Practices of Policy Making: A Case of Urban Development Policy in Nepal

Mani Ram Gelal
Joint Secretary, Government of Nepal
1. Practice of Policy Making in Nepal

- Whatever governments choose to do or not to do for the welfare of its people.

- An expression of general purpose or desired state of affairs.

- A purposive course of action followed by an actor or set of actors in dealing with a problem or matter of concern (Anderson, 2014)

- The process of policy formulation in Nepal requires critical assessment as it suffers several limitations.

- In the modern policy process, public policy is not in the sole domain of the state. It has come under the civil domain with policy concerns being voiced by non-state actors and public goods being serviced by market players.
1. Practice of Policy Making in Nepal

- Non-state actors such as market and international agencies play a substantial role in influencing and shaping public policies.

- The policy process in Nepal, however, is still governed mainly by government and development partners.

- Policy making process follows---
  - defining problem statement,
  - identification of alternatives (policy recommendations),
  - choosing best alternative and adaptation,
  - choosing a set of appropriate tools of action,
  - designing implementation, communication, monitoring and evaluation plans.
1.1 Framework for public policy formulation in Nepal

- Constitution of Nepal is the major source which provides guidance to define the frame of public policy formulation in Nepal.

- The provisions of preamble which are not subject to changes;

- Provision of constitutional commissions;

- Theory of separation of power; and

- Guiding principles of the state have provided the government with a framework for policy formulation.
1.2 Factors influencing public policy formulation process in Nepal

- Policy guidance as visualized and framed in the constitution
- Political vision reflected in the election manifesto of political parties
- Philosophical/ideological ground setting the political culture of the political parties
- Public agencies and bureaucracy
- Development partners’ interests
1.2 Factors influencing public policy formulation process in Nepal

- Economic actors: market, private sectors and agencies of globalization
- Key economic/fiscal (Ministry of Finance) and development planning (National Planning Commission) agencies
- Pressure groups and minorities’ stakeholders
- Elites and community leaders
- Voters, the common people
- Professional institutions
- Resources
2. Gaps in Policy Making

A set of inter-related issues that limit the effective policy process in Nepal are:

- Defining policy problem properly is undermined by existing practice of individual decision making,
- Limited professional capacity, knowledge, skill and integrity in policy making.
- Various pressure groups, I/NGOs and elites dominate over the public interest.
- Policy making based on personal perception and lacks institutional homework and preparation.
- In many other instances, undue political influences also affect the policy process.
- Practice of imitating policy substances from other countries without realizing the different domestic needs and context.
2. Gaps in Policy Making

✓ Influenced by international agencies which may not reflect the welfare of the country.

✓ Substantially influenced by the policy changes in India owing to the deepened political, economic, cultural relationship and open border.

✓ Coordination and management of the stakeholders and neutral bureaucracy which are critical for the effective policy process are poor

✓ Inadequate communication of the policy provisions, ineffective monitoring and evaluation mechanisms limit effective policy management practice in Nepal.
3. The Process of Urban Development Policy Making

3.1 Setting the Context

- The pace of urbanization has increased markedly

- The urban population growing at nearly 6% per annum—total urban population 37% of country's population.

- Rapid migration from the countryside

- The effect of global trend of making investments in comparatively profitable sectors

- More people are shifting themselves from agriculture to the industrial, trade and commerce and tourism sectors.

- Being essentially urban oriented, those sectors have further contributed to the increment in urban population.
3. The Process of Urban Development Policy Making

3.1 Setting the Context

- Cities and urban centers generate major chunk of gross domestic product and are engines of economic growth

- Many cities are already struggling with environmental degradation, traffic congestion, inadequate urban infrastructure, and a lack of basic services, such as water supply, sanitation and waste management.

- Urbanization, as a process, is less influenced by policies pursued in the urban sector and more by the combined effect of sectoral policies in Nepal.

- There is practice of fragmented and piece meal approaches of various agencies for urban infrastructure planning and financing.

- National Urban Policy 2064 could not address the current urban issues
3. The Process of Urban Development Policy Making

3.1 Setting the Context

- Need of comprehensive zoning regulations and controls which regulate urban buildings, urban infrastructures and land use in conjunction have been felt.
- Hence
  - to pursue urban development in an integrated approach addressing all the aspects,
  - to identify the implementing agencies and their respective roles,
  - to mobilize and utilize resources from different sources including the ones through public and private partnerships
  - to implement the policies and strategies and for strengthening local bodies especially to increase their internal resources,
  - to prepare and implement policy action tools like building bylaws, national building code, GIS mapping and enforcement of land use plan within their jurisdiction, a new Urban Development Policy shall be formulated and enacted.
3. The Process of Urban Development Policy Making

3.2 Framing the Problem

3.2.1 Process

• Rigorous analysis of existing scenario of urban development plans and programs and their implementation status.

• Focus group discussion with experts and agencies - to point out the problems and probable policy intervention.

• The existing policies in urban sector and related legislations reviewed.

• The output of these activities were to find out the main issues and challenges in urban development sector.
3. The Process of Urban Development Policy Making

3.2.2 The Problem

- Unbalanced urban structure;
- Lack of Land use plan;
- Weak enforcement of building bylaws and national building code;
- Insufficient and non-functional urban infrastructures;
- Weak rural urban linkages;
- Environmental deterioration;
- Urban poverty and squatter settlements;
- Weak municipal institutions;
3. The Process of Urban Development Policy Making

3.2.2 The Problem

• Unplanned land and housing development;

• Conflicting and overlapping responsibilities among agencies to execute urban plans and programs;

• Absence of an effective mechanism for identification and mobilization of the instruments and resources;

• Fragmented and piece meal approaches of various agencies

• Lack of an effective mechanism for mobilization and coordination of the assistance and resources
3. The Process of Urban Development Policy Making

3.2.3 Justifications

• Address all aspects of urban development.

• Establish an effective mechanism for mobilization and coordination of the assistance and resources in urban sector.

• Foundation for Comprehensive Zoning regulations and controls

• Cornerstone for formulating regulatory bases for planned urban setting.

• At the national level, there is dearth of policy regarding open spaces. The proposed policy is expected to fill up that void.

• The proposed policy will address the spatial framework for urban development from a national and regional perspective in the infrastructure and resource development context.
3. The Process of Urban Development Policy Making

3.2.3 Justifications

• The proposed policy will be supportive for the construction of reliable, effective, efficient and sustainable basic urban infrastructures (roads, water supply, sewage & drainage, solid waste, energy, urban open space, basic physical amenities etc) and quality benchmarking.

• A milestone for improving urban environmental concerns - air, land, noise pollution; urban transport issues, high fossil fuel consumption, land use incompatibility, public space encroachment and growth of squatter settlements.
3. The Process of Urban Development Policy Making

3.2.3 Justifications

• Guide for planned development of services-- education institutions, nursing homes, industries and real estates in suitable locations.

• Municipalities are facing ever increasing funding and financing gap. The volume of fiscal transfer systems from the central government is very low. The proposed policy will have due focus on mobilizing and utilizing resources from different sources.

• The proposed policy will be effective for institutional development, coordination and good governance.
3. The Process of Urban Development Policy Making

3.2.4 Methodology

- Stakeholder consultations and agenda setting

- Review of literature, existing regulations, programs and implementation mechanism

- Collection of relevant data from both primary and secondary sources

- Data analysis

- Preparing results and discussion for the data

- Drawing conclusion
3. The Process of Urban Development Policy Making

3.3 Selecting Tools of Actions

• Policy tool - methods used by governments to achieve a desired effect.

• The two basic types of policy tools - regulatory and economic tools.

• Exist at all stages of the policy process

• Specific tools such as stakeholder consultations and government reviews linked to agenda-setting activities

• Legislative rules and norms linked to decision-making behavior and outcomes,

• Use of ex-post, or after-the fact, cost–benefit analyses---to evaluate policy.
3. The Process of Urban Development Policy Making

3.3 Selecting Tools of Actions

- **Regulatory Tools**---Existing policies/Acts/Regulations

- **Financial Tools**
  - Income tax/Sales tax/Duties and Tariffs
  - User fees and Charges
  - Licensing
  - Grant, Subsidy, Equity, Loans
  - Public expenditures
  - Government Insurance

- **Informational Tools**
  - Public education and information
  - Advertisement
  - Information technology
4. Implementation Plan

4.1 Roll-out of Programmes

- Implementation of land use plan
- Planned urbanization
- Improved urban environment
- Development of adequate, affordable and safe urban infrastructures
- Coordinated efforts of stakeholders in urban sector through One window approach
- Effective functioning of KVDA and TDCs
- Increased investments in urban sectors
- Facilitation of Private sector investment
- Effective and Coordinated Urban Governance
4. Implementation Plan

4.2 Organizational set up and allocation of human resources
- A number of agencies involved in urban sector, various agencies have their special roles in policy implementation. A framework of organizational setup and human resource management is outlined in Annex- 4.

4.3 Financial Resources
- The financing of the implementation of the policy activities shall be done in principle of shared responsibilities between governments, the private sectors and development partners. A detailed financial proposal to implement the policy activities is attached in Annex- 5.

4.4 Communication Plan
- The communication plan for the proposed policy includes the key message, the targeted audience and communication action plan as placed in Annex- 6.
5 Monitoring and Evaluation

5.1 Monitoring and Control Mechanism

5.1.1 Central Level

- OPMCM, NPC, MOF will carry out M&E functions at the national level.
- OAG, NVC, FCGO also should monitor and evaluate as required by different acts and bylaws of the country.
- The National Development Action Committee (NDAC) and Ministerial Development Action Committee (MDAC) shall ensure the progress, quality and the coordination.
5 Monitoring and Evaluation

5.1.2 Ministry/Department/Regional Level

• M & E will be undertaken by the respective ministry and department and regional offices of sectoral ministries. Department and regional offices should monitor and evaluate inputs, implementation process, outputs, and outcomes of programme/project.

• The Regional Administration offices submit reports to OPMCM and the NPC after carrying out M&E of development activities under their jurisdiction.
5 Monitoring and Evaluation

5.1.3 District Level

• The Supervision and Monitoring Committee at district level shall monitor the activities at district level following the frameworks.

5.1.4 Project Level

• M&E at the level of programme or project shall be carried out by the concerned programme/project implementing offices to monitor the mobilization and use of resources, implementation process and outputs.
6. Major Learning from the Policy Process

- With the new constitution, Nepal is poised to move towards a federal system of governance which will have significant implications for urban growth and development.

- New Urban Development Policy can be a guide to orient regional urban development processes and associated investment decisions and to shape the work of newly born ministry—that is Ministry of Urban Development (MoUD).

- Various policy action tools like regulatory, financial, informational and governance have been proposed.

- Implementation plan has been proposed with defined roles and responsibilities, time frame, cost and human resources.
- Monitoring and Evaluation process and framework has also been figured out.

- The proposed Urban Development Policy is expected to be a milestone in planned urban development and improved urban environment.
THANK YOU ALL. NAMASTE.