

E-discussion summary: June – July 2010

Improving Local Governance in the Hindu Kush-Himalaya Region: Challenges and Good Practices

The e-discussion *Improving Local Governance in the Hindu Kush and Himalaya Region: Challenges and Good Practices* ran from 14 June to 5 July 2010 with contribution from 65 registered participants in 37 organisations and 10 countries. The participants had diverse academic and professional backgrounds in international development. This information sheet presents a summary of the participant's opinions and field experiences in indentifying governance issues, challenges, and good practices in mountain and hill regions.

The aim of the discussion was to improve understanding of the root causes of local governance issues, and to collect examples of good governance practices, effective approaches, and lessons learned for improving local governance in the Hindu Kush-Himalayan (HKH) region (which extends across parts of Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, Nepal, and Pakistan).

Consensus is growing on the meaning of governance in the development context. "Governance can be seen as the exercise of economic, political, and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences," (UNDP Policy Document 2007). The contemporary practice of governance includes a wide range of stakeholders from government institutions to civil society organizations, customary institutions, and communities. Good governance requires collaboration among all stakeholders so that they complement each other and fulfil their potential. It ensures that stakeholders are efficient, responsive, accountable, and equitable – qualities that are guaranteed through participatory, inclusive, and transparent mechanisms aimed at building communication and collaboration linkages among stakeholders with and without common interests.

Debate on local governance issues and good practices is important because people residing in the HKH mountains face numerous environmental challenges such as land degradation, deforestation, loss of biodiversity, scarcity of firewood, and drought. All of these challenges are aggravated by poor governance practices caused by insufficient decentralisation, ineffective support for popular participation and inclusiveness, and inefficient mechanisms to ensure accountability to citizens. These factors exacerbate the poor living conditions and limit the livelihood options of mountain communities.

Governance is an important question because despite these challenges, mountain communities show resilience in tackling their problems – an effort that is often underestimated. Their rich traditional knowledge and skills have contributed to their ability to adapt and survive in harsh physical and political environments. Their traditional community institutions – although not always democratic and often excluding women and other minority socio-economic groups – have provided reliable management system at times when government services have been non-existent or inefficient.

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1. Root Causes of Local Governance Issues

Mountain poverty is characterised by a scarcity of resources but equal importance should be given to the fact that resources are usually not divided equitably. Issues related to local governance may be fundamental causes of many problems related to natural resource management. People often perceive the scarcity of resources or poor governance to be a problem at the policy level, ruling out the possibility that local stakeholders could initiate better management at the local level.

A top-down course of action to bring positive changes is necessary but not enough. The implementation of good policies depends on local level conditions, institutions, organisations, stakeholders, and the interaction among them. Therefore, for better natural resource management schemes it is crucial to have local-level diagnosis of problems and innovative approaches initiated by local stakeholders.

“Centralisation of power and resources creates problems at local level”

Decentralisation from the centre to the periphery is a prerequisite for good local governance. However, central governments often control the financial, administrative, and political powers of local government bodies. Centralised systems and policies can create division between local government bodies and communities when:

- local government bodies do not have access to these three sources of power so their credibility and efficiency comes under question by communities and non-governmental organisations,
- local government bodies do not have sufficient resources and decision-making power so they cannot be very efficient and effective, and
- decisions made at the centre do not reflect the needs and interests of communities, which therefore decline to cooperate with the local government bodies in the implementation processes.

“Once I had the opportunity to work and live in Swat Valley of Pakistan as a consultant. Tourism was an important livelihood there but all tourism-related decisions were made in Islamabad by the country’s Tourism Ministry. The provincial offices of the Ministry had no say in any decision; even registration of tour operations was under the control of the Ministry. One negative impact of this was seen in motel development. As per the central-level interventions, local labour was hired only on a daily basis while permanent workers were brought in from big cities like Peshawar, Islamabad, and Lahore. This situation was enough to make local communities indifferent to the tourism industry in the Valley.”

Contributor from Pakistan

“Communication gaps between formal and customary institutions leave both sides incomplete”

Both formal and informal institutions have strengths and limitations. For example, customary institutions provided local traditional technical knowledge and social influence, but they may need to become more equitable by incorporating the voices of minorities and marginalised segments of society, in particular of women. Similarly, formal government institutions have a high degree of legitimacy and access to resources and legal and law enforcement bodies, but would benefit from increased accountability and transparency measures, among others. Civil society organizations often deliver services effectively in areas such as community mobilisation and technology innovation, but could improve their efficacy by bridging the coordination gap among stakeholders with conflicting interests. A mechanism is needed to facilitate communication and support development of a learning and sharing environment among various stakeholders.

Customary institutions are sources of social capital that enforce, communicate, and monitor norms and values in a social setting. They are favoured by communities where education is limited and where the access to services from formal institutions is non-existent or inefficient. Customary institutions have shortcomings, such as a hereditary system of acquiring power and the absence of women from decision-making. However, communities often see these institutions as being less bureaucratic and more efficient in decision-making and enforcement as compared to formal institutions. These institutions can contribute to government programmes for resource management by providing local traditional technical knowledge and social influence to manage resources. Their cooperation with other local stakeholders is important but the gap in cooperation between the two requires building communication mechanisms to facilitate communication between them.

"Mustang District in Nepal has many government institutions but most social problems of the village are still resolved through village committees. One police inspector of Lo-Monthang explicitly told me that villagers hardly register any social problems in their office, as they solve the problems through village committees. I observed and experienced this in Lo-Monthang later. Villagers have their own institution called *Gaun Samiti* (Village Committee) and routinely change its members. The members must perform their roles or pay a penalty (in monetary or social forms)."

Contributor from Nepal

"Gaps and overlaps in responsibilities lead to inefficiency"

Effective implementation and sustainability of any scheme to manage natural resources requires many stakeholders from many different sectors and institutions to work collaboratively. Success depends on how well roles are defined and how aware members are of their role and the roles of others. If there are gaps or overlaps, no one can perform effectively and sustainably. Overlaps or gaps in the responsibilities of government agencies are due to the high level of bureaucracy, competing interests among government bodies, and an absence of intermediary bodies to facilitate knowledge, communication, and coordination of programmes among stakeholders.

"The Himachal Pradesh Panchayati Raj Act, enacted in 1994, established a three-tier system of local government bodies, the so called Panchayati Raj Institutions (PRIs). The PRI do not yet fully function as bodies of local self-government due to the lack of human, financial, and institutional resources and unclear division of tasks and functions between the state government administration and the three tiers of PRI. Within the sectors, mechanisms of cooperation and coordination between technical departments and the PRI bodies are not defined. The PRIs depend on financial transfers from the state government, usually as tied grants earmarked for specific purposes. While many Gram Panchayats formulate their own development plans, these plans are often not integrated at district level and have less influence in development planning at the state level and the subsequent allocation of state resources. Many elected PRI representatives are not fully aware of their roles or the possibilities and limitations of their mandates. Likewise, the local communities often have sketchy or misleading perceptions regarding the role of the PRI, and participation in the local public meetings (the Gram Sabha) is often below the quorum required for decision-making."

Contributor from India

"When organizations are not gender-sensitive they do not meet the specific needs of women"

As the main users of natural resources, women have a great sense of responsibility for natural resources and differ from men in the way they engage in natural resource management activities, the time of the day that they prefer to perform the task, and the tools that they use in their women-specific agricultural activities. Women also have specific social needs and preferences. The World Conference on Women held in 1995 declared, "Eradication of poverty based on sustained economic growth, social development, environmental protection, and social justice requires the

involvement of women in economic and social development, equal opportunities, and the full and equal participation of women and men as agents and beneficiaries of people-centred sustainable development.” For example, a survey by the Self Employed Women’s Association (SEWA) in 30 villages in Uttarakhand, India found that men prioritised electricity and roads (70 to 80%), whereas women prioritised schools, hospitals, and natural resource management (almost 90%).

When the positive trend to promote the participation of women is only symbolic then the needs of women will not be met. For instance, allocating quotas for the participation of women may be symbolic or made under pressure from other stakeholders rather than genuine recognition of women rights. Men who support their women taking advantage of such quotas may not do so to promote their advancement.

“During SEWA's work related to build capacity of women Panchayat Raj Functionaries (PRFs) near Dehradun in Uttarakhand, I went to a village and reached the house of the Pradhan. When I told a woman standing outside the house that I wanted to see the Pradhan, she guided me inside and introduced me to a man saying he is the Pradhan. The man said that he was the “Pradhan Pati” and that the woman was his wife and the elected Pradhan! He said that I could discuss all matters with him while he directed his wife (the actual Pradhan) to get water and tea for me!!! Interestingly, I have seen symbolic support and representation of women during an election campaign: the name of the woman is written in small letters on the banners while in large letters it is written ‘wife of’.”

Contributor from India

“There is little incentive to build the capacity of local government bodies”

The front-line service delivery officials who implement most of government rules and regulations are the main body interacting with people and are knowledgeable stakeholders about what works and what does not. These officials face some technical capacity issues that hinder their effective and efficient conduct. There is limited investment in the capacities of these officials as civil society organisations (CSOs) are usually engaged in local capacity building. There is no mechanism for CSOs to share their knowledge and information with these front-line service delivery officials. Local and central governments often lack the will or resources to spend on capacity building initiatives.

In India, the forest management guideline says that local communities are entitled to get the forest resources leftover from sustainable management practices – whatever comes out of appropriate thinning and lopping of trees goes to community. If a dried and dead tree is standing, it may be thinned and used as fuel wood. But foresters have interpreted that trees cannot be felled or pruned as there is Supreme Court ruling that usufructs means only fruits and grass, etc.

Rajan Kotru, India

“Poor sense of responsibility and initiation exist among all local stakeholders”

Good governance requires commitment at all levels – formal government institutions, customary institutions, and communities. Government representatives forget their promises of accountability and transparency after their successful election campaign. Sometimes representatives of customary intuitions align with government officials and undermine the interests of communities. They may engage in activities such as illegal lodging, which raises questions about their adherence to good governance. Communities do not always practise self-mobilisation particularly when there is no support. Among stakeholders there is often a vicious cycle of blaming and not taking responsibility. This is the case while article 2 of the Universal Declaration of Rights and Responsibility hold accountable not only government bodies, civil society organizations, and the private sector, but also communities and individuals, for all practices that lead to good governance

"In 2010, I visited Syaphru Besi Bazar in Rasuwa district, in Nepal. The village is an emerging tourist spot and most of the community members are engaged in the hotel industry. Until recently, the village was rich in water resources and had access to a pipe-tap. However, the flourishing tourism industry encourages the affluent community members to expand their hotel businesses. This leaves the poor at a disadvantage as affluent hotel owners now consume most of the water. The rapid economic growth and population growth of the village has caused the disappearance of traditional system of water governance in the village. Those affected by water shortages had not formed water user group committees believing that the local government was responsible to address the issue. The local government, physically distant from the village, believed it was not responsible to address the issue."

Contributor from Nepal

2. Good Practices, Effective Approaches, and Lessons Learnt

The participants presented several examples of good practices and effective approaches. One also offered several factors that affect the quality of the governance in organisations.

Equity-based initiatives

"In Syangja district of Nepal, programmes for the ultra-poor were planned and implemented by the locals. In village meetings, the villagers collectively identified the poor. The activities to help the poor were identified by the poor themselves. In the district, some villages had collective arrangements for different types of common problems. Each village had committees where chiefs of different village level organisations met periodically and designed actions to be carried out, irrespective of their political party affiliations. There were no formal, specific government provisions or rules for local governance.

I found a similar situation in villages covered by the Poverty Alleviation Fund (PAF), a Nepal government initiative supported by the World Bank. In this case, village level organisations of ultra poor, especially the women, planned and carried out the activities, with guidance from some NGOs."

Contributor from Nepal

Community initiatives despite scarcity of resources

In 2010, we visited three villages near Langtang National Park of Nepal; two had not formed water user groups and believed it was the responsibility of the government to help them. They had many other reasons such as lack of funding and lack of NGOs to help them raise their voice. The community was in a vicious cycle of blaming each other for the pervasive shortage and inefficient use of water. In this tourist hub, the rich and poor lived in the same community but had different levels of access to water. The affluent had better means and tools to direct public water pipes to their houses and businesses causing the poor to have a lack of access to water.

Nearby in another village, a few families had come together from remote areas in order to have better access to facilities in the tourist area. They had not waited for the government to come and fix the problem for them, nor had they waited for someone to drop money into their pockets. This village had created a sophisticated system of sharing labour, deciding on penalties, and solving conflicts. They had a collective budget, bank account, and decision-making system. The financial matters were accessible for all community members to monitor. The shared budget paid for the repair of water pipes and building a new water hand pump. From each household, a woman and a man had to participate in the monthly meetings chaired by an elected community representative.

Contributor from Nepal

Development of governance mechanisms in a farmer-led value addition business chain

In Utrakhand of India, the Apple Project encouraged farmers to join a cooperative, through which they can process and sell their produce jointly at better prices. The project facilitates a process of empowering small-scale apple farmers by supporting a value-addition business chain, owned and led by farmers.

Shri Jagdamba Samiti launched this project with the realisation that small farmers in a market-oriented agribusiness get further marginalised due to the dominance of mandis, a chain of well-organised intermediaries who control the entire process of credit supply for farm inputs, transportation, and marketing of produce. The apple project strived to create a model of business-driven, decentralised, independent, and small-scale production with coordinated arrangements for processing and marketing. It provided technical, managerial, and investment support to enable farmers to move collectively up the value chain. The collective feature of the business model is promoted to save individual time, distribute risk, maintain price assurance, pursue damage control, and handling costs, such as storage and transportation.

Shifting power dynamics: The story and the findings of data triangulation show that several significant changes in power dynamics have been taking place over the years. These changes have been a gradual process that is ongoing. The chosen business model of the Centre enabled shared ownership among the members of the Association, and put the common farmers in the driving seat. For the first time, a democratic model wherein everyone would have an equal say replaced traditional lines of power along tribal/feudal structures and caste or wealth divisions. Also, for the first time important positions, such as the membership in the Centre's committee, were not filled according to social status and prevalent positions. Hence, the Centre initiated some fundamental, long-term shifts in power dynamics and governance among the community of apple farmers and beyond.

The time factor in power shifts: To understand any change process it is important to take the broader political and historical context, time factor, or societal climate into account. In this case, the Centre was established at a time when shifts in traditional power blocks were already under way, through the political reforms and increased level of governance decentralisation in India in the 1990s, when the traditional Sayana system was increasingly replaced by the political Panchayat Raj system. Hence, the Centre was established against a background of growing democratisation of governance, and might have benefitted from this growing openness and new space. However, it was the first institution of community organisation that functioned outside the traditional power distinctions.

Empowerment beyond economic gains: The Centre had an empowering effect among the community beyond mere economic gains. First, market dynamics and the apple business became more transparent and easier for everyone to understand. People were enabled to participate actively and accumulate broader ownership instead of depending on traders and middlemen. As well, people were encouraged to view and understand power and possibilities for participation. The Centre has an empowering effect on women, who were for the first time participating in public meetings and speaking in public.

Dealing with diverging interests: The time prior to the formation of the farmers association and establishment of the Centre was rife with resistance, threats, disagreements, and sabotage from power blocs in the village. The SJS and the farmers association addressed these challenges with a new business model and social goal. The Apple Project was able to address the challenges of conflict and diverse interests by establishing links with opposing groups, engaging constantly with them, and bringing parties with different interests in common forums for dialogue in order to come to an amicable agreement. Engaging in constant dialogue and open, transparent communication among all stakeholders proved to be an important prerequisite of any jointly driven change process.

Contributor from India

A success story of Pangling village on water governance

Pangling is a village in Kagbeni Village Development Committee (VDC) with one irrigation channel constructed so long ago that nobody knows when the channel was constructed and who initiated it. The channel may have been constructed by the tribe who first made a settlement here.

In July 2010, Mr Pema Dhundu Gurung and Mr Karma Dhorje Gurung were the informants during my interaction with the villagers. There are 28 households in this village that cultivate about 900 Ropani (approximately 45 ha) of land. The Mukhiya (village headman) system is effective in this village. An assistant, the Katuwal, is responsible for disseminating information to all households, like meeting dates or calling villagers for irrigation channel repair. The selection of these positions is done on turn-by-turn basis. A Mukhiya is not allowed to continue after finishing his year. Since Mukhiyas and Katuwals are not on a hereditary basis, everyone gets chance to serve.

The Mukhiya is in-charge of the irrigation system. The village has set rules and regulations for water distribution and for contributions for repair and maintenance. Most of the rules are unwritten but everybody knows the agreed upon rules. For example, each household gets one full day of irrigation with all the water volume from the channel and reserved pond every 28 days on a turn-by-turn basis. At present, villagers say they cannot irrigate all their land in one day due to reduced water volume in the channel. However, if someone breaks the rule, the Mukhiya is responsible to impose a penalty on the rule breaker. Penalties could be cash payment to the village fund, loss of one or two water use turns, or extra work during repair and maintenance. However, no one can remember any such incidents as no one dares to break the rule the villagers set.

The irrigation system has a main channel along the top of the village, with several branch and sub-branch channels to the cultivated land owning by different households. The rules define who is responsible for repair and maintenance of which part of the channel. Accordingly, the villagers participate fully in the repair and maintenance. For the regular repair of the main channel, the Mukhiya announces the day through Katuwal. If someone does not come for the maintenance, he or she will be responsible to pay Rs 200/day as penalty. The villagers say that the rule must be strong to discourage those who intend to break the rules. The cash penalty has also been imposed for other village activities.

Contributor from Nepal

Initiatives that have helped the success of local governance

Over the decades, governmental and donor programmes have rarely promoted customary, traditional organisations existing at the village level (e.g. Village Development Houses, Women Clubs, Traditional Forest Committees, etc.). Consequently, these organisations and their supportive roles to local governance have weakened. In contrast, all programmes promote new committees or groups (water use, community forestry, literacy, etc.), build their capacity, and improve their information and knowledge levels to make good decisions. Some of these committee members may be members of customary organisations so some linkage occurs. In some states of India, the government has supported some customary organisations (e.g. Tribal Groups in Northern India) through clear legislative directives, regular funds, and support in planning local development.

Nevertheless, most government/donor programmes have created programme-based local institutions. For instance, Forest Development Associations (FDA) operate through Panchayats with direct funds from the central Government and have clear guidelines, based on the principles of good governance. Over the years, these committees have evolved to be like customary organisations, so I am viewing the approaches and tools that made such institutions equitable, inclusive, and gender sensitive.

Legislative approach: Participatory approaches and inclusion of indigenous or women groups in planning local forest development have been mandated by macro-policy changes and directives. As a result, current development programmes in forests and other sectors are designed to have maximum outreach at the micro-level. Their accompanying guidelines and operational procedures have underlying principles of inclusiveness and gender-sensitivity. Such programme-based approaches clearly give space to NGOs and local governance bodies as intermediaries for natural resource based development.

Capacity building packages: Most programmes now have clear budget lines to support the Participatory Planning Cycle including the micro-to-macro interface, exchange visits to best practices, and inclusion of disadvantaged groups. These activities sensitise development actors across horizontal and vertical levels of governance. As well, the curriculum for training packages and guidelines for implementation and monitoring have been updated for the participatory approach.

Multi-stakeholder approach: Over the years, several multi-stakeholder approaches have been adopted to make development planning a more inclusive and consultative process. This initiative aims at the integration and articulation of needs of a wide range of development actors. For example, the State Policy/Planning Units are proactively seeking the inclusion of community and civil society representatives to get a wider view on policy changes.

Networking: In the past decade, institutional networking has become the key tool to bring customary institutions and their issues to the fore, for example, FECOFUN in Nepal.

Leadership building: This approach is based on the fact that customary institutions have potential champions within. For instance, a project in Himachal Pradesh India identified local women leaders, based on certain criteria, and built their capacities. The project then used these women leaders to sensitise local women clubs. Now several of these women leaders have been elected to local governance bodies and are having a good influence on designing the change process from below.

Contributor from India

Effective self-mobilisation of women

In Jomsom, Mustang district of Nepal, Ms Lalkumari Hirachan talked about women's status in the Thakali community. According to her, the women have formed a 'Mother Group' in each village. No one can go beyond the decision of Mother Groups for a collective decision-making. Many other formal organisations, projects, conservation committees, village development committees, take suggestions from Mother Groups before making major decisions. When there were systematically elected Village Development Committees (VDC) from 1992 to 2002, 90% of the demands made by Mother Groups were fulfilled by allocating VDC budget. Women are powerful not only in business-oriented households but also in non-business households like farmers and livestock herders. There are several consequences of this at the community level. She gave one example that there is no discrimination between sons and daughters in education. They are getting equal opportunities in the same standard of schools.

The Mother Group was formed around in 1995 with the help of Annapurna Area Conservation Project. Even before 1995, they used to have a women's group in each village. However, there was no consistency in rules and regulation. So, the new formation in 1995 brought a reform of the existing women groups. The Mothers Group has been successful because women are active in executive roles, members are from all of households of a village, and they have annual election system for the chairperson and other executive members. They have regular meetings for fund raising and fund management. They have clear roles and responsibilities decided by the general assembly.

Contributor from Nepal

The main challenge identified was dealing with the diverse interests of past and emerging power holders. The previous holders of power, whether financial, social, or political, might resist letting go of the power or having it eroded.

3. Lessons for Improving Local Governance:

- **Promoting shifts in power dynamics** is a gradual process. It is essential to consider the broader political and historical context, time factors, and societal climate. Examine the origins of customary institutions before incorporating them into decision-making processes, as not all customary institutions are equitable and gender sensitive. Focus on changing attitudes at all levels of society, particularly in rural areas, because quotas for the women's representation are not sufficient.
- **Empowerment of a community** beyond economic gains requires an enterprise to become more transparent, easier for everyone to understand, and more participatory. Identifying the poorest households for specific benefits is best done by locals rather than government or civil society organisations. There is a trade-off between equity and efficiency. Equity measures require additional resources but at the same time ensure successful outcomes.
- **Legislative approaches** that mandate participatory approaches can ensure that current development programmes are designed so that their accompanying guidelines and operational procedures facilitate inclusiveness and gender-sensitivity. There is need for foreign aid to formulate ways for decentralisation and local governance to be more accountable and transparent.
- **Capacity building** packages sensitise and motivate development actors to support the Participatory Planning Cycle. **Leadership building** develops and builds the capacity of potential leaders within customary institutions and local women clubs. These leaders may eventually be elected to local governance bodies and have a good influence.
- **Multi-stakeholder approaches** make development planning more inclusive and consultative in order to integrate and articulate the needs of a wide range of development actors. In the design of projects and programmes, give decision-making power to stakeholders; including communities, civil society organisations, politicians, bureaucrats, and donors. If these stakeholders feel ownership, the intervention is more likely to succeed.
- **Institutional networking** has become the key tool to bring customary institutions and their issues to the fore, for example, FECOFUN in Nepal. It has become the key tool to bring customary institutions and their issues to the fore in the past decade.