and criteria to reflect GESI disaggregation and information areas. Ministry and its Departments is mandated monitor and assess implementation of GESI related issues in projects and to complete these GESI monitoring format as routine attachments to the quarterly and annual reports. In addition, benefit monitoring and evaluation will be done regularly by third party. Similarly, provision of incentives/ awards need to be managed for the projects that have addressed GESI in the best possible manner.

This guideline mandates representatives of women and the excluded groups be placed in decision making positions in forming water user and sanitation committee. There should be at least 33% (preferably 50%) representation of women in such committees. The representation of at least one woman and one person (either male or female) from the excluded groups in the key post of Users Committee is mandatory. Project sub-committees must have at least one person (either male or female) from the excluded groups and one woman in the key post. Regarding the building construction, housing and urban development, it mandates identifying poor clusters through poverty mapping and adjust program intervention accordingly in land and housing infrastructures development.

Benefit to the women, poor and excluded (WPE) is a major part of prefeasibility and feasibility study of projects under MoUD. “Based on this, only those projects should be classified feasible which can provide/offer sufficient amount of benefit to the WPE”. Similarly, the guidelines mandate that affected female headed households, the poor and the excluded people are timely

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and adequately compensated and must not be negatively impacted by urban development project interventions. This however contradicts to the implementation of projects under MoUD, vivid examples are the road widening projects of KVDA and eviction of informal settlements in different parts of the capital.

In case of Users Committee, the guideline mandates at least one woman and one person (either male or female) from the excluded groups be placed in the key post of Users Committee. Project Sub-committees need to appoint at least one person (either male or female) from the excluded groups and one woman in the key post. Similarly it aims to make GESI related trainings compulsory for to all concerns units, sections and persons responsible will be strengthened for mainstreaming GESI in their routine work.

Ministry of Physical Infrastructure and Transport has also published “GESI Operation Guidelines, 2017” for mainstreaming and institutionalizing GESI in its portfolios and operations in an integrated manner in all its projects. It also mandates GESI dimensions are incorporated and monitored in project design, implementation, construction and progress on GESI related works reported in the project completion report.

Overall, Nepal government has become more inclusive in the recent years. For example, the government has progressively increased the social security allowances to be provided to senior citizens, single woman, disabled persons and endangered indigenous people. Special Program are implemented targeting the social and economic uplifting of poor and excluded and the unemployed registered former Kamaiya, Haliya, Harawa, Charawa, Kamlari, marginalized, endangered and poor communities, the disabled, and the unemployed people of food-insecure regions registered at local Employment Service Centers by implementing the Prime Minister Employment Program. In attempts to ensure the citizens’ right to an appropriate housing, a fundamental right endorsed by the constitution, GoN has continued Janata Awas and Safe Housing and Resettlement Programs targeting landless settlers and all other landless and poor and marginalized families.

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The People's Housing (*Janata Avas*) program targets the people from rural areas like minorities, lagging behind, Dalits, endangered, elders, disables, urban poor and marginalized groups. In the fiscal year, 2016/17, the government under the Housing for People Program, the government allocated NPR. 1.72 billion for the construction of houses of additional 20,000 families of the Dalits, Deprived, Muslim, *Chepang, Raute, Gandharba, Badi, Bankaria, Surel, Thami* including the poor and endangered communities. In 2018, the government allocated NPR. 50 thousand grant to households below the poverty line to purchase materials including zinc sheet, subsidized woods and other housing materials if they are willing to build safe houses by themselves. Similarly, the government initiated Safe Housing Program to the families of ultra-poor, those on the verge of extinction, and marginalized class. The government aims to solve the housing problems faced by landless people through collaboration of the federal, provincial, local level governments and concerned family and has continued the aim of setting "Organized Settlement" or "integrated settlement" for "vulnerable dwellers" affected due to "natural calamities" like "flood, landslide and so on". Such housing programs are primarily targeted for rural poor and marginalized groups. Many of the rural poor, however, migrate to urban areas and reside in informal settlements, which the government discourages as "illegal" settlement (MoUD, 2017: 16).

Moreover, to what extent these formal policy reform and relief measures succeed in bringing positive changes in the lives of poor and marginalized and improve their access to resources and services and decision-related to these need more empirical research. Barring migrant workers to enter their own country (which is heavily remittance dependent) and ruthlessly deserting them in foreign lands, or unprepared weeks of "lockdown" as an attempt to contain the spread of Covid-19 and the authorities remaining indifferent to thousands of population based on daily wage struggling and walking for days to reach their homes are some examples where the fundamental rights to freedom, to justice and to live with dignity and overall right against discrimination that the fundamental law of Nepal bestows on its citizens have been formally denied. Finally, in response to the growing pressure of the human rights activists, the order of

the Supreme Court of Nepal and the international community, the government has initiated the arrangements to bring back Nepali citizens from India and other nations.¹³

3.9 Habitat III New Urban Agenda of Nepal: Inclusive Cities, Resilient Communities

Ministry of Urban Development prepared The New urban Agenda report of Nepal in preparation for participation in the Habitat III Conference in 2016 in Quito, Ecuador. Habitat III aims to “reinvigorate the global commitment to sustainable urbanization, and to focus on the implementation of a New Urban Agenda, building on the Habitat Agenda of Istanbul in 1996” which set twin goals of “achieving adequate shelter for all and ensuring sustainable human settlements development in an urbanizing world” (MoUD, 2016).

The New Urban Agenda of Nepal recognizes cities as “places in which we enable ourselves to lead peaceful, healthy, prosperous, and free lives with full respect of human rights for all ... [and] aim to achieve gender equality, empower women and girls, reduce poverty, create jobs, and generate equitable prosperity” (ibid: 9). The priority of the Government of Nepal for urban expansion is also depicted in its New urban agenda which explicitly recognizes urbanization “as the best way to sustainable development” and that “urbanization cannot and should not be curbed and cities are bound to grow in numbers and sizes” (ibid: 3; 41). In this backdrop, the goal of the national Urban Agenda is to “make cities and human settlements inclusive, safe, resilient, sustainable and smart in order to enhance their ability to provide decent jobs and adequate housing, infrastructure and services to the ever-growing urban population” (ibid: 11). It notes realizing the “transformative role of cities” needs enhancing the distributive role of the major cities for a balanced development that includes larger rural urban areas (ibid: 2-11).

It has set the following three objectives. The objectives are:

1. Sustainable and inclusive urban prosperity and opportunities for all

¹³ <https://risingnepaldaily.com/main-news/army-to-manage-nepalis-brought-from-abroad-more-quarantines-in-10-days>; <https://rajdhanidaily.com/id/13649/>

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2. Sustainable urban development for social inclusion and poverty eradication *leaving no one behind*
3. Environmentally sound and resilient cities and human settlements.

The New Urban Agenda recognizes urbanization is a crosscutting issue and aims to serve as an indicative umbrella framework for key sectors to work in a more coordinated and collaborative way for sustainable development through unified and collective commitment to sustainable urbanization with due consideration to the post-earthquake rebuilding and fulfilling the committed SDGs. Among other it envisages cities to be inclusive and free from any form of discrimination; all enjoying equal rights and opportunities and ensuring equitable access for all to public goods and services, livelihoods, and decent work.

The New Urban Agenda accepts that despite having made remarkable progress in formulation of policies and strategies for responding to urbanization, the response are inadequate to address growing demands for urban services. Moreover, a major urban issue has been the growing disparity in access and service levels of basic services with limited access of the poor to higher standard infrastructure and services. See Annex 1 for the urban issues identified in this Agenda, which includes decreasing access of the poor to shelter in urban areas, with lack of access to land and services.

It argues that Nepal has made considerable progress in increasing importance on risk sensitive land use planning and demonstrated overall resilience due to its cultural heritage and cohesive social system which played important role in responding to the 2015 Earthquakes. But it also accepts that lack of comprehensive policies on disaster risk reduction and management and strategic planning for prevention and preparedness are crucial challenges that Nepal faces along with the lack of. The formulation of the Disaster Risk Reduction and Management Act 2017 and subsequent policies could therefore be important policy interventions in addressing these disaster management issues.

It recognizes a wide range of urban issues and provides a 20 year Action Plan as a new urban agenda for “a transformative response to future challenges” in relation to six key areas: urban demography; land and urban planning; environment and urbanization; urban governance and legislation; urban economy; and housing and basic services. It provides thirty strategic issues pertaining to these six key areas which include upgrading and preventing slums, improving access to housing, clean energy and improving social inclusion and equity (see Annex 2 for the complete list of the strategic actions). It accepts social exclusion in the access to urban services as an urban governance issue addressing which need amending existing urban planning laws and legal procedures to ensure gender equality and social inclusion in the delivery of urban services. However, it is silent on which of the existing urban legislation are the barriers to social inclusion. While activities planned for GESI issues are promising in terms of enhancing the participation of women in urban development affairs and decision-making process, other forms of marginalization such as those based on caste and their intersection with class and strategic actions to include such marginalized population remain largely ignored. The document clarifies that MoUD discourages formation and growth of informal settlements including prevention of circumstances that may lead to such settlements and aims to develop organized settlements targeting communities vulnerable to natural risks, and backward districts in terms of human development by 2021. However, not much progress have been made in this direction except the in 2017, the government issued “Systematic Settlement Commission Order” and formed a “Well Managed Housing Commission” (Pokhrel, 2018)¹⁴ to check rampant encroachment of government, public and trust land and address the problem of unmanaged settlement and squatter. Although the well managed housing commission was expanded to the district level the commission was annulled in 2018 alleging the officials of working for financial benefits (ibid). More recently, the Ministry for Land Management, Cooperatives and Poverty Alleviation has been taking actions against encroaching upon of the public and government land. While the incumbent Minister has stated that the government will protect “A person who has not any piece of land across the country and he/she is unable to purchase land, a real landless squatter” based

¹⁴ <https://cijnepal.org.np/landless-squatters-on-the-rise-despite-distributing-46-bighas-of-land/>

on the social justice and provide support to the genuine poor,¹⁵ it is yet to see to how the government will identify and justify the real squatters and how the residents of existing informal settlement response to these formal decisions. However, formation of several commissions in the past have made the informal settlers as well as the members of such commissions skeptical on such commissions addressing the squatters' problems.

Urban Agenda for Nepal is expected to harness urban areas as a critical means to banish poverty, promote inclusive growth, and achieve sustainable development by removing “urban deprivation for realizing urban prosperity following an inclusive approach” (MoUD, 2016: 3). It emphasizes that urban development should focus on adopting and implementing integrated policies and plans for planning settlements that are inclusive and resilient to natural and human-made hazards, protecting and valuing their ecosystems, natural habitats and biodiversity, and reducing the global ecological and carbon footprint. This should include “pre-disaster risk assessments in urban areas in order to develop a thorough understanding of disaster risks across the various dimensions of hazards, vulnerability, exposure of people and assets, and improve capacity of local and national governments, city administrators, development planners, and decision-makers on disaster and climate risks, to implement risk-informed development at the city and community level”. And in addition to enforcing the building codes, early-warning systems, business continuity plans and contingency plans for building critical infrastructure, “low-risk zones should be prioritized for future urban developments and extensions in order to most efficiently protect them from, flooding, earthquakes, and other hazards”. While the policy takes a wider approach to understanding urban issues, progress in its implementation over the past years has been slow and even contradictory; an example is the River corridors in the national capital.

One of the expected outcomes of the New Urban Agenda of Nepal is by 2020, all the municipalities will have the fiscal, technical and planning capacity to carry out planned development for sustainable urbanization (ibid: 7). It aims enhancing the capacity of the municipal and ward level government to enhance sustainable productivity and provide goods and

¹⁵ <https://risingnepaldaily.com/interview/days-are-over-for-land-mafia-to-capture-public-land>

services to urban residents. Mobilizing the authority bestowed by the constitution, it aims “preparing situation-specific rules and regulations with commitment to decentralized government action promoting participatory development”. However, in the current constitutional arrangement as the local governments still remain heavily dependent on the revenue provided by the federal government and lack resources, swift and substantial changes in the delivery of wide range of services they are held accountable for is unlikely.

3.10 The Right to Housing Act 2018

The problem of housing in urban areas was recognized since the third periodic plan. In response, the then government reorganized the Building Department as the Department of Housing and Physical Planning for the planned development of the urban areas (GoN, 1970). Although the government then constructed model residential buildings for the civil servants, housing sector was largely dominated by private sector investment. This continued increasing uncontrolled urban expansion. The urban poor population, which has rapidly increased with increasing rural to urban migration, remains largely unattended.

The Preamble of the Right to Housing Act 2018 states that the Act is enacted “to make necessary provisions on providing the homeless citizens with appropriate and safe housing facility in accordance with the Constitution of Nepal”. Section 3 of the Act entitles every citizen the right to (a) make, settle and use safe, appropriate and suitable housing according to his or her capacity, complying with the standards determined by the prevailing law (b) protection from the risk due to the lack of housing; (c) freedom to choose, migrate and manage for appropriate housing, pursuant to the prevailing law; (d) protection of religious, social and cultural identity at the place of housing; (e) construct and conserve physical structure without occupying the designated open space.

The Act obligates the Central Government of Nepal, Provincial and Local government to provide the homeless person and family with the housing facility through progressive realization of the right to housing. The act defines a homeless is “the person and family to be provided with the housing facility”. Before obtaining the housing facility under this Act, the person and family

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identified for obtaining housing facility shall have to make self-declaration, “of not having land, housing in the name of his or her and his or her family at any part of the country, and of not being able to make provision for housing out of the income generation, resources or efforts of his or her or his or her family” or being displaced permanently due to a natural disaster, and having the above stated condition. According to the act the local government is responsible to identify, list and provide identity cards to the “homeless” persons and families. Furthermore, the local government needs to provide details on the identity and settlement condition of the homeless to the central Government through the provincial government as a pre-condition to qualify for the governmental housing facility and financial support. The central, provincial and local are responsible to provide the identified “homeless” citizens with the housing facilities *gradually* by making arrangement of resources but avoiding duplication. The central and provincial governments are mandated to provide the financial and technical support to the local government for providing housing facility and financial support to the qualified “homeless” citizens.

The Right to Housing Act obligates the three tier of government to work on mutual cooperation and provide “housing facility” to the “homeless” and “temporary housing or financial support” to the individual and household displaced due to a natural disaster. Section 5 of the act specifies that the government has the right to evict any citizen from his or her housing for the public purpose, by providing him or her with resettlement or compensation, in accordance with the prevailing law. Considering that a road for “public purpose” is under construction along the Manohara settlement, there are chances that the houses along the road get displaced.

Section 17 of the right to housing act specifies that except if the housing is completely destroyed as a result of disaster or annual income is less than that prescribed by the Government of Nepal, following individuals and their families are ineligible to get the housing facility from the government.

- A person who holds a post that is deemed as a public office under the prevailing law is retired from the office or released from the post, and his or her family,

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- A person who receives remuneration or any other financial facility from a domestic or foreign company, corporate body, partnership, firm, and his or her family,
- A person who receives remuneration or any other financial facility from a domestic or foreign non-governmental organization, and his or her family,
- A person who is involved in trade, business or other work of income generation in the private sector, and his or her family,
- A person who is serving for a foreign government or international organization or institution, or receiving pension or other financial facility from it, and his or her family,
- A person and family who has the resident visa of a foreign country or resides permanently in a foreign country,
- A person and family staying upon taking anybody else's house, land or apartment on rent for residential purpose,
- A person and family who does not have any housing but has movable and immovable property more than the ceiling as prescribed by the Government of Nepal

Considering that residents in the Manohara informal settlement include civil servants, and also that with family members working abroad, their eligibility for the government housing facility under this act is questionable (field visit, February 2020).

As clarified in the act, after the housing is provided for the citizen, upon construction by the Government of Nepal, Provincial Government or Local Level pursuant to this Act, the ownership of such housing may be vested in single, group or joint ownership of the person, family or community obtaining such housing facility. However, the act may provide only the right of possession to the concerned person or family under single or joint ownership of such housing. The act forbids obtaining loan by pledging and mortgaging in the bank, financial or other institution, selling, lending or giving on rent or lease or transferring ownership to other person or relinquishing the right in any manner from the housing provided under single, group or joint ownership of any person and family without obtaining approval of the Government of Nepal or the concerned Provincial Government or Local Level providing such housing facility. In case of

any contrary to the provision of this act, the central, provincial or local government, which has provided housing, shall automatically have the ownership of such housing.

Although the 2015 constitution of Nepal recognizes the right to housing as a fundamental right, the right to housing act undermines the immediate need to address this basic necessity and the minimum core obligation to immediately provide shelter to those in extreme poverty is missing. Rather it aims to provide the homeless person and family the housing facility *gradually* “as prescribed, on the basis of (availability of) resources by prioritizing through progressive realization and mutual coordination between the three tiers of the government. Furthermore, the government’s approach to housing in the Right to Housing Act, like in the 2015 Constitution (see Article 37 Sub-section 2), is primarily oriented towards an “ownership-based model” and lack attention to “addressing underlying causes of homelessness”, including forced eviction, denial of security housing and land tenure, discrimination and exclusion and fails “creating conducive environment for enjoyment of the right to adequate housing by all” (see Amnesty International, 2018).

3.11 Approach paper to the 15th five years periodic plan

The objective of the 15th five years periodic plan for the fiscal year 2019/20 to 2024/25 is to transform Nepal as a nation of happy, healthy, educated, dignified and high quality living citizens with equal opportunity, including prosperous, independent and socialist-oriented economies. The 15th plan has set an ambitious target of achieving near double digit economic growth in all sectors of the economy with an aspiration of “Prosperous Nepal, Happy Nepali”. The plan has set the target to raise the annual per capita income (PCI) of people to \$1,595 from the existing \$1,047 within the next five years and increase the economic growth rate to 10.5% and eradicate absolute poverty (reduce to 0%) by 2100 B.S. The 15th plan also includes a 25-year vision of “Prosperous Nepal: Happy Nepali” and has a target to raise PCI to \$12,100 at the end of fiscal 2042-2043 in the next 25 years.

National objectives of 15th periodic plan of Nepal are:

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- a. To provide easily accessible, qualitative and modern infrastructure, productive employment generation, high sustainable inclusive economic growth through poverty alleviation.
- b. To provide qualitative health and a healthy environment, social justice, accountable social service and quality of life.
- c. To protect the national benefit of democracy, sovereignty and ensure socio-economic transformation for a strong economic foundation.

The periodic plan envisions that the country's agriculture sector can witness an average growth of 5.6% per annum in the next five years while the industrial sector can witness average growth of 17.1% per annum. It also includes 22 ongoing national pride projects, 18 new transformative projects and 177 high priority projects, to be jointly launched by the federal and provincial governments. The envisaged transformative projects investing money mainly in agriculture, irrigation, energy and transmission lines, roads, land management, health and vocational education, development of industrial infrastructure and urban development are expected help generate job opportunities within the country and be game changers in achieving over 9% economic growth. Reduction of poverty, famine and creation of job opportunities are the prime goals of the plan. Under the periodic plan, the government has set a target of reducing the current 18.7% of relative poverty and 28.6% of multi-dimensional poverty to less than 10 %. The plan has set a target of achieving a minimum average economic growth of 9.4% per annum. However, economists argue that the target is highly ambitious and achievement impossible due to low production of the agriculture sector and slackness in trade and tourism. The failure to meet this target and rather fall in economic growth is especially certain due to the devastating impact on tourism and falling remittances due to COVID-19 pandemic.

3.12 National Urban Development Strategy 2017

National Urban Development Strategy (NUDS) 2017 recognizes Nepal is one of the least urbanized countries of Asia but the pace of urbanization in the last decades has been faster and is likely to accelerate. Despite that a major aim of National urban Policy 2007 was a balanced

urban development in Nepal, the urban system in Nepal, remains unbalanced and far from integrated (MoUD, 2017). Growth of the Kathmandu Valley, “the hub of Nepal’s urbanization” overshadowed regional cities and towns.¹⁶ Disorderly urbanization, lagging infrastructure provisions, declining natural and built environment, inability of urban areas to generate adequate jobs and boost economy, fragmented urban governance, and weak revenue of the local bodies have been other repercussions of lack of coordinated policy responses.

NUDS defines urban development as “an endeavor of ‘spatial and physical development’ which is the fundamental basis for sustainable social, economic and cultural development vis-à-vis environmental management. These physical, social, economic and environmental aspects are not mutually exclusive; rather they mingle to form an interlinked whole—interwoven with a dialectical process of one influencing another”. The emphasis of NUDS is on “an integrated view and approach for urban development”. It admits that the criteria taken for urban or municipal designation in Nepal, however, do not take into account the more relevant functional characteristics such as density, contiguity, occupational structure. Municipal designation in Nepal “is a political decision which often ignores functional criteria” for declaration of urban center as proposed in the National Urban Policy. As a result, most of the municipalities, de facto urban areas in Nepal, lack institutional and financial capacity, proper planning and funding mechanisms to manage urban environment that includes coping with disasters, providing safety and security, enhancing sociocultural environment, preservation of open spaces etc. With the unplanned urban growth, the urban poverty has increased (from 10% in 2003/04 to 15% in 2010/11).

National Urban Development Strategy aims to “achieve desirable condition in infrastructure, environment, economy and finance and [...] also indicate the social, economic and cultural vision of urban areas reflecting the highest values of society” with support from the different levels of the government, NGOs and the private sector. “Sustainability”, “Inclusivity”, “Resilience”, “Green” and “Efficient” are five guiding principles adopted by NUDS with the vision of strategy of “Balanced and Prosperous National Urban System” by 2030.

¹⁶ Based on NLSS III and census 2011 Kathmandu Valley contributes 23.4% of national GDP (MoUD, 2017).

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NUDS seeks to “increase national resource allocation in urban infrastructure development, maintenance and service delivery; promote private sector investment on basic services as well as higher order infrastructure; basic infrastructures for all urban areas; orient strategic investment for shared infrastructure in urban regions through a cluster city approach; improve infrastructure investment performance through increased efficiency in planning and implementation; and build national/provincial/local institutional capacities for infrastructure development and service delivery”.

NUDS regards urban areas as “the engines of economic growth” and argues investing in urban infrastructures is justified “because it facilitates in the generation of wealth and employment opportunities and boosts the rate of economic growth”. The economic return of investments in the urban infrastructure is expected to be substantial through direct income and capital gains and increases in taxes from urban residents. Furthermore, NUDS argues investment on urban infrastructures and enforcement of NUDS are major catalysts in the aspired graduation of Nepal from LDC to a middle-income country by 2030.

Urban infrastructures demand scenario identified in the NUDS prioritize investment for construction and upgrading of roads, piped water supply connection, construction of toilets, electricity connection, solid waste collection and management, storm drainage construction and sewerage connection (MoUD, 2017: 41). About 60% of the cost in existing urban areas is earmarked for upgrading and extension of roads. In the newly declared and expanded municipalities such as Dhulikhel, where large sections of population are still based on agriculture-based livelihoods, risk is that needs and demands of such population get ignored and they get increasingly marginalized, despite that “agriculture and allied activities account for one-third of the employment in the urban sector” (ibid).

As a strategy related to enhance economic contributions of urban areas to the national GDP and strengthen the economic base of urban areas it mainstreaming informal urban economy and alleviation of urban poverty. Guided by the National urban Policy 2007 and National Land Use Policy 2015 (2012), NUDS also discourages squatter settlements and encroachment on public

land and aims to regulate and reduce informal settlement, which it considers are “illegal settlements”. However, rural to urban migration has been the largest contributor to urban growth in Nepal (Thapa and Murayama, 2010), which has been mainly as urban sprawl and informal urban growth aggravating into wide deficits in urban infrastructure. With the recent clubbing of rural areas into municipalities, in addition to the rural to urban migration, migration from less urban to more urban municipalities are likely to be more prominent. In these backdrop, urban poverty, which is rising, can continue to grow, aggravating the urban infrastructure deficit.

In line with the general policy of the government, NUDS clearly encourages private sector investment in urban infrastructure development and formally acknowledges cities “need to be socially inclusive, both in terms of ethnicity/caste and gender, and in terms of economic class”. These normative statements are inadequate for the cities to be pro-poor and socially inclusive as NUDS aims to make, particularly in the context of increasing urban poverty. But, NUDS does not explicitly mention the provisions to address increasing urban poverty and include urban poor and marginalized groups and their basic concerns of education, health, housing and transportation etc. The risk in such situation is that urban growth can continue as usual. As a result, poverty, marginalization and growing social divide prevailing in most urban areas, which the national urban development strategy has noted, can trigger more social conflict and insecurities.

3.13 The Land related (eighth amendment) Act 2020 (February 11, 2020)

The eighth amendment to the Land related act, 2020 defines “landless squatters” as “those who and whose family do not own and cannot afford land from his/her income, resource or efforts and the term includes the individual and the family members dependent on the individual” (see Article 18 sub-article 52b). “Family” means husband, wife, father, mother, son and daughter of the landless, but not those who have been separated through inheritance and live separately. The sub-article 1 of the article 52 (b) of the act clarifies irrespective of any other existing legislation, the government of Nepal, for once, will provide land to landless squatters either in the land they have been occupying or government land in any other location that the government of Nepal decides as appropriate, without exceeding the land area limits allocated for a landless

individual or family. If the area occupied by the landless squatters is larger than the area declared for allocation, that will be the land exceeding the limit will be provided to other landless squatters or be used by the Government of Nepal for any other purpose. The ownership of the land availed to the landless squatter under this act cannot be changed except through inheritance-based fragmentation for ten years and even after that period the ownership of the land cannot be changed by reproducing the landlessness. Sub-article 4 of this article states that when providing the land to landless under this act, land listed below *will not* be provided for resettling landless squatters

- a. religious, cultural, socially significance cannot be provided
- b. land that has to be conserved from the perspective of natural hazard, risk management, environmental conservation.
- c. public land, land on the river, stream or canal, land in risk-prone area, land in national parks or conservation areas, in forest or within boundaries of roads.
- d. Land of importance to Nepal government, Provincial government or local government
- e. land in other designated areas

Article 5 clarifies that if the government of Nepal in the past has provided government land or housing service to any individual or his/ her family, such individual or family will not be provided land under this act. The clause 6 of the sub-article 52 (b) says that the Nepal government can form a commission by publishing in the Nepal Gazette to identify the landless, land, undertake site-based study and evaluate the land, to collect the evidence and to distribute the land under this article. The work, responsibilities and authorities of the members of the commission (formed under the sub-article 52b, clause 6) will be as declared during the formation of the commission. The act expects that the commission formed under the sub-article 6 will also solve the problems related to landownership, registration of land and validation of the cadastral maps and other problems unsolved by earlier formed land commission and working groups. The government can form district level committee for undertaking, coordinating and facilitating the works and

responsibilities allocated to the land commission. The clause 10 of sub-article 52 (b) states that irrespective of other provisions of this article, in case of Kathmandu valley and other urban areas, the government of Nepal can provide housing as announced or arrange community housing (rather than providing land) or provide land from the land development project.

This Act defines landless squatters as “the individuals and the family members of individuals who does not have land in Nepal, under his/her ownership or owned by his/her family member and is unable to manage land from his/her income, resource or efforts or source” (see Article 18, sub-article 52 b) . Article 52 (c) of this (amendment) act deals with the management of the informal settlements. Sub-article 9 of Article 52 c (ka) defines informal settlers as “those residing in registered or unregistered governmental land, or forest land for a long time by constructing temporary or permanent house or the dependent family member of such individuals”. Sub-article clarifies in order to qualify for the land provided by the government the settlers should have been residing on the land for at least 10 years when the article is promulgated (see Article 52 c1). Sub-article 3 clarifies that in providing land to informal settlers, the informal settlers will be categorized as per their economic status, current housing situation, nature of land, area, economic valuation, residence period and ownership of land in other areas; and land can be provided by charging the announced cost of the land and based on their category as informal settlers. As in the case of distribution of land for landless squatters, if the land area occupied by an informal settler exceeds the land area allocated for informal settlers, the government can use land exceeding the limit for other purpose (Article 52 c4). The act considers “landless squatters” and “informal settlers” as two different categories, landless being a priority but not a mandatory condition for “informal settlers”. Anyone providing any fake information or obscuring any information in applying for the land can be penalized in cash or imprisoned or punished in both ways (Article 52d).

Sub-article 2 of 52 (c) clarifies that if the occupied land is any of the five categories included in Article 52 (b4), such land will not be provided to the informal settlers. The land commission formed under the article 52(b) is also responsible to identify informal settlers, undertake field-based study, collect evidence and distribute land to those qualified.

3.14 Vision 2035 and Beyond 20 Years Strategic Development Master Plan (2015 - 2035) for Kathmandu Valley and Kathmandu Valley Risk Sensitive Land use Plan

Kathmandu Valley Development Authority Act has mandated Kathmandu Valley Development Authority (KVDA) as a sole government authority, directly under the central government, to undertake and execute integrated development of Kathmandu Valley (KVDA, 2016). KVDA has developed the 20 years Strategic Development Master Plan (SDMP) (2015 - 2035) to address the needs of a “new” envisioned Kathmandu Valley as “a livable region by enhancing the interdependence of nature, community and culture”. SDMP is “legally recognized as the master plan for the integrated development of Kathmandu Valley” (KVDA, 2016: 7-5). National Urban Policy 2007 aspired to achieve healthy secure and economically vibrant urban environment and admitted the need to increase accessibility of the economically deprived groups to affordable land and dwellings. Aligned with the national urban policy and the general GESI framework of MoUD, SDMP stresses the gender-related issues and concerns of the poor, marginalized, disadvantaged, physically-challenged should be paid attention in devising and implementing all the plans and programs of KVDA. SDMP defines inclusivity as “accessibility of women, economically weak and socially excluded people to opportunities and services that urban development has to offer”.

Increasing poverty incidences, alarming unemployment rate and unregulated developments along the Bagmati, Vishnumati, Dhobi Khola and other rivers are some major urban issues of the valley noted in the SDMP. SDMP stresses the corridors of these rivers should be preserved as restricted zones considering potential flooding events and conservation of these drainage systems. Aiming to establish Kathmandu Valley as “a safe, clean, organized prosperous and elegant national capital”, the SDMP envisages, by 2035, there will not be any informal settlements in the “vulnerable” public lands. The risk-sensitive land use plan (RSLUP) of Kathmandu Valley categorizes “all the areas that are expected to inundated by 100 years return period flood as risk areas” and restricts future urban development in these areas in close proximity to the major river in the valley. The RSLUP notes that increasing squatter settlements along the main river corridors, the old flood plains, are therefore a vulnerable community in the

valley (see KVDA, 2015). The risk sensitive land use plan stresses that the most important point for RSLUP “is not to let use the land of risk sensitive zone”. It adds that “double of the width of a river on both the sides should be regarded and maintained as a risk sensitive area which should be utilized for none other purposes than open spaces” (Ibid: 50). Despite attempts to resettle squatters have been ongoing, a large number of squatter settlements still reside near the floodplains of the major rivers in the valley. Table 6 provides provisions related risk-sensitive land use plans in flood prone areas of Kathmandu Valley which include majorities of squatter settlements in the valley (Lumanti, 2008), including our study site Manohara informal settlement.

SDMP envisions that by 2035 Kathmandu Valley will not have any informal settlements as according to this plan organized the landless residents of informal settlement will be relocated by providing affordable institutional housings and that 10% of urban land will be separated for the provision of such housings. Along with the promotion of low-income housing, SDMP also encourages private housing projects and implementation of regulatory framework for rental services. Increased affordable housing and improved access to community facilities, programs and services across the local area are aimed to contribute to reduce relative inequality. SDMP aims to reintroduce the old principles of city planning - “compact, connected and coordinated” (3C) and KVDA is responsible for inclusion of the deprived groups in the urban development process and for increasing the accessibility of such groups to urban infrastructure and services.

Table 6: Provisions related to safety in flood prone areas

| Risk | Specific Provisions to be made for Red Zone |
|-------------------|--|
| Flood prone areas | Squatter settlements to be re-allocated phase wise with specific plans for resettlement |
| | Define right of way of river according to 50 years of return period |
| | Define plinth level of buildings according to 10 years of return period |
| | River bank protection through tree planting and preserve the river side heritage and historical amenities. |

| | |
|--|--|
| | Upgrading and construction of drainage system to prevent water logging |
|--|--|

(Source: Adapted from KVDA, 2015)

KVDA as the planning commission for integrated development of Kathmandu Valley is responsible to coordinate with related NGOs, CBOs, local elected bodies and other agencies to provide the vulnerable population with the opportunity to market their skills, products and services in organized manner by protecting the interests of the neighborhood. However, the relocation of the informal settlement to the peripheral areas without arranging the access to basic services, including and employment opportunities contradicts this formal policy.

4. Concluding remarks: discussion and gaps

Although poverty in Nepal has been predominantly rural, urban poverty has been increasing. Migration is the largest contributor to growing urban population in Nepal (ICIMOD, 2007) and brings a large population of rural poor migrating in seeking of better access to basic facilities and amenities, institutional facilities and a better income. A group of such rural poor population settles in the informal settlements, despite that the government since several decades has been discouraging these settlements and settlers as “illegal” (MoUD, 2017: 16). Besides, as noted in the national urban development strategy, municipal designation in Nepal is a political decision. Consequently, many of the municipalities in Nepal do not meet the minimal municipal criteria and lack basic municipal services. However, the linkages between the soaring rural-urban migration and increasing urban poverty remain ignored in the national urban policy documents and hence strategies for addressing urban poverty are severely lacking.

The poverty alleviation policy 2019 points ensuring access to basic needs for the internally displaced urban poor and alleviating urban poverty is a major challenge in reducing poverty. But, the policy is silent on what are considered as the “basic needs”, which can differ particularly in the rural and urban contexts. Yet, the special programs for poverty alleviation, including the recently introduced “poor identification” efforts remain primarily focused on the rural poor and marginalized groups. Moreover, income, consumption, access to productive resources, access to

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education, health services and other basic goods and services, social discrimination and exclusion, basic human rights, capability, the seven bases for categorization of the “poor” according to the poverty alleviation policy are subjective, adding the risk of biases against the aim of reaching and including the “poor”. Poverty alleviation and poor identification programs aim for a clear and uniform criterion for defining and identifying the poor for creating synergies among many different poverty alleviation programs and effective and meaningful inclusion of the actual poor and deprived.

This is also reflected in the list of “poor” identification indicators included in the Poor Family Identification and Identity Card Distribution Guidelines, 2018. The guidelines implicitly considers those with access to services such as “television, cable connection, internet connection, telephone, vehicle” are not poor. Here, it is important to note that during the preliminary interaction in February 2020, the residents of the Manohara informal settlement, however, stressed that these services are among the “basic needs”. They argued that their access to these services cannot be a basis to conclude that they are not “poor” families. While the government document shows approximately 29% of population in Nepal is multi-dimensionally poor, existing criteria of poor hardly attends the population in the urban areas of Nepal, irrespective of them being formal or informal settlers. It is therefore important to reiterate that poverty is a relative phenomenon and the severity of poverty varies in different contexts. Given the differences in the rural and urban contexts and growing urban poverty, clear and context-specific definition can help to reach the poor and reduce poverty in the urban areas, which are growing in Nepal. Although recognition of the multi-dimensional property of poverty is growing in Nepal as seen through the multi-dimensional poverty index, the traditional approach to poverty and identifying poor on the basis of income and consumption is still dominant in Nepal, as also seen in the constitution of Nepal, which defined indigent on the basis of minimal income.

The MoUD and MoPPI have developed GESI operation guidelines for identifying the barriers faced by the “Excluded Groups” and mandate representation of women and the excluded groups in urban planning and development activities. These guidelines implicitly assume that poverty, marginalization and exclusion in urban are similar to those in rural contexts. Hence, fail to take

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into account how urbanization and changing needs and networks complicate the nature of poverty, marginalization, and process of exclusion. The guidelines accept that the current GESI monitoring and evaluation formats need to be reviewed and revised. MoUD aims to develop the reporting formats, monitoring process and criteria to reflect GESI disaggregation and information areas. Critical studies on the poor and marginalized in the urban context, as we have endeavored in the PolCap project, can be an important contribution to this process.

The constitution of Nepal, 2015 clearly mentions poverty alleviation, social security and landless squatters' issues are among the common agendas of all three layers of government. Priority on "Inclusivity" as one of the five guiding principles of National urban development strategy (NUDS) also shows that increasing is the interest to improve the access of women, poor and socio-economically deprived groups to urban planning, decision-making and development activities and services. The national new urban agenda (MoUD, 2016) accepts social exclusion in the access to urban services as an urban governance issue addressing which need amending existing urban planning laws and legal procedures to ensure gender equality and social inclusion in the delivery of urban services. However, it is silent on which of the existing urban legislation are the barriers to social inclusion. The national new urban agenda has pronounced that the target of the government is to develop organized settlements targeting communities vulnerable to natural risks, and backward districts in terms of human development by 2021. But, not much progress have been made in this direction except that in 2017, the government issued "Systematic Settlement Commission Order" which aims to check encroachment of government, public and trust land and resolve problem of unmanaged settlement and squatter.

More recently, the Ministry for Land Management, Cooperatives and Poverty Alleviation has been taking actions against encroaching upon of the public and government land. The Minister has stated that the government will protect "A person who without any piece of land across the country and he/she is unable to purchase land, a real landless squatter" based on the social justice and provide support to the genuine poor.¹⁷ Besides this, as provisioned in the sub-article

¹⁷ <https://risingnepaldaily.com/interview/days-are-over-for-land-mafia-to-capture-public-land>

6 of the Article 52 (b) of the Land related (Eighth amendment) Act 2019, the government has recently formed a new land commission, which however is not the first attempt to identify and address landless in the country.¹⁸ It is yet to see to how the government will identify and justify the real landless and how the residents of existing informal settlements respond to these formal decisions.

According to the Right to housing Act 2018 those who own land in any part of the country, whether in individual or joint ownership yet occupy public land do not qualify for the services under this Act. Further those who apply for the housing services under this act need to make a self-declaration as a proof of not having land or housing in any part of the country and being unable to make housing provision individually and with his/her family. Similarly, the land related (eighth amendment) act, 2019 defines landless as “landless squatters” referring to “those who or whose family do not own and cannot afford land from his/her income, resource or efforts and the term includes the individual and the family members dependent on the individual”. In these respects, anyone who own land in any part of the country yet occupy governmental or public land become “unauthentic” settlers and their claims for land and governmental housing services become illegitimate. Such individual(s) may be called the “informal settlers” and can claim for the governmental land on the basis of the eighth amendment of the Land Act, if they are continuously residing on the land for at least 10 years at the time of promulgation of the act 2019. However, in such cases they have to buy the land as per the rate determined by the government based on their category as an informal settler. Even for the landless squatters in Kathmandu Valley and other urban areas, the government may arrange alternative housing or community housing or land, implying that the government can relocate them.

Similarly, as per the Right to Housing Act 2018, those who receive remuneration, pension or any other financial facility from a governmental or non-governmental organization or a domestic or foreign company or involved in any income generating activities and their family are not eligible for obtaining housing facility from the government. Many of the settlers of Manohara informal

¹⁸ <https://english.onlinekhabar.com/opposition-objects-to-formation-of-landless-squatters-commission.html>

settlement, as they admitted during our visit in February 2020, own land outside Kathmandu Valley. Furthermore, the residents in the Manohara informal settlement include civil servants, and also those with family members with foreign employment. While their landownership and economic sources formally disqualify such a section of the residents for the support earmarked for “homeless” and “landless”, their landownership brings forth the widespread suspicion against squatters as those who actually own land and houses in other places (Tanaka, 2009). Although the government for once can provide land to the qualified “informal settlers” based on the evaluation of their categories by the Land commission formed under the eighth amendment of the Land act. However, the act clarifies that in case of landless squatters or the informal settlers occupying the river banks, such as Manohara, such land will not be provided to such groups. Moreover, urban development organizations and the MoLCPA seem to consider informal settlers “illegally” occupying the land are neither landless nor poor.¹⁹ Interestingly,

Manohara settlers claim to be “genuine” *sukumbasis* and seem to have accessed the “family ID” that the Society for Preservation of Shelter and Habitation - Nepal (SPOSH-Nepal) issued for such groups after the self-enumeration survey in 2001 (see Ninglekhu, 2012). Manohara residents have managed to establish a public education institute and access electricity and water supply services through formal support, where the concurrent powers of Federation, State and Local Level for services such as electricity and water supply, as recognized in the constitution could have played roles. Yet, without land ownership certificate, it is an “illegal” informal settlement and therefore not free from the risk of evictions. Their access to formal services and permanent housing conditions shows that the residents of this settlement, which include cadres of different leading political parties of the country and also civil servants, have political reach and capacities to shape the formal decisions in their favor. However, little is known how do they navigate through their “informal” status in accessing formal urban services, what co-shape their success and failure in doing so and how do they interpret such strategies and experiences in relation to their ongoing demands for home and ultimately for land. It is important to pay critical attention

¹⁹ This point was hinted by the DDG of DUDBC in the webinar on the “Legal Framework for housing as a fundamental right in Nepal” conducted on 18 May 2020. See also <https://www.spotlightnepal.com/2017/11/11/open-spaces-vanishing-fast/>

to the differential positions among the informal settlers, particularly as this riverbank settlement emerged in 2001 and expanded after 2004, by when the survey for identifying genuine squatters was already conducted. As per the agreement made between SPOSH-Nepal and the Mayor of Kathmandu in 2001, the municipal and local governments have started accepting family ID as the evidence of legitimate residence, as alternative to the citizenship or landownership documents, for providing basic services. As a part of this joint decision, SPOSH-Nepal announced that the squatters settling after 2001 would not be issued the “family ID” card (Ninglekhu, 2017). Whether or not all the informal settlers own such a card? Are these cards accepted by the government authorities? Has SPOSH-Nepal stopped issuing family identity cards to the settlers settling after 2001? How does SPOSH-Nepal justify its legitimacy to categorize informal settlers? What is the take of state authorities on the authority and decision of SPOSH-Nepal? In either case, how do informal settlers and their organization frame their decisions and differentiation basis? How such differentiations affect the access of informal settlers to urban services and related decisions? These are important questions in understanding the marginality issues within this settlement and their socio-political capabilities in regards to the wider development and inclusive and non-discriminatory policy discourse.

Equally important is paying attention to how are the informal settlements positioned in relation to the governmental priority for intensive urbanization with “corridor” roads on the raised river beds, development of risk-sensitive land use planning and the ambitious smart cities, and how these co-shape the marginal position and political capabilities of the informal settlers. Land Acquisition Act (1977) (see Article 3) and Section 5 of the right to housing act respectively specify that the government has the right to acquire land and evict any citizen from his or her housing for the public purpose, by providing him or her with resettlement or compensation, in accordance with the prevailing law. Considering that a road for “public purpose” is under construction along the Manohara settlement, there are chances that the settlers residing along the road under construction are likely to be displaced. Additionally, the Land related (eighth amendment) Act 2019 states that when providing the land to landless under this act the public land, land along the river, stream or canal, land in risk-prone area, land in national parks or conservation areas, in

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forest or within boundaries of roads *will not* be provided to landless squatters nor to the informal settlers. As Manohara squatters' settlement settles on the public land and at the bank of a river and is prone to flood risk, they may be illegible for this government scheme too.

While the Right to Housing Act obligates the three tiers of government to work on mutual cooperation and provide "housing facility" to the "homeless" and "temporary housing or financial support" to the individual and household displaced due to a natural disaster, it fails to clearly stipulate their roles and responsibilities. For instance, the 2015 constitution of Nepal entrusts the power of distribution of house and land ownership certificates to the local government. In addressing the homelessness, however, the local government can only identify and document the status of homeless but is dependent on the provincial and federal government for technical and financial support in making any decision on homelessness. Coordination between the three tiers of governments can help to verify authentic landless and homeless. Monitoring mechanisms and amendments as required are needed to ensure that jurisdictional overlaps do not deny the housing facility to those who cannot mobilize socioeconomic networks to access to this basic need and the fundamental rights.

Given that the local government has the primary responsibility in identification of the homeless and overall management of the local services, and no clear modality on the involvement of other two government level has yet been spelled out, collaboration with local government becomes the most *strategic* entry point in the efforts to improve inclusion and political capabilities of the residents of the Manohara informal settlement. The government has not publicly disclosed the progress made by different local governments in the identification of genuine "landless" and "homeless" and their qualification for getting support provisioned for such groups. The newly formed land commission has demanded all the 753 local government units to submit the details of the "landless" and informal settlements residing within their jurisdiction. In case the local governments do not have actual details, the commission has asked to submit an estimation of the landless and informal settlements. While the governments are occupied in taking prevention measures to contain Covid-19 and distribution of relief packages, it is reported that the recently formed land commission has started distributing land to the "landless" and residents of informal

settlements.²⁰ This is neither the first time a land commission has been formed or land has been distributed to landless. However, the landlessness issue has persisted and informal settlements have grown so has the urban poor population. It is yet to see where and how much land will the new commission distribute to each landless family or individual. But this will definitely be an important decision significantly changing the political positions of those included while reinforcing marginalization of those excluded. It therefore becomes important to pay attention to who among the residents of our study sites, Manohara informal settlement and Dhulikhel Municipality, get included and who get excluded, on what basis and with what repercussions on their political capabilities.

Notwithstanding the existing reality that the urban poor remains marginalized in poverty alleviation programs in Nepal, the inclusive, non-discriminatory policy and the fundamental rights to basic needs recognized by the constitution and the policy for poverty alleviation through inclusive decision-making and easy and equitable access of poor and deprived section of population to basic needs, can be important policy bases in advocating for those marginalized in the urban development process. The inclusive urban development is supported by the NUDS, national New urban agenda and SDG goals. These policies aim to improve urban infrastructure and services and make cities and human settlements inclusive, safe, resilient, sustainable and smart in achieving a “balanced and prosperous national urban system” by 2030, as targeted by the NUDS.

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²⁰ <https://ekantipur.com/news/2020/05/10/158909822901252097.html>

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Annex 1: The urban issues identified in the New urban Agenda of Nepal

1. Decreasing access of the poor to shelter in urban areas, with lack of access to land and services.
2. Rising prices of housing making it unaffordable to increasing number of families
3. Limited role of the private sector in social housing due to institutional constraints and low purchasing power resulting in low profit
4. Increasing poverty level leading to low affordability for housing and lack of affordable finance (high interest rate) – how to make simple and affordable housing finance available is a challenge.
5. Limited research and development and communication support programs on affordable housing materials and technology
6. Increasing urban risks and threats
7. Increasing anthropogenic causes of climate change
8. Low-income settlements located in disaster-prone areas
9. Increasing pressure on the existing limited facilities and services in the existing municipalities
10. Inadequate investment in infrastructure development despite investment needs due to low revenue base in municipalities
11. Growing disparity in access and service levels of basic services with limited access of the poor to higher standard infrastructure and services
12. Increasing non-climate stresses such as poverty and incidence of diseases leading to vulnerability to climate change with reduced resilience and adaptive capacity
13. Increasing consumption of fossil fuels for electricity, transportation or industry
14. Increasing number of private vehicles and buildings and environmental infrastructure producing large amounts of greenhouse gases
15. Urban form and the urban economy not considered as key factors influencing emissions at the city level

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16. Increasing demand on ecosystem services affecting the poorest and most vulnerable people the most
17. Municipalities suffering from the loss of agriculture land and inadequate green areas with increasing food deficiency in the cities and increasing food miles
18. Increasing exclusion of informal economies in the provision of employment and income in urban areas
19. High densities of informal settlements and slums resulting in increased health risks, and high levels of vulnerability to climate change and extreme events
20. Weak institutional capacity of municipalities to mobilize the potential revenue sources
21. Limited integration of local economies into national development policies
22. Yet to be explored comparative and competitive advantages of cities
23. Limited availability of jobs in the formal economies and problem of livelihood due to increasing cost of living
24. Lack of adequate entitlements including vocational skills and training opportunities for the youth in order to enhance their engagement in transformative movements for asserting human rights
25. Complex and inadequate legal procedures limiting the access of the people.

Annex 2: Thirty strategic actions identified by the Habitat III New Urban Agenda of Nepal

1. Managing rapid urbanization
2. Managing rural-urban linkages
3. Addressing urban youth needs
4. Responding to the needs of the aged
5. Integrating gender in urban development
6. Ensuring sustainable urban planning and design
7. Improving urban land management
8. Enhancing urban food production
9. Addressing urban mobility
10. Improving technical capacity
11. Addressing climate change
12. Disaster risk reduction
13. Reducing traffic congestion
14. Addressing the problems Air Pollution
15. Upgrading and preventing slums
16. Improving access to housing
17. Ensuring access to safe drinking water
18. Ensuring access to basic sanitation
19. Improving access to clean energy
20. Improving access to means of transport
21. Improving urban legislation
22. Decentralization and strengthening of local authorities
23. Improving participation & human rights
24. Enhancing urban safety and security
25. Improving social inclusion and equity
26. Improving municipal/local finance
27. Strengthening access to housing finance

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28. Supporting local economic development

29. Creating decent jobs and livelihoods

30. Integrating urban economy into national development policy.

Exploring potential study sites in Dhulikhel Municipality: Summary

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May 2020*

1. Introduction

Finding a suitable study site in Dhulikhel Municipality is an important task of the Political Capabilities (or PolCap) project. The aim of this project is to explore and expose the strategies, challenges, and overall political capabilities of the poor and marginalized urban population for accessing various infrastructures such as road, drinking water, electricity, sewerage, market, network, and relation. Hence focusing on the peri-urban areas marginal to the urban core of the municipality becomes appropriate for undertaking this research project. This document summarizes the findings of the recent telephone interviews conducted for exploring potential study sites in Dhulikhel Municipality.

2. Rational and Method

2.1 Telephone interview with the ward chairperson

Prior to the pandemic, SIAS team (Anushiya) had made an appointment with the ward chairperson of Kavrebhanyang for a preliminary visit. Although a visit was confirmed for 23-March-2020, the visit had to be postponed due to the Covid-19 pandemic as Nepal government declared nationwide lockdown since 24th March. As the field visits do not seem possible amid growing Covid-19 cases, extended lockdown, and the growing restrictions on travel and social meetings, telephone interviews have become the only alternative. The government had announced relief support for the poor and needy people and local governments (municipal and wards) distributed the relief packages. Hence, an understanding of the relief recipient households and population in different wards of Dhulikhel Municipality could provide useful information for identifying the marginal groups in the municipality. Although the first approach was to interview the Mayor and identify the wards with the population obtaining maximum relief support, the Mayor seemed busy. Alternatively, SIAS team switched to interviewing the selected ward chairpersons, which actually turned to be more appropriate to draw ward level information. The interviews were conducted by setting objectives (see section 3). The information collected from the interviews allowed us to suggest the most relevant study site for the PolCap project.

2.2 Selection of wards for the interview

A review of the grey literature on Dhulikhel Municipality shows Wards 4, 8, 9, 10 are the wards with the highest number of Dalit households in Dhulikhel Municipality (see table 1). Dalits are socio-culturally marginalized groups in Nepal. Studies have shown the socio-cultural

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marginalization intersects with economic and political marginalization in the context of Nepal. Large numbers of Dalit households make these wards appropriate for interviewing for selecting a case study site for the PolCap project. So these four wards (4, 8, 9, and 10) were selected for the telephone interviews.

Table 1: Demographic basis of selecting wards for the telephone interview

| Ward no. | Name of the ward | Total household | Total Dalit HHS | Total Ethnic HHS |
|----------|-------------------|-----------------|-----------------|------------------|
| 1 | Devitar | 550 | | |
| 2 | Rabi Obi Gaun | 621 | | |
| 3 | Dhulikhel | 524 | | 300 |
| 4 | Bakhundol | 853 | 171 | 341 |
| 5 | Shreekhandapur | 1000 | | 800 |
| 6 | Bhagawatisthan | 375 | | |
| 7 | Narayansthan Etol | 390 | | |
| 8 | Bhattedanda | 915 | (60) | 450 |
| 9 | Kavrebhanjyang | 1047 | 200 (250) | |
| 10 | Sharada Batase | 322 | 18 | |
| 11 | Patlekhet | 839 (1050) | (About 160) | |
| 12 | Shankhu Patichaur | 660 | | 462 |
| | Total | 8096 | | |

Source: Adapted from the review of municipal documents and updated based on interviews (The figures in the parentheses are from the interviews)

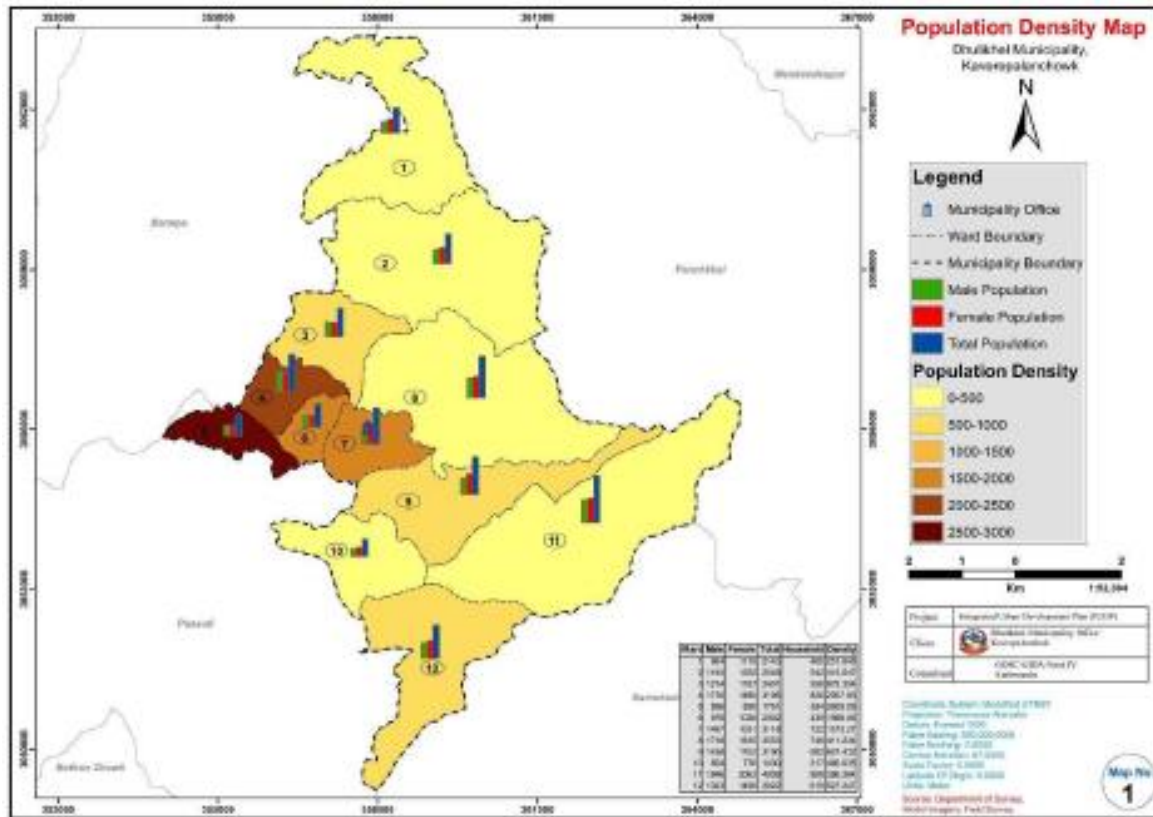
The other parameter considered for the selection of marginal community was the number of Ethnic households. Wards 5 and 12 with a high number of Ethnic households were also selected for the interview. Ward 3 being near the urban core²¹ of Dhulikhel Municipality was not selected for the interview, as this ward has an easy access to infrastructures compared to other wards and conducting interviews were intended to identify a comparatively marginal ward.

²¹ Wards 3, 4, 5, 6, and 7 are the core of Dhulikhel Municipality. Population density: Wards 1, 2, 8, 10 have less than 500; wards 9 and 12 have between 500 to 800 and wards 3, 4, 5, 6, 7 have over 800 persons per sq. km. (see Physical Dev. Plan of Dhulikhel Municipality, 2019).

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Moreover, informed by the above selected interviews, we came to know that ward 11 also has many ultra-poor households. So an interview was also conducted with the ward chairperson of ward 11 (see table 2).

Figure 1: Population density of Dhulikhel municipality



Source: Dhulikhel Integrated Urban Development Plan Background Report, 2019

3. Objective of the interviews

The main objective of this interviewing the ward chairpersons was to understand and document

- the general impact of lockdown in the respective ward
- the settlements, number of households and the social groups that received relief in the ward,
- the current situation of such group and further relief or any other support plans for such group.
- challenges they faced in obtaining and distributing the relief packages.
- information of the situation in other wards.

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Table 2: Interviewed wards and chairperson

| Ward No. | Name of the Ward Chair | Interviewer | Interviewed date |
|-----------------|-------------------------------|--------------------|-------------------------|
| 4 | Rabindra Karmacharya | Dilli P. Poudel | 20 May 2020 |
| 5 | Ganga Sagar Ranjit | Dilli P. Poudel | 19 May 2020 |
| 8 | Nirajan Jangam | Dilli P. Poudel | 24 May 2020 |
| 9 | Basanta Ranavat | Anushiya Shrestha | 20 May 2020 |
| 10 | Puspa Raj Rawat | Anushiya Shrestha | 21 May 2020 |
| 12 | Harka Bahadur Tamang | Anushiya Shrestha | 22 May 2020 |
| 11 | Bishnu Dhital | Anushiya Shrestha | 27 May 2020 |

4. Major findings

Table 3: Situation in different wards

Working report. Information included in this report is subject to change, correct, and edit.

| Ward no. | General situation of the ward | No. of relief recipients | Relief recipients settlements | Poor and Marginalized groups |
|----------|--|--|---|--|
| 4 | Located close to Dhulikhel town and Kathmandu university (KU). Agriculture has started. | 451 individuals, 60% tenants, 25% wage laborers and Dalits, and 15% students (KU) | Thapagau - 73 HHs, Bansghari – 32 HHs, Tolange – 50 HHs (Dalits), Dhyantol – 49 HH (30 Dalit HH) | Even those who are not marginalized also applied for the relief so the ward has started a program called <i>mamlai kam</i> (lit. work for food) paying the needy NPR 750/day. 32 individuals participated in the first phase of this program and 10 in the 2 nd phase. 3 rd phase yet to start. Dalits are richer. |
| 5 | | 151 families, of which around 75% were tenants. | Mahakalasthan, Choukosh, Bazar, and Bekula Marg. Most of the receivers were Kshetri, Newar, and Shahi | The mayor and vice mayor participated in the relief distribution day. Although many <i>Swobasi</i> ²² households reside, none of them require relief supports. |
| 8 | Situation is almost back to normal life and regular agricultural activities have started. Road constructions and road-canal cleaning activities are providing works to wage laborers. | 196 households | 45% were Dalits, 45% were Tamang, and 10% were Bahun-Kshetri | |

²² *Swobasi* are those families who have resided on the land owned by *Guthi* (a traditional institution of Newar communities). Although they have the houses, they don't have the document of land ownership.

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| | | | | |
|----|--|---|--|---|
| 9 | Majority of population is based on farming so no major negative impact of lockdown. Many people also rear cattle. The selling of milk has continued. | 270 Households, of which about 250 were Dalit households. Ward has a difficult terrain. For Salyapani and Darimbot ward office provided relief at the settlement. | Salyapani: Brahmins, a few Dalit households and few Janajatis Darimbot: 80 Dalit households Ranachap, Bankal, Thakurichar wards 1 and 3 of former Kavrebhanjyang VDC, Pipalbot | 400 households have applied for second round of relief. The ward office has submitted a note to the municipality requesting for the second round of relief package. This was has 21 landless households, which are mainly Dalits. Landless population are scattered in different settlements Chhote danda, Kavrebhanjyang, Pipalbot, but mainly are Dalits. |
| 10 | People have started labor works both in construction and fields and people are not dependent on relief. | 97 households | This included all the 26 Dalit households within the ward, all 7 landless HH (2 Dalit HHS and 5 are Khas Aryal HHs), differently-abled people and 30 out-migrant laborers. | |
| 11 | Initial weeks of the lockdown were strict and working at field and construction works were halted. This affected daily wage-based laborers. Now constructions as well as farm works have resumed. So people are getting wages. | 137 households which include 100 local households and 37 migrant laborers. | 100 relief receiving households are ultra-poor households. Most of those depending on relief have been engaged as wage-based laborers. There are 15-20 households who still need relief support. | Ward 11 has a total of 150-160 Dalit households. Phulbari Khatthok, Dandagaun, Dhungana gaun and Dossaldevi are Dalit settlements. Thuskot, Sital basti and Arubot (Tamang settlements). 9 landless households, which includes 5 Brahmin-Chhettri HH and 2 Tamang households. |

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|----|--|--|---|---|
| 12 | People have started working in their fields and construction sites. People who used to work in Kathmandu have returned but do not have work here. Problem is likely to grow in Ashad-Shrawan as work at the fields and food stored at home will have finished by then. | 1 st round: 100 households (60 local HHs, 40 labor migrants). 2 nd round arranged through support from an NGO and personal connection of the ward chairperson: 300 households (40 migrant workers and 260 local residents). | Of 260 HH, most were from Dalit and Janajati groups. 160 households of relief receiving households are from Eklekhet and Piple. | Eklekhet and Piple have Janajati (Tamang) and Dalit (Damai) households. Thumka: About 15 Tamang households of Thumka are very poor. |
|----|--|--|---|---|

5. Result: study site for PolCap

Based on the findings presented in table 3, ward no. 9 appears to be among the most marginalized wards in terms of the number of households receiving relief, the number of households still waiting for relief, number of landless households, and total number of Dalit households. It is also an urbanizing (i.e., peri-urban) ward and can be an appropriate site for our project.

6. Justification remarks

Based on the interviews:

1. Dhulikhel Municipality does not have any Covid-19 case (till date). Although the initial days of lockdown were tight, as the government permitted to do farm works and construction activities, farmers and wage-based labors have resumed their works. Many wards have provided wage-based people work in construction works, which largely reduced the dependency on relief. Construction of B.P roads, municipal roads and water supply system under “one house one tap” program has resumed in the municipality.
2. Dalits are the most marginalized social groups in Dhulikhel Municipality. Majority of the ultra-poor households identified in different wards of the municipality are Dalits. Although Dalit population is scattered in all wards of the municipality, highest population are in wards 4, 8, 9, 10, 11. However, according to our informants, the Dalits of urban core (e.g., ward 4) are richer compared to other Dalits of peri-urban wards.
3. Ethnic community (Tamang) concentrated primarily in two wards, wards 1 and 2, are the other marginalized group in the municipality. These wards are predominantly rural and do not have easy road access to reach the isolated villages. Furthermore, most of the respondents pointed that the Dalits in this municipality are more marginalized than the ethnic groups.
4. Ward 4 and ward 5 are among the urban wards of Dhulikhel. These wards have better accesses to market, infrastructure, political networks compared to peripheral wards. With value and better access to urban services, Dalit population in this wards are richer than the poor of other wards. Although this ward is among the wards with the highest number of relief recipient, lower is the number of local recipients (see the table 3).
5. Ward no. 9, 11, and 12 have more wage dependent and poor households. Ward 12 also has migrant laborers returning from the urban areas such as Kathmandu Valley. This can be useful to take into account the impacts of Covid-19 in the marginalization.
6. Ward 9 has not only the highest number of Dalit and landless households but also highest number of households receiving relief and those waiting for the second round of relief. The ward is also located in peri-urban of the Dhulikhel city.
7. In terms of access, ward no. 1 and ward 2 are among the most marginalized wards of Dhulikhel municipality. Although these are parts of Dhulikhel municipality since 2017, these wards are predominantly rural and may not suit to understand the situation of urban poor and the marginalized in an urbanizing context.