

LOCAL PUBLIC SECTOR INSTITUTIONAL COUNTRY PROFILE: GENERAL COUNTRY INFORMATION

C1 Basic Country Information

C1.1	Country Name:	Nepal
C1.2	Information/Data for Year:	2009-2010
C1.3	Budget Year (Central Government Budget):	Jul-Jun
C1.4	Local Government Budget Year same?	Yes
C1.5	Currency Name:	Nepalese Rupee
C1.6	Currency Unit (used in budget tables for this survey):	Millions
C1.7	Exchange Rate (US\$ 1 = X Local Currency)	73.247
C1.8	Gross Domestic Product	988,272
C1.9	Total National Population	29959000
C1.10	Population density (people per square kilometers)	204
C1.11	Percent Urban Population	19%

C2 Central Public Sector Information

C2.1	Administrative tradition	British
C2.2	System of government	Parliamentary
C2.3	Competitive elections at national level?	Yes
C2.4	Parliament structure	Unicameral
C2.5	Election of parliament (general assembly / lower house)	Proportional (Party List)
C2.6	Election of parliament (upper house), if any	...

C3 Framework guiding local public sector and intergovernmental relations

C3.1	Intergovernmental political structure?	Unitary
C3.2	Is the LPS structure uniform across urban and rural areas?	No
C3.3	Are there (other) asymmetries in the structure of the LPS?	No
C3.4	Recognition of principles of autonomy and subsidiarity?	No
C3.5	Clear and consistent assignment of the powers?	No
C3.6	Formal mechanism for intergovernmental coordination?	Yes
C3.7	Experience with regular local elections?	No
C3.8	Timing of central and local elections coincide?	No
C3.9	Recent or ongoing decentralization reforms?	Yes

C4 Name/year of the main law(s) guiding structure and finances of the local public sector

C4.1	Local Self-Governance Act (1999)
C4.2	Local Self Governance Regulation (1999)
C4.3	Local Body (Financial Administration) Regulations (2007)

LOCAL PUBLIC SECTOR ORGANIZATIONAL / GOVERNANCE PROFILE: ORGANIZATIONAL STRUCTURE OF THE PUBLIC SECTOR

		(a) Main Structure	(b) Alternate Structure
S1	First administrative-territorial level/tier		
S1.1	Name of regional level/tier	District Development Committee (DDC)	
S1.2	Name of regional level/tier (in English)	District Development Committee (DDC)	
S1.3	Number of jurisdictions at this level:	75	
S1.4	Complete national coverage?	Yes	...
S2	Second administrative-territorial level/tier		
S2.1	Name of local level/tier	Village Development Committee (VDC)	Municipality
S2.2	Name of local level/tier (in English)	Village Development Committee (VDC)	Municipality
S2.3	Number of jurisdictions at this level:	3915	58
S2.4	Complete coverage of higher level?	Yes (a+b)	Yes (a+b)
S3	Third administrative-territorial level/tier		
S3.1	Name of local level/tier		
S3.2	Name of local level/tier (in English)		
S3.3	Number of jurisdictions at this level:		
S3.4	Complete coverage of higher level?	...	...
S4	Fourth administrative-territorial level/tier		
S4.1	Name of alternate level/tier		
S4.2	Name of alternate level/tier (in English)		
S4.3	Number of jurisdictions at this level:		
S4.4	Complete coverage of higher level?	...	...
S5	Fifth administrative-territorial level/tier		
S5.1	Name of alternate level/tier		
S5.2	Name of alternate level/tier (in English)		
S5.3	Number of jurisdictions at this level:		
S5.4	Complete coverage of higher level?	...	...
S6	Sixth administrative-territorial level/tier		
S6.1	Name of alternate level/tier		
S6.2	Name of alternate level/tier (in English)		
S6.3	Number of jurisdictions at this level:		
S6.4	Complete coverage of higher level?	...	...

LOCAL PUBLIC SECTOR ORGANIZATIONAL / GOVERNANCE PROFILE: GOVERNANCE STRUCTURE OF THE PUBLIC SECTOR

Nepal 2009-2010		LPS Level/Type 1 District (DDC)	LPS Level/Type 2 Village (VDC)	LPS Level/Type 3 Municipality	LPS Level/Type 4 ...
G1	Main institutional features of local entities				
G1.1	Name of the local entity level/type	District (DDC)	Village (VDC)	Municipality	...
G1.1a	Are local entities at this level/type institutional units?	Yes	Yes	Yes	...
G1.2	Are local entities at this level/type (semi-)autonomous corporate bodies?	Yes	Yes	Yes	...
G1.3	Do local entities at this level/type engage in governance functions?	Yes	Yes	Yes	...
G1.4	Do local entities at this level/type have their own political leadership?	Yes	Yes	Yes	...
G1.5	Do local entities at this level/type prepare/adopt/manage their own budgets?	Yes	Yes	Yes	...
G1.6	Are local entities entitled to own assets and raise funds in own name?	Yes	Yes	Yes	...
G1.7	Are local entities able to incur liabilities by borrowing on their own account?	No	No	...	...
G1.8	Are local entities able to appoint their own officers?	No	No	No	...
G1.9	Are local entities able to employ, hire/fire/promote their own staff?	No	No	...	...
G1.10	Are local entities budgetary units or sub-units of the higher-level government?	No	No	No	...
G1.11	If (G1.10) yes, are local departments organized sectorally or territorially?	...	...	...	...
G1.12	If (G1.10) no, are local entities non-budgetary sub-units of the higher level?	...	...	...	...
G2	Governance of local entities				
G2.1	If (G1.4) yes, is the local political leadership (at least in part) locally elected?	No	No	No	...
G2.2	If (G2.1) yes, have elections been held in the past seven years?	No	No	No	...
G2.3	Does the local political leadership include elected local councils ?	No	No	No	...
G2.4	If (G2.3) no, is there a local advisory / supervisory council?	No	No	No	...
G2.5	Does the local governance structure include (in)directly elected executive ?	No	No	No	...

LOCAL PUBLIC SECTOR INSTITUTIONAL COUNTRY PROFILE: FUNCTIONS & PUBLIC SERVICE DELIVERY RESPONSIBILITIES

Nepal 2009-2010		Central Government	LPS Level/Type 1 District (DDC)	LPS Level/Type 2 Village (VDC)	LPS Level/Type 3 Municipality	LPS Level/Type 4 ...
F1	Responsibility for performing functions and delivering public services					
	General Public Services (701)					
F1.1	Civil administration*	...	...	...	...	...
	Public Order and Safety (703)					
F1.2	Police Services (7031)	Main	...	...	...	...
F1.3	Fire protection (7032)	Main	...	...	Shared	...
	Economic Affairs (704)					
F1.4	Agricultural extension services*	Shared	Shared	Limited	...	...
F1.5	Irrigation*	Shared	Shared	Limited	...	...
F1.6	Livestock promotion*	Shared	Shared	...	...	...
F1.7	Development and operation of markets *	...	Shared	Shared	Shared	...
F1.8	Roads and infrastructure *	Shared	Shared	Limited	Shared	...
F1.9	Traffic and urban transportation *	...	...	...	...	...
F1.10	Local economic development *	...	...	...	...	...
	Environmental Protection (705)					
F1.11	Waste management (7051)	...	Shared	...	Shared	...
F1.12	Waste water management (7052)	...	...	...	...	...
F1.13	Protection of biodiversity and landscape (7054)	Shared	Shared	Shared	Shared	...
	Housing and Community Amenities (706)					
F1.14	Housing development (7061)	...	...	...	...	...
F1.15	Community development (7062)	...	...	...	...	...
F1.16	Water supply (7063)	Shared	Shared	Limited	Shared	...
F1.17	Street lighting (7064)	...	...	...	Main	...
	Health (707)					
F1.18	Public health and outpatient services (7072,7074)	...	Main	...	...	...
F1.19	Hospital services (7073)	Shared	Shared	Shared	Shared	...
	Recreation, culture, and religion (708)					
F1.20	Recreation and sporting services (7081) – includes parks	...	Shared	...	Shared	...
F1.21	Cultural, religious and other community services (7082, 7084)	...	...	...	...	...
	Education (709)					
F1.22	Pre-primary Education (70911)	...	...	...	...	...
F1.23	Primary Education (70912)	Shared	Shared	...	...	...
F1.24	Secondary Education (7092)	Shared	Shared	...	...	...
F1.25	Vocational (postsecondary, nontertiary) Education (7093)	Shared	Shared	...	...	...
F1.26	Tertiary Education (7094)	Main	...	...	...	...
	Social Protection (710)					
F1.27	Social Protection (710)	Main	...	...	...	...
A1	Authority to regulate and plan physical space					
A1.1	Land use planning and zoning	...	...	...	...	...
A1.2	Land assignment, acquisition and transfer	...	...	...	...	...
A1.3	Land conservancy; environmental protection	...	...	...	...	...
A1.4	Building and construction regulation; building permits	...	...	...	...	...
A1.5	Traffic and parking	...	...	...	...	...
A1.6	Local tourism promotion; regulation of hotels and guest houses	...	...	...	...	...
A1.7	Billboards and the display of advertisements in public places	...	...	...	...	...
A1.8	Cemeteries, funeral parlors and crematoria	...	...	...	...	...
A1.9	Regulation of local markets and street vendors	...	...	...	...	...
A1.10	Regulation of local businesses	...	...	...	...	...

LOCAL PUBLIC SECTOR FISCAL PROFILE: PUBLIC SECTOR REVENUES (INCLUDING TRANSFERS AND BORROWING)

Nepal 2009-2010		Central Public Sector	LPS Level/Type 1 District (DDC)	LPS Level/Type 2 Village (VDC)	LPS Level/Type 3 Municipality	LPS Level/Type 4 ...	Total Public Sector
Revenues							
R111	Taxes on income (111)						0.0
R112	Taxes on payroll and work force (112)						0.0
R113	Taxes on property (113)						0.0
R114	Taxes on goods and services (114)						0.0
R115	Taxes on international trade and transactions (115)						0.0
R116	Other taxes (116)						0.0
R12	Social Contributions (12)						0.0
R131	Grants from foreign govt and intl org (131, 132)						0.0
R133	Grants from other general govt units (133)						0.0
R14	Other [non-tax] revenue (14)						0.0
	Total Revenues	0.0	0.0	0.0	0.0	0.0	0.0
Intergovernmental Fiscal Transfers							
<i>General Transfers</i>							
R1331A	General Purpose Grants (incl General Revenue Sharing)						0.0
<i>Conditional Recurrent Transfers</i>							
R1331B	Conditional wage grants						0.0
R1331C	Conditional non-wage recurrent grants						0.0
R1331D	Other conditional recurrent grants						0.0
<i>Conditional Capital Transfers</i>							
R1332A	Conditional capital grants						0.0
R1332B	Cross-sectoral capital grants						0.0
	Total Intergovernmental Fiscal Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Fiscal Balance and Assets							
R99	Net Lending/Borrowing [GFS]						0.0

LOCAL PUBLIC SECTOR INSTITUTIONAL PROFILE: POLITICAL ASPECTS OF THE LOCAL PUBLIC SECTOR

Nepal 2009-2010		LPS Level/Type 1 District (DDC)	LPS Level/Type 2 Village (VDC)	LPS Level/Type 3 Municipality	LPS Level/Type 4 ...
P1	Local and intergovernmental political power structures				
P1.1	What is the local power structure?	Mixed/Other	Mixed/Other	Mixed/Other	...
P1.2	Does the local executive have veto power over council decisions?	No	No	No	...
P1.3	Can council remove local executive by no-confidence vote?	No	No	No	...
P1.4	Do local decisions require higher-level (central) confirmation?	No	No	No	...
P1.5	Can higher-level remove local officials without judicial intervention?	Yes	Yes	Yes	...
P1.6	Can local jurisdictions use legal system against higher-level government?	No	No	No	...
P2	Structure and quality of local electoral systems				
P2.1	How are local councilors elected?	Mixed or Other	Mixed or Other	Mixed or Other	...
P2.2	For what term are local councils elected (years)?	...	...	...	...
P2.3	What is the level of citizen participation in local elections?	...	...	...	...
P2.4	How are local (political) executives elected?	...	...	...	...
P2.5	For what term are local (political) executives elected (years)?	...	...	...	...
P2.6	Are local council elections party-based?	...	...	...	...
P2.7	Are there electoral quotas for women and/or minority candidates?	...	...	...	...
P2.8	Do recall provisions exist for local elected officials?	...	...	...	...
P2.9	Are there term limits for locally elected officials?	...	...	...	...
P3	Nature of political party systems				
P3.1	Can multiple parties run in elections?	...	...	...	...
P3.2	Can only national parties run in local elections?	...	...	...	...
P3.3	How are party candidates for local council elections selected?	...	...	...	...
P3.4	Are there established rules for local party financing?	...	...	...	...
P3.5	Does the ruling national party have a dominant position in local elections?	...	...	...	...
P4	Local participation and accountability				
P4.1	Are all executive or council meetings (required to be) open to the public?	...	...	...	...
P4.2	Are local records and documents (required to be) available to the public?	...	...	...	...
P4.3	Is the jurisdiction (required to) engage in a participatory planning process?	Partially	Partially	Partially	...
P4.4	Are alternative participatory mechanisms used, such as referendums?	...	...	...	...

LOCAL PUBLIC SECTOR INSTITUTIONAL PROFILE: ADMINISTRATIVE ASPECTS OF THE LOCAL PUBLIC SECTOR

Nepal 2009-2010		LPS Level/Type 1 District (DDC)	LPS Level/Type 2 Village (VDC)	LPS Level/Type 3 Municipality	LPS Level/Type 4 ...
A2.1	Local public financial management				
A2.1a	Local entity controls and manages own finances in own bank account(s)	Yes	Yes	Yes	...
A2.1b	Standardized local Chart of Account / local budget format?	...	...	...	...
A2.1c	Computerized financial management systems widely used?	No	No	No	...
A2.1d	Internal auditor / controller approval required for local transactions?	...	...	...	...
A2.1e	External or higher-level approval required for transactions?	...	...	...	...
A2.1f	Requirement for public budget transparency during execution?	...	...	...	...
A2.1g	Regular oversight over finances by local council (committee)?	No	No	No	...
A2.1h	Regular administrative oversight over financial management by higher level?	...	...	...	...
A2.1i	Local bodies required to make their budget accounts public?	...	...	...	...
A2.1j	Timely ex-post external audit of final accounts takes place	...	...	...	...
A2.1k	Audit of local accounts performed by higher-level audit institution?	...	...	...	...
A2.1l	Accounts reviewed by parliamentary accounts committee?	...	...	...	...
A2.2	Local procurement				
A2.2a	Authority to procure capital infrastructure / supplies?	Yes	Yes	Yes	...
A2.2b	Authority to engage in lease / concessions / mgmt contracts?	...	...	...	...
A2.2c	Is there a local procurement threshold / ceiling ?	Yes	Yes	Yes	...
A2.2d	Follows international competitive bidding standards?	Yes	Yes	Yes	...
A2.2e	Legal requirement to make procurement information public?	Partial	Partial	Partial	...
A3	Local human resource administration				
A3.1	Nature of the legal framework for local sector staff	...	...	...	...
A3.2	CAO, department heads and senior staff are locally appointed	No	No	No	...
A3.3	Wages paid/disbursed by local officials / from local treasury	Yes	No	Partial	...
A3.4	Determine staff numbers/type by department (establishment control)	No	No	No	...
A3.5	Authority to set wage rates?	No	No	No	...
A3.6	Authority to set local incentives, bonuses, top-ups?	Partial	Partial	Partial	...
A3.7	Authority to recruit/hire?	Partial	Partial	Partial	...
A3.8	Higher levels recruit/hire/transfer on jurisdiction behalf?	Partial	Partial	Partial	...
A3.9	Authority to dismiss staff (underperforming / surplus staff)	Partial	Partial	Partial	...
A4	Local public service delivery				
A4.1	Formal service delivery standards exist to guide local service delivery?	...	...	...	...
A4.2	Effective vertical coordination on (sectoral) public service delivery?	No	No	No	...
A4.3	Are there formal mechanisms for horizontal inter-jurisdictional cooperation?	No	No	No	...
A4.4	Do SDUs have a degree of administrative or managerial discretion?	...	...	...	...
A4.5	Do SDUs have their own public oversight mechanism?	...	...	...	...

LOCAL PUBLIC SECTOR INSTITUTIONAL PROFILE: FISCAL ASPECTS OF THE LOCAL PUBLIC SECTOR

Nepal 2009-2010		LPS Level/Type 1 District (DDC)	LPS Level/Type 2 Village (VDC)	LPS Level/Type 3 Municipality	LPS Level/Type 4 ...
F2	Nature of revenue assignment and subnational revenue administration				
F2.1	Local entity collects revenues?	Yes	Yes	Yes	...
F2.2	Local revenues retained in own accounts?	Yes	Yes	Yes	...
F2.3	Revenue assignment is 'closed-list'	Yes	Yes	Yes	...
F2.4	Local authority to establish own tax instruments	Mixed/Partial	No	No	...
F2.5	Local authority to establish own non-tax instruments	...	...	...	...
F2.6	Local control over tax rate				
F2.6a	Taxes on income (111)	...	...	...	...
F2.6b	Taxes on property (113)	...	...	...	...
F2.6c	Taxes on goods and services (114)	...	...	...	...
F2.6d	Administrative fees (1422)	...	...	...	...
F2.7	Local control over tax base				
F2.7a	Taxes on income (111)	...	...	...	...
F2.7b	Taxes on property (113)	...	...	...	...
F2.7c	Taxes on goods and services (114)	...	...	...	...
F2.7d	Administrative fees (1422)	...	...	...	...
F3.1	Intergovernmental fiscal transfers: ruled-based vertical allocation of resources?				
F3.1a	General Purpose Grants or General Revenue Sharing	...	...	...	...
F3.1b	Conditional wage grants	No	No	No	...
F3.1c	Conditional non-wage recurrent grants	No	No	No	...
F3.1d	Other conditional recurrent grants	...	...	...	...
F3.1e	Conditional capital grants	No	No	No	...
F3.1f	Cross-sectoral capital grants	No	No	No	...
F3.2	Intergovernmental fiscal transfers: formula-based horizontal allocation of resources?				
F3.2a	General Purpose Grants or General Revenue Sharing	...	...	...	...
F3.2b	Conditional wage grants	No	No	No	...
F3.2c	Conditional non-wage recurrent grants	No	No	No	...
F3.2d	Other conditional recurrent grants	...	...	...	...
F3.2e	Conditional capital grants	No	No	No	...
F3.2f	Cross-sectoral capital grants	Yes	Yes	...	...
F3.3	Intergovernmental fiscal transfers: timeliness and completeness				
F3.3a	Transfers are provided in a complete, timely and consistent manner	...	...	...	...
F4	Subnational borrowing and debt				
F4.1	Authority to borrow without higher-level approval?	No	No	Mixed/Partial	...
F4.2	If F4.2 no, authority to borrow with higher-level approval?	Yes	Yes	Yes	...
F4.3	Local borrowing takes place extensively (more than one-third of LGs)?	No	No	No	...
F4.4	Subnational government bond issuance allowed/practiced?	Not allowed	Not allowed	Not allowed	...
F4.5	Higher-level constraints on borrowing (limits on size or use of resources)?	...	...	...	...
F4.6	Specific electoral or local accountability constraints on borrowing?	...	...	...	...
F4.7	Local borrowing institution exists?	...	...	Yes	...
F4.8	Vertical coordination on borrowing / fiscal rules?	...	...	...	...

LOCAL PUBLIC SECTOR COUNTRY PROFILE: PROFILE COMPLETION INFORMATION

Z1	Completion of Country Profile	
Z1.1	Name of researcher completing Country Profile	Valerie Stevens
Z1.2a	Name of peer reviewer(s) / country expert(s)	Jamie Boex
Z1.2b		
Z1.2c		
Z1.3	Country Profile submitted to LPSI Secretariat for review?	Yes
Z1.4	Date Country Profile completed	5/16/2013
Z2.1	Data / reference sources used for Fiscal Profile:	
Z2.1a	Nepal Government Red Book	
Z2.1b		
Z2.1c		
Z2.2	Reference sources used for Institutional Profile:	
Z2.2a	IMF GFS Yearbook 2008	
Z2.2b	Local Self-Governance Act (1999) of Nepal (http://www.mld.gov.np/pdf_downloadable_file/local_self_governance_act_2055(1999)_english.pdf)	
Z2.2c	NIBR Report 2011 (http://www.nibr.no/filer/2011-23.pdf)	
Z2.2d		
Z3	General Country Profile complete?	
Z3.1	General Country Information complete?	Yes
Z3.2	Organizational Structure complete?	Yes
Z3.3	Governance Structure complete?	Yes
Z3.4	Functional Profile complete?	Yes
	Fiscal Profile complete?	
Z3.5	Expenditure Profile complete?	Yes
Z3.6	Revenue Profile complete?	No
	Institutional Profile complete?	
Z3.7	Political Institutional Profile complete?	Yes
Z3.8	Administrative Institutional Profile complete?	Yes
Z3.9	Fiscal Institutional Profile complete?	Yes
Z.4	Coverage of the LPS Fiscal Profile	
Z4.1	Fiscal profile covers devolved finances?	Yes
Z4.2	Fiscal profile covers deconcentrated finances?	Yes
Z4.3	Fiscal profile covers central direct/delegated finances?	Yes
Z5	Fiscal Profile: Availability and quality of public finance data	
Z5.1	IMF GFS data available for central government?	Yes
Z5.2	IMF GFS data available for state government level?	No
Z5.3	IMF GFS data available for local government level?	No
Z5.4	Detail of deconcentrated exp (if any) in public budget?	Yes
Z5.5	Detail of devolved exp (if any) in national budget?	Yes
Z5.6	Capital expenditures reflect spending or UCC?	Spending
Z5.7	Capital expenditures include non-capital development?	Yes
Z5.8	Nature of central budget data	Budgetary Account
Z5.9	Budget estimates or actual expenditures?	Actual expenditures
Z5.10	Local expenditures: reported data or estimated?	Reported data
Z5.11	Local own revenues: reported data or estimated?	Mixed or Other