



**“Municipal Services through ICTs: The case of  
Rural-Urban Partnership Programme in Nepal”**

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## **Glossary**

|              |   |  |
|--------------|---|--|
| AEC          | : | Agro Enterprise Center                                   |
| B2B          | : | Business to Business                                     |
| CCI          | : | Chamber of Commerce and Industry                         |
| e-Commerce   | : | Electronic Commerce                                      |
| e-Governance | : | Electronic Governance                                    |
| LE           | : | Linkage Enterprise                                       |
| FNCCI        | : | Federation of Nepalese Chambers of Commerce & Industries |
| GIS          | : | Geographic Information System                            |
| GUG          | : | Good Urban Governance                                    |
| GON          | : | Government of Nepal                                      |
| HLCIT        | : | High Level Commission for Information Technology         |
| HRDC         | : | Human Resource Development Center                        |
| ICT          | : | Information and Communication Technology                 |
| INGO         | : | International Non-Governmental Organization              |
| ISP          | : | Internet Service Provider                                |
| IT           | : | Information Technology                                   |
| LSGA         | : | Local Self Governance Act 1999                           |
| MC           | : | Management Committee                                     |
| MoA          | : | Memorandum of Agreement                                  |
| MPDF         | : | Municipal Partnership Development Fund                   |
| MLD          | : | Ministry of Local Development                            |
| MPPW         | : | Ministry of Physical Planning & Works                    |
| NEX          | : | National Execution                                       |
| NGO          | : | Non-Governmental Organization                            |
| NPC          | : | National Planning Commission                             |
| NTA          | : | Nepal Telecom Authority                                  |
| RMC          | : | Rural Market Center                                      |
| RTCCC        | : | Rural Tele Center Coordination Committee                 |
| RUPP         | : | Rural-Urban Partnership Programme                        |
| TDP          | : | Tole Development Plan                                    |
| TLO          | : | Tole/Lane Organization                                   |
| UIC          | : | Urban Information Center                                 |
| UN           | : | United Nations   |
| UNCH         | : | United Nations Center for Human Settlement               |
| UNDP         | : | United Nations Development Programme                     |
| VDC          | : | Village Development Committee                            |

# Municipal Services through ICTs: The case of Rural-Urban Partnership Programme in Nepal

By: Ramesh Adhikari <sup>1</sup>

Suresh Dhoj Shrestha

## 1. Background

The Local Self-Governance Act – 1999 (LSGA) consolidated different acts related to the Local Bodies (LBs) and provided a platform for decentralized governance in Nepal. The LSGA reflects the political will of Nepalese Legislature and Government of Nepal (GON) for the commitment to decentralized governance and it is well reflected in the Poverty Reduction Strategy Plan (PRSP). Decentralization is considered a cross cutting issue having positive implications on Poverty Reduction. To translate the spirit of LSGA into action, the GON has taken several measures to devolve different service related sectors from the line agencies to the LBs, especially to the municipalities in the urban part.

As per the LSGA, the municipalities, as a municipal government of Nepal, are providing municipal services to their citizens. Most of the municipalities are depending upon the traditional systems and are basically focused on the physical infrastructure development. Still, the planning is carried out with the top down approach in many cases without people's active and meaningful participation. With the emergence of Rural Urban Partnership Programme (RUPP), the concept of urban development has taken a new dimension, for e.g., social mobilization, people's participation, enterprise development activities for livelihood options, rural urban linkages for balance development, ICTs, and some affirmative actions to disadvantaged groups (DAG), etc. Out of 58 municipalities, RUPP is implemented in 35 Municipalities and 49 Rural Market Centers (RMCs) in phase wise manner including 15 municipalities that have been replicated RUPP by the Ministry of Local Development (MLD).

RUPP's objective is based on the targets of MDG. The Programme directly contributes on goal 1. Eradicate extreme poverty and hunger, goal 3. Promote gender equality and empower women, goal 6. Combat HIV/AIDS and goal 8. Develop a global partnership for development. Similarly, the programme, through its social mobilization process also supports goal 2. Achieve universal primary education, goal 4. Reduce child mortality, and goal 5. Improve maternal health.

With the support of RUPP, partnering municipalities started bottom up approach planning through social mobilization and Participatory Municipal Development Planning (PMDP) process. Municipalities covered up to 100 % households through social mobilization process forming 5,527 Toile Lane Organizations (in Nepali Toile Bikash Sanstha) – community based organization as a grass root institution to support municipalities in overall development. With RUPP support, the Municipalities established and operationalized Urban Information Center (UIC) as a municipal Data Bank and Human Resource Development Centers (HRDC) as a Human Resource Incubation Center providing easy access to the community. Municipalities, with the objective of poverty reduction, established Municipal Partnership Development Fund (MPDF) to provide easy access of credit to the poor and needy community people. To strengthen and expand the enterprises, municipalities started disseminating daily agricultural price information and supported in establishing Market Linkages through the National B2B e-Commerce Services named “*Nepali e-Haat Bazaar*”. Municipalities initiated Public Private Partnership. In addition to this, the municipalities have also shown their commitment to participatory planning and transparency by introducing the municipal e-Governance system that include vital registration, online publication of financial records, citizen charter,

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discussion forums, comments and suggestions for planning and decision making processes, etc. For easy access of these services, the municipalities established community run Tele Centers in municipal as well as in the rural areas of the RUPP working municipalities and rural market centers. The Programme has promoted the ICTs as a major tool for strengthening good governance and poverty reduction activities. Through different means of ICTs, the Programme is also contributing in awareness generating activities, empowerment of women and disadvantaged groups, delivery of basic services and promotion of market linkages for better livelihood options.

Till date, UICs have been established in 25 municipalities and MPDFs in 35 municipalities amounting to Nepalese Rs. 136 million that created more than 30,000 entrepreneurs having 53% female entrepreneurs, generated more than Nepalese Rs. 179 million from internal savings with 89 % investment among the community members and constructed 1930 community level infrastructure projects with 78 % resources mobilized from other agencies. The HRDC successfully organized trainings on Social Mobilization, Leadership, Gender, Saving & Credit Mobilization, Enterprise Management, Skill Training, Technology Transfer, PMDP, Local Governance, HIV/AIDS, Computer, B2B e-Commerce, Info Mobilization, Tele Center Operation and Management, etc. to more than 69,000 participants including community members and municipal/VDC staffs. Apart from this, the Agricultural Market Information System and National B2B e-Commerce Services were established in partnership with Agro Enterprise Center/Federation of Nepalese Chambers of Commerce & Industry in close coordination with High Level Commission for Information Technology. Similarly, Tele Centers and Cyber Cafes were established with the support of UN Habitat and the World Bank supported TSRP executed by the Nepal Telecom Authority, which is playing a key role in digital divide without any discrimination between the rich and poor.

## **1.1 Introduction of RUPP**

Rural-Urban Partnership Programme (RUPP) came into operation from September 7, 1997 with the objective of strengthening good urban governance for improving people's livelihoods and strengthening the local economies by taking advantages of the social and economic development opportunities through strengthening rural-urban linkages. The Programme is urban based and urban led, and hence advocates an "Urban Based Local Development" approach. RUPP (NEP/96/003) was jointly initiated by Government of Nepal (National Planning Commission, Ministry of Physical Planning and Works and Ministry of Local Development), United Nations Development Programme (UNDP) and United Nations Centres for Human Settlements (UNCHS now UNHABITAT) in September 1997 in Nepal. The Phase II under NEX modality started from January 2001. The Programme has consolidated the success from the first and second phases and refined the focus of the Programme to address the needs that have occurred since the inception of Phase I.

In the context of Nepal's rapid urbanization, the principal objective of RUPP is to enhance the involvement of both rural and urban poor ...(and)... to improve livelihoods and strengthen local economies by enhanced rural-urban linkages with more emphasis on urban activities (Huntington et. al., 1999). During its Phase I, RUPP became the singularly most important Programme in Nepal addressing the ways in which rural-urban linkages can be strengthened to reduce both urban and rural poverty while at the same time enhancing participatory good urban governance to empower the people. The Programme has gained recognition in both poverty alleviation and good urban governance and influenced the policy at local and the national levels (Douglass, C.M., et. al., 2001). The second and third phases emphasize on capacity building for good urban governance and poverty alleviation, utilization of ICT, regional market linkages, social inclusion and pro-poor policy promotion.

After the successful implementation of the Programme for 9 years, RUPP has been the major Programme in Nepal to support municipalities in strengthening Good Urban Governance and

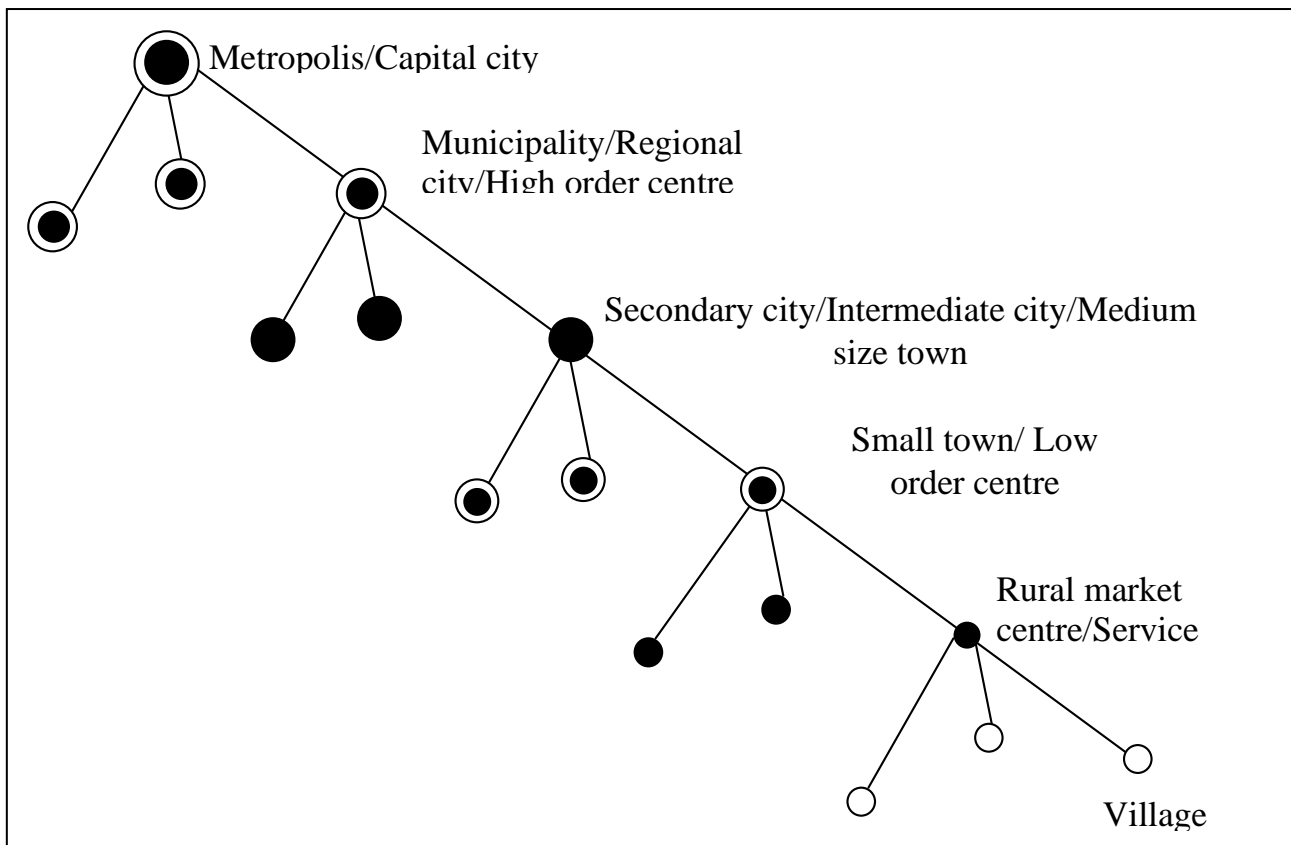
Poverty Alleviation. Today, the RUPP has become an indispensable part of the partner municipalities in overall development.

## 1.2 Programme Approach:

### The Basic Premise

The social and economic interactions emerging from the process of urbanization can be optimally used to stimulate growth of both (municipality and rural market centres) in the urban and its rural hinterland areas. Therefore, the urbanization process should be addressed as a ‘rural to urban continuum’ and in terms of its spatial, functional and institutional dimensions. The theoretical axiom for such experience is manifested in the premises of *Central Place Theory*, namely, that hierarchically ordered and integrated systems of settlements provide the rational and efficient spatial systems for the organization of population and their functional relationship. Urban development is linked to the advantages of rural market centres and, similarly, development of rural market centres is linked to the growth of strong rural economies. Forward and backward linkages of rural and urban economies are adopted as the guidepost for the urban development.

The Relative Position of Village and Markets in the Urban Hierarchy



### Programme Concept

The Programme premises are devised based on the problems experienced in the past development efforts and to address them in a holistic manner. Thus, the Programme has been conceptualized as “*Urban Based Local Development Through Rural – Urban Linkages*”. It is also based on the stipulations that urban and rural development should not be perceived in isolation. Urban development should encompass the development of economic and social level of awareness, technical infrastructures and institutions for rural-urban interactions. Sustainable urban development needs proper mobilization of human, economic, social and financial resources at the local level. However, this is achievable only with good governance. The use of ICTs is essential for good governance and poverty alleviation; and local peoples’ participation and the partnership of private sector is required for rural-urban interactions.

“Securing the right to sustainable livelihoods of rural and urban poor”.

**Objectives*****Phase I:***

- To improve the livelihood of the poor and disadvantaged people by creating enabling environment for them to undertake social and economic initiatives, through local institutions.....mobilizing Private Sector and enhancing rural-urban linkages.
- To help the local institutions develop an urban information system and participatory development planning and monitoring procedures that will facilitate the formulation of decentralized development plans and programmes, based on optimum use of rural-urban linkages.
- To support the National Planning Commission to help formulate poverty-alleviation-oriented regional and local development policies through policy analysis and field-testing of various rural-urban linkage initiatives.

***Phase II:***

The Phase II objectives are slightly modified to institutionalize the Phase I achievements and enhance their impacts:

- To strengthen the management capabilities of the municipalities (and the TLOs) to implement participatory urban governance as stipulated in the Local Self-Governance Act of 1999.
- To enhance the use of ICTs to promote e-governance and e-commerce initiatives for the benefits of the poor in the municipalities and rural market centers.
- To improve the livelihoods of the rural and urban poor through the enhancement of rural-urban linkages.
- To formulate policies and guidelines on good urban governance to national and local governments based on the lesson learned from the Programme since inception.
- To train and organize the traditional tribes, occupational groups and artisans into enterprises.

***Phase III:***

The Phase III objectives are the continuity of Phase II with slightly modified to institutionalize the Phase II achievements and enhance their impacts:

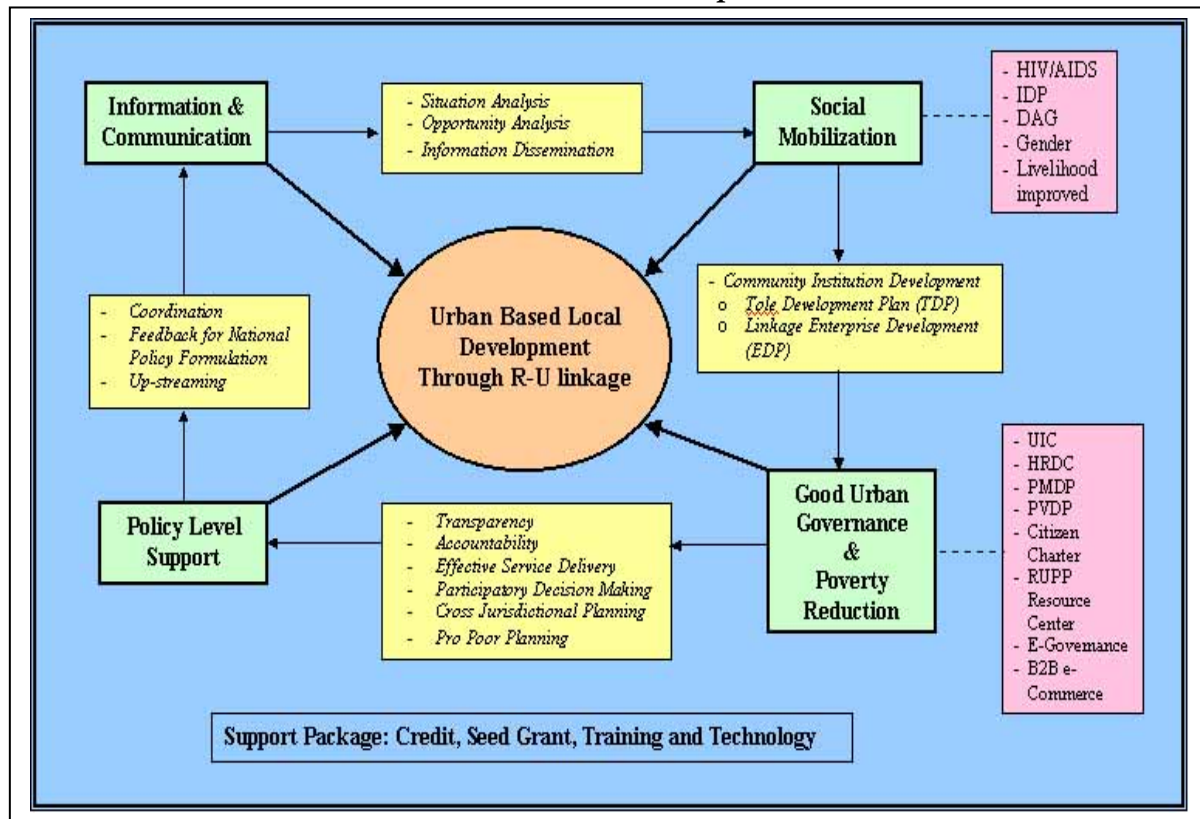
- Livelihoods of rural urban poor secured through social mobilization (with special emphasis on vulnerable groups - dalits, occupational castes, traditional tribes, indigenous groups, women and internally displaced persons)
- Economic and planning linkages between rural and urban areas strengthened
- Urban governance improved to provide efficient basic service delivery
- National Level government and civil society institutions strengthened to implement the issues of 10th Five Year Plan Urban Section

**Programme Strategy**

In supporting its basic premise and achieving its goal and objectives, the Programme has adopted four innovative action strategies. (1) *Management and Policy Support* at the local and national level for/to (a) the development of well-articulated network of urban centers, rural market centers and villages for linking their production and consumption systems; and (b) create conditions for better urban governance for better delivery of services and products. Development of an appropriate information system and communication (and staff training) has been taken as the key to improve the management. (2) *Development of Decentralized Social Institutions* including community based economic enterprises to participate in strengthening rural-urban interactions. Social capital formation and empowerment through the social mobilization process have been taken as entry point while training, credit and seed grant funds are provided for their socio-economic development. To make such

process sustainable, a Municipal Partnership Development Funds (MPDFs) have been established. (3) *Private Efforts (partnership)* are mobilized for the provision of urban goods and services to facilitate the optimum utilization of rural and urban social and economic opportunities for local development. (4) *Rural Labour Linked to Industrial/Commercial Establishments*. Technology transfer and skill development initiatives are keys to establish such linkages. All these action strategies are directed to (a) alleviate poverty with focus on the poorest communities enabling them to mainstream into the development process; and (b) create conditions for women to enhance their roles in social and economic development.

### RUPP Concept



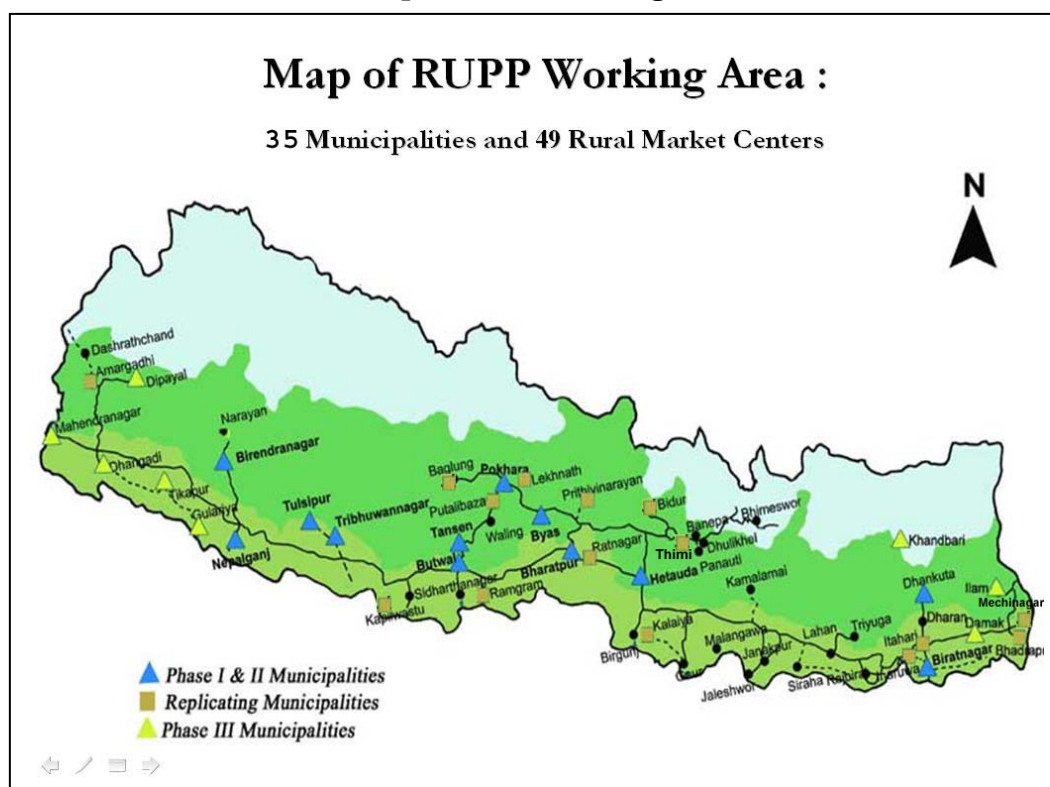
## 2. Localization and territorial entity concerned

There are total of 58 municipalities in Nepal and the Programme has been implemented in 35 municipalities including the 15 municipalities that are the replicated RUPP by the Ministry of Local Development/Government of Nepal and respective municipalities. The Programme is also implemented in 49 Rural Market Centres (selected parts of Village Development Committees characterized by the presence of clusters of some form of commercial and urban activities) with the objective of enhancing rural urban linkages for balanced development. The municipalities and VDCs where the Programme has been implemented cover key ecological regions within Nepal.

### List of partner municipalities and Rural Market Centers

| Partner Municipalities  | Rural Market Centers                               |
|---|--|
| <b>Phase I and II:</b>  |  |
| Byas  | Jamune, Keshavtar, Sishaghat, Khalesti             |
| Bharatpur   | Gitanagar, Rajahar                                 |
| Biratnagar  | Jante, Katahari, Rangeli                           |
| Birendranagar   | Chhinchu, Babiyachaur                              |
| Butwal  | Kotihawa, Khaireni, Murgiya, Pharsatkar, Saljhandi |
| Dhankuta  | Manglung, Sindhuwa                                 |
| Hetauda   | Gadhi, Handikhola, Bhimphedi                       |
| Nepalgunj   | Khajura, Betahani, Kohalpur                        |
| Pokhara   | Kalikasthan, Dulegaunda, Armala, Naudanda, Hemja   |
| Tansen  | Aryabhanijang, Harthok                             |
| Tribhuwannagar  | Lamahi, Bhalubang                                  |
| Tulsipur  | Bijauri, Narayanpur                                |
| <b>Phase III:</b>   |  |
| Gulariya  | Kusumbabazaar, Bhurigaun                           |
| Tikapur   | Lamki  |
| Dhangadhi   | Sukhad, Attariya                                   |
| Mahendranagar   | Jhalari, Daiji, Babathan, Chandani                 |
| Dipayal-Silgadhi  | Gopghat  |
| Damak   | Kerkha   |
| Ilam  | Barbote  |
| Khandbari   | Sitalpati  |
| <b>Replicating Municipalities:</b>  |  |
| Ratnanagar, Prithvinarayan, Itahari, Inaruwa, Lekhnath, Putalibazaar, Amargadhi, Mechinagar, Ramgram, Kalaiya, Bidur, Madhyapur Thimi, Kapilbastu, Baglung and Bhadrapur, |  |

### Map of RUPP working area



### 3. Entity Responsible for implementation:

The partners of the Programme are at three different levels: (1) The central or *macro* level; (2) The Municipality and VDC or *meso* level; and (3) The community level in the municipalities/urban centers, rural market centers/small market towns or *micro*.

#### Macro Level

The UNCHS (UNHABITAT) executed the Phase I of the Programme (1997-2001) in close co-operation with the National Planning Commission (NPC), Ministry of Local Development (MLD) and the Ministry of Physical Planning and Works (MPPW). These agencies still remain the partners while the executing agency is MLD during Phase II and III. Beside, partnership of the national apex institution of other government agencies, the private sector and local authorities is also ensured.

#### Meso Level

The municipalities, VDCs (Village Development Committee), NGOs and private sector organizations are the partners at the meso level. The RUPP is implemented by 35 Municipalities (the urban market centres) and/in 49 RMCs (Rural Market Centres) that are the small towns within 50 VDCs. Selection of municipalities and rural market centers for implementing the Programme is carried out under certain set criteria. Some important such criterias are: (1) importance for rural-urban linkages; (2) demand and interest shown for implementing the Programme activities; (3) willingness to contributing their own resources; and (4) willingness to mobilize line agencies and their own staff to implement Programme activities.

#### Micro Level

The partners at the micro level are the general populace (community) of the municipalities and the rural market centers. The participation of the people is institutionalized into grass-root level organization called Tole/Lane Organization (ILO).

### 4. Project field

Strengthening *Good Urban Governance (GUG)* and *Poverty Alleviation* through social mobilization is the major activity within a broad framework of rural-urban linkages. (The paper covers only the services initiated by the partnering municipalities using ICTs for strengthening good urban governance, poverty alleviation and enhancing market linkages with RUPP support.)

### 5. Harnessing digital means to meet public ends

Realizing that recent advances in the ICT domain offered an enormous prospect for augmenting RUPP's efforts in key areas of its broad operational remit, the Programme introduced municipal e-governance and e-commerce (B2B) based initiatives in some of its partner municipalities and RMC's. For providing easy access of these ICT based services and with the objective of bridging the digital divide, the Programme also contributed in the establishment of Tele Centers/e-Community Centers.

#### 5.1 Major objectives of Municipal e-Governance, Agricultural Price Information/B2B e-commerce initiative and Tele Centers/e-Community Centers

The RUPP's effort in the area of e-Governance draws its relevance from GUG initiatives as envisaged in the Local Self-Government Acts and Regulations enacted by Government of Nepal. More particularly, the e-Governance initiatives have been guided by the following objectives:

- To increase citizen participation in urban governance
- To increase efficiency and efficacy of services delivered by the municipalities by introducing a range of on-line services
- To enhance transparency in the working of local government outfits – specifically the municipalities

- To provide expanded access to information resources to facilitate bottom-up, citizen centric urban planning in line with RUPP's approach of social mobilization

The other key area of RUPP's strategic orientation vis-à-vis application of ICTs has been the dissemination of daily agricultural market information and implementation of B2B e-Commerce initiatives by its partner municipalities guided by the following objectives:

- To provide an easy access of price information to enterprises and farmers
- To expand market access to enterprises located in partner municipalities and VDCs by creating a virtual trading hub through ICT's
- To enhance the prospects of regional/international trade linkages
- To establish a single electronic gateway to promote trade linkages in the country

The 10th Five Year Plan had provisioned for the 1500 Tele Centers in the country to establish a two way communication. The Programme pioneered in the establishment of Tele Centers guided by the following objectives:

- To provide an easy access to the above-mentioned ICT based services
- To bridge the digital divide
- To establish a two-way communication
- To provide easy information access without discrimination
- To empower women, children and the disadvantaged group

### **5.1.1 Operational Activities – e-Governance, e-Commerce (B2B) initiatives and Tele Centers**

#### **a. Municipal e-Governance**

#### **Project Context**

In pursuant to its commitment to good governance, with the support of RUPP, the municipalities have adopted a participatory municipal planning process, in which, every member of the Tole/Lane Organization (ILO), a community based organization is responsible for formulation, implementation and monitoring of its development plans. This has helped to ensure increased participation and consensus in the development of the municipality. Furthermore, pursuing their commitment to transparency, the RUPP has established a well-maintained Urban Information Center (UIC) that is structured both as a data bank of the municipality and information dissemination center of the citizens. Ensuring the financial transparency, the municipality has been fulfilling its statutory obligation of making its annual financial transactions public without any failure. Similarly, the municipalities have placed themselves to address the issue of equity and have adopted gender as a cross cutting issue and have been adhering to gender-friendly policies and strategies. Addressing the issue of equity, they have been able to lift the life of both under-privileged group and urban poor by conducting Entrepreneurship Development Programme. Municipalities have published a citizen charter with the technical support of RUPP to ensure accountability, rule of law, and enhance effectiveness and efficiency in municipal administration and policies. These have enabled the municipalities to set its policies and activities in compliance with all characteristics of good urban governance. As the partnership of public sector, private sector and civil societies is basic a criterion for good urban governance, there already exists a strong partnership of private sector and civil societies with the municipality, which is also well scripted in operational modalities of the municipality. Above all, the municipalities are well established as they are fully complying with the citizen charter.

In the context where the municipalities have already taken some strides in the direction of good governance, RUPP, catching the trend of the hour, realized that it would be worthwhile to supplement its effort to good governance with the application of ICTs, which can make a significant contribution to the achievement of good governance goals realizing that the

e-governance can make governance more efficient, transparent and effective. Truly guided by the fact that e-governance is the application of ICTs:

- To transform the efficiency, effectiveness, transparency and accountability of informational and transactional exchanges within the government (municipal), between government and government agencies at different levels, citizens and business;
- To empower citizens through the access and use of information, and
- Most importantly, to allow direct participation of constituents in planning and decision-making without any discrimination.

#### **e-Governance Project concept**

RUPP, while in the process of strengthening good governance and urban development introduced the concept of e-Governance at partnering municipalities. Since e-Governance is one of the major components under the ICT for strengthening good governance, RUPP jointly with the municipalities had conceptualized the e-governance and shared its Programme concept to the local CCI, civil society, TLOs (community based organizations) and NGO/INGOs working in the municipalities. Only after addressing the suggestions from them and ensuring their support in e-governance, the RUPP and the municipality decided to launch the programme. The private sector scaled up the network of cyber-cafes as per the need of situation in order to provide e-service to the public. The municipal e-governance was being launched also in coordination with the Ministry of Local Development, Government of Nepal.

Realizing the importance and necessity of e-Governance in Nepal, the then Right Honorable Prime Minister had officially launched the e-Governance in Bharatpur municipality on January 10, 2003. Several rounds of workshops were also organized with cyber-café owners and NGOs, line agencies and civil societies in order to secure their ownership on the e-governance.

A well-trained staff deputed for the operation of Urban Information Center was trained in line with the Municipality's commitment to e-governance. Similarly, a well-set Human Resource Development Center (HRDC) played a key role in providing trainings and orientations regarding the use and concept dissemination of e-Governance to the community and municipal staffs.

#### **Issues that are addressed**

The municipal e-governance was initiated as an innovative approach to support good urban governance through ICTs with the three main following contributions:

- ***Improving administrative process (e-administration),***
- ***Connecting citizens (e-citizen and e-services); and***
- ***Building external interactions (e- societies).***

One of the key issues that has been tried to address is improved service delivery for public. For this, the municipality has helped its citizens to minimize the number of their visits to the municipality to get their jobs done. Similarly, the other intention is to reduce the time required to get a job done, which ultimately reduces the cost. The system had a provision of vital registration online and or forms could be downloaded without visiting the municipality. The other issue addressed through this e-governance program is information dissemination. The objective of this is to disseminate information that is not only useful for an ordinary citizen for his/her daily contact with the Municipality, but also for other purposes, such as planning and monitoring, awareness creation on different issues like HIV/AIDS and provide information on municipality to community based organization, line agencies, NGOs and INGOs.

Addressing the issue of paying attention to the voices of voiceless, the system had a provision for comments, suggestions, online polling and a discussion forum to ensure people's participation in planning and decision making process.

## Project Design

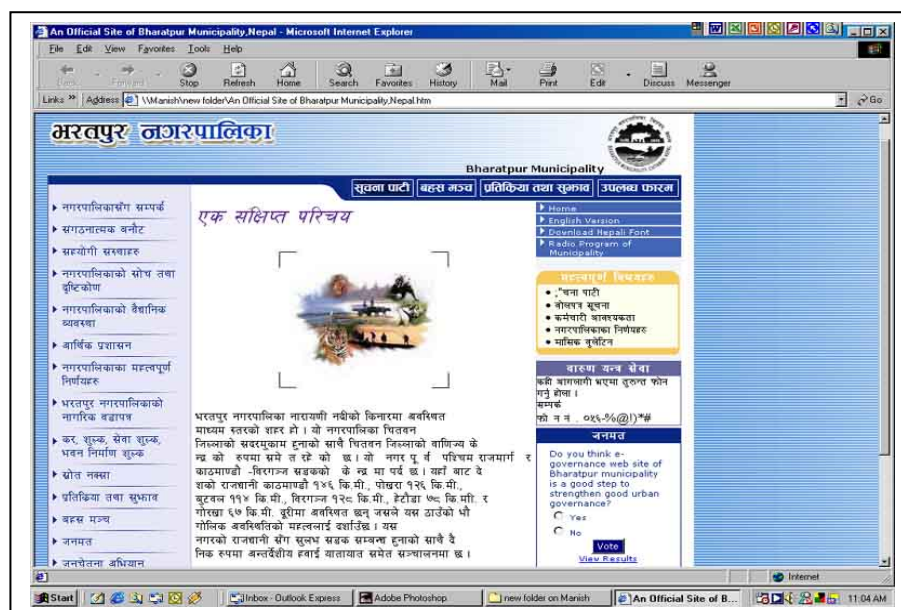
### Pre Project Activities

A workshop was organized in order to explore the ideas and suggestions from different stakeholders on the use of ICTs as a tool for efficient urban service delivery at the municipality level. On the basis of suggestions and decisions made on the workshop, the partnering municipalities had prepared a "Pre Feasibility cum Need Assessment Report" on how the ICTs could be used to improve the existing system of the municipality, effective service delivery and enhance people's participation in planning and decision-making process.

### Project Activities

RUPP, jointly with the partnering municipality, after a careful review of Government Policies, Local Self-Governance Act, Pre Feasibility cum Need Assessment Report and other necessary documents; finalized the content and developed e-Governance portal. A portal was then registered with a domain name [www.bharatpurmun.org.np](http://www.bharatpurmun.org.np) was hosted. Simultaneously, RUPP organized an e-Governance campaign mobilizing University, Institutions and Colleges of Nepal using IT students for people's awareness on e-Governance in the municipalities. The awareness generating activities were conducted in every TLO. Apart from this, the RUPP also helped the municipalities by incorporating awareness on e-Governance in Social Mobilization Process. With the Programme's support, the municipality also carried out the System Analysis for automating the Internal Process of the municipality.

A draft version of e-Governance portal was then hosted for some time to get feedback and suggestions from the public and different stakeholders. Several workshops & orientation programmes are organized with municipal staff/authorities, line agencies, NGO/INGO, civil societies, private sectors – Chamber of Commerce & Industry, Cyber Cafes, ISPs, IT consulting companies with the dual objectives of orienting them and also ensuring their comments and suggestions are well addressed. At the same time, e-Governance Unit was established in the municipality and in some of the ward offices for the effective implementation and services delivery. Throughout the process, training to staffs for the operation, modification, update & maintenance of e-Governance system was also provided. The municipal board also institutionalized the municipal e-Governance system by the approval of e-Governance directive.



e-Governance Portal of Bharatpur Municipality

### Post Project Activities

After the launching of the system, the municipality routinely monitored the use and effectiveness of the e-Governance. E-Governance has been incorporated in social mobilization process of the

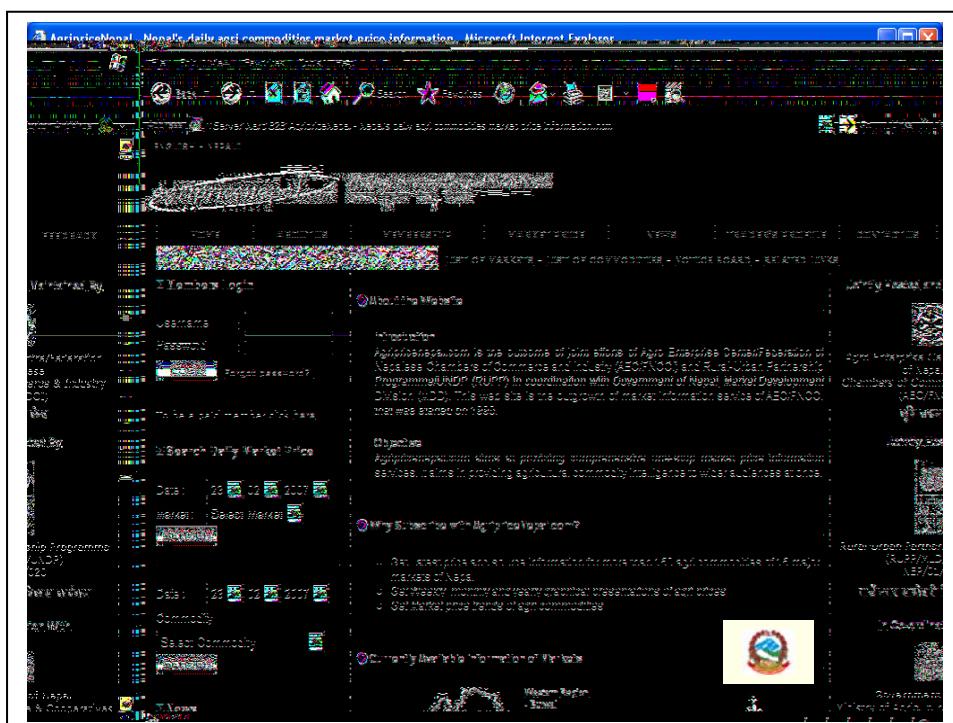
municipality. The services were provided effectively, which helped to build confidence of the community. After a successful implementation of municipal e-Governance in Bharatpur with enthusiasm, the private sectors of Bharatpur municipality and Narayangarh Chamber of Commerce & Industry jointly with the municipality organized several ICT activities to develop Chitwan District as a first Cyber City of the country.

Similarly, realizing the power of ICTs in effective service delivery, participatory planning and connecting people with the municipality, other partner municipalities had also shown their keen interest for replicating the e-Governance system.

**b. Agricultural Market Information System and B2B e-Commerce Services: *Strengthening Rural-Urban market Linkages for poverty alleviation***

**b.1 Daily Agricultural Market Price Information**

RUPP jointly with AEC/FNCCI is collecting and disseminating daily agricultural market price information from 18 major markets to provide easy access of price information to the farmers, traders and other business community. The experience shows that the dissemination of price information has been successful in enhancing the trade capacity of farmers, traders, etc. The



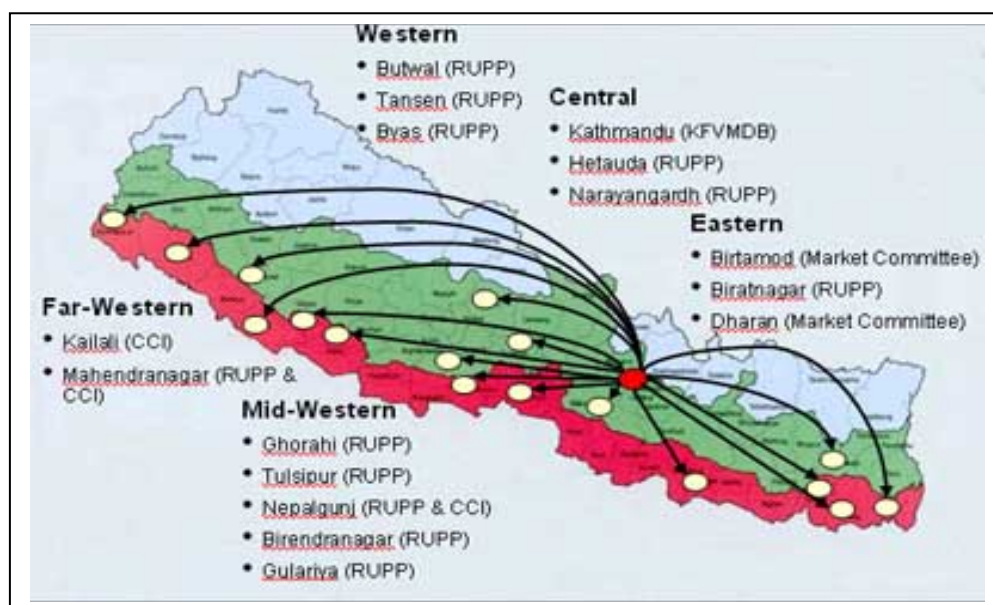
**Agri Price web site**

collection and dissemination is processed through email, fax and web site

([www.agripricenepal.com](http://www.agripricenepal.com)). The web site [www.agripricenepal.com](http://www.agripricenepal.com) is becoming more popular with traders, farmers, researchers, private sectors and NGO/INGOs, which was officially launched by the then Resident Representative of UNDP/Nepal and then President of FNCCI jointly on August 17, 2002. Market Information Service (MIS) is established in AEC/FNCCI, which process all the collection, compilation and dissemination of market price information. Again to meet the demand for Agricultural Price Information in rural areas, some of the partner municipalities are disseminating price information through Community Radios.

The main objective of establishing Market Information Service (MIS) is as follows:

- Make the latest wholesale market information promptly available.
- Narrow down the price differences within different parts of national markets and facilitate inter region trading of agro commodities



Domestic Network (the Market & the Sources)

- To impart marketing concept onto the farmers and local traders
- Establish a nation wide wholesale market network creating competition among the markets to strengthen the markets of Nepal
- Generate database on the performance of the wholesale markets of Nepal and International market
- Make the prices of wholesale markets promptly available for analysing, further strategies and planning

### Major commodities included in MIS

The major commodities included in the Market Information Services are:

- **Fruits** (Domestic market, Border markets): **22 Items**
- **Herbs** (Dharan, Nepalgunj & Delhi Markets): **94 Items**
- **Vegetables** (Domestic market, Border markets): **46 items**
- **Spices** (Domestic market, Border markets): **14 items**
- **Others**
  - **Coocon** (Domestic Markets): **9 different grades**
  - **Coffee** (Domestic Markets): **Dry & Roasted**
  - **Dairy** (Domestic Markets): **4 items**
  - **Honey** (Domestic Markets)

- **Livestock** (Domestic Markets): **6 items**
- **Oilseed** (Domestic Markets): **6 items**
- **Pulses** (Domestic Markets): **3 items**
- **Raddish Seed** (Domestic Markets):
- **Tea** (Domestic Markets): **Orthodox & CTC**

## b.2 National B2B e-Commerce Services

Poverty Reduction is one of the focused components of Rural Urban Partnership Programme (RUPP) since the initiation of the Programme. RUPP's support in creation of more than 5,000 Linkage Enterprises (LE) to date to address poverty reduction is one of the incredible outcomes of the partner municipalities. On the basis of the 10<sup>th</sup> Five Year Plan to develop trade as one of the pillars of the economy growth, the RUPP jointly with High Level Commission for Information Technology (HLCIT) and Agro Enterprise Center (AEC/FNCCI) initiated "Nepali e-Haat Bazaar" (www.b2b.com.np) as a National B2B e-Commerce Service of Nepal. The "Nepali e-Haat Bazaar" as a National B2B e-Commerce Service of Nepal is officially launched by then Minister of Local Development on June 15, 2005. The main objective of implementing Nepali e-Haat Bazaar is to establish a single electronic gateway to promote trade and market linkages within the country and with the international markets. Services available in the system are the platform for contacting buyers and sellers, get technology information, facility for promoting products, list of buyers and sellers, etc. and the system is also connected with the agricultural market information services.

In order to make the B2B e-Commerce activities more effective, the RUPP, jointly with the local CCIs organized orientation training to the staffs of CCIs for effective operation, maintenance and dissemination of information. Similarly, orientation on B2B e-Commerce was provided to the farmers, business community, Cyber Cafes, Internet User Groups, IT institutions, members of local CCIs, NGO / INGOs, business associations, etc. Simultaneously, with the help of college students, awareness on e-Commerce was conducted in every Toile/Lane Organization (TLO - community based organization formed by the RUPP) focusing members running enterprises and other business communities. RUPP has also developed B2B e-Commerce strategy and incorporated e-Commerce awareness in Social Mobilization Process of the partner municipalities and VDCs.



**A glimpse of Nepali e-Haat Bazaar**

For the effective operation of Nepali e-Haat Bazaar, the Central B2B e-Commerce Wing at AEC/FNCCI was established. New staff members have been arranged by the AEC/FNCCI for the operation, administration and awareness of the B2B e-Commerce in the country. Some financial support has been provided by RUPP to the AEC/FNCCI for human resource development, administration of B2B e-Commerce and establishment of B2B e-Commerce wing in AEC.

At present, major items to be promoted are as follows:

**The concept of B2B e-Commerce introduced by RUPP was piloted first time in Nepal jointly by RUPP and AEC/FNCCI in February 2003. The site was launched by then Minister of Industry, Commerce & Supplies.**

- Other food items
  - Non-Agricultural
    - Apparel, Shoes
    - Bhandra Kunda (Kitchen Utensils)
    - Jewelry
    - Wooden & metal products
    - Cottage Industry products
    - Other products
  - Agricultural
    - Fruits
    - Vegetables
    - Cereal products
    - Dairy products
    - Meat, Fish products
    - Spice
    - Lentil/Pulses
    - Vegetable Seed
    - Floricultural products
    - Herbs and herbal products

### **b.3 Management and Implementation Arrangement**

All the three partners - RUPP, HLCIT and AEC/FNCCI - have signed an agreement to successfully carry out above-mentioned objectives. A B2B e-Commerce Centre has been established within the premises of FNCCI for effective operation and service delivery through Nepali e-Haat Bazaar. District level CCIs establish B2B e-Commerce Unit and provide e-Commerce services to the farmers and business communities at local level through Nepali e-Haat Bazaar. Some of the major responsibilities of the partners according to the agreement is stated below:

#### **Agreement with RUPP and AEC/FNCCI**

RUPP has provided financial and technical support to AEC for the establishment of B2B e-Commerce Center within the premises of FNCCI. According to the agreement between RUPP and AEC/FNCCI, the responsibilities of the AEC are as follows:

- AEC shall establish a B2B e-Commerce Center in the premise of AEC.
- AEC shall assign a manpower for operating B2B e-commerce center and build the capacity of the assigned manpower
- AEC shall maintain and continuously update the B2B e-Commerce web site and operate the B2B e-commerce effectively.
- Provide technical support to the local CCIs for the effective implementation
- Coordinate with local CCIs to improve the system and dissemination of the B2B information.
- Promote and expand the use of B2B e-Commerce in other municipalities/CCIs
- Monitoring the use of B2B e-Commerce web site

After piloting B2B e-Commerce in CCIs like Pokhara, Butwal, Tribhuvannagar, Tulsipur and Nepalgunj, the Programme collected recommendations and suggestions from the partner CCIs, members of FNCCI and the UN Habitat executed ICT project "Assessing the Feasibility of ICTs as a Development Instrument for Rural Urban Linkages in Nepal", which helped to improve the B2B e-Commerce services by redesigning the system to provide a business like approach. The system is also designed to establish the trade linkages with the international markets. The site has been named "Nepali e-Haat Bazaar" (B2B E-COMMERCE SERVICE, NEPAL).

### **Partnership with HLCIT**

The High Level Commission for Information Technology (HLCIT) has come up to support the B2B initiation as a partner and has been promoted as the National Business to Business (B2B) e-Commerce Service of Nepal for enhancing trade and market linkages within the country and with the international markets. The HLCIT shall support in updating the web site with the updates of IT policy. The HLCIT shall support the enhancement of the system (provide additional facilities) incorporating Digital Signatures and Online Payment providing the e-Commerce services with high security and make it more user-friendly.

### **Agreement with RUPP, HLCIT and AEC/FNCCI**

To make this partnership formal, RUPP, AEC/FNCCI and HLCIT have entered into an agreement in May 13, 2005 to formally launch the Nepali e-Haat Bazaar as a National B2B e-Commerce web site for the facilitation of trade of Nepalese products both within Nepal as well as in the international market. According to this tripartite agreement, all three institutions have agreed to the following points:

- Central administration of B2B e-Commerce shall be operated and controlled by the B2B e-Commerce Wing of AEC/FNCCI.
- AEC shall maintain and continuously update the B2B e-Commerce web site and operate the B2B e-Commerce effectively.
- Promote and expand the use of B2B e-Commerce in other municipalities/CCIs, associations, members of FNCCI, business community, etc. jointly by all the three parties.
- The RUPP shall explore and promote B2B e-Commerce in the CCIs of participating municipalities.
- The HLCIT shall promote B2B e-Commerce as a National e-Commerce web site of the country.
- The HLCIT shall support in updating the web site with the updates of the IT policy
- The HLCIT shall support in enhancement of the system (provide additional facilities) incorporating Digital Signatures and Online Payment providing the e-Commerce services with high security and make it more user-friendly.
- Jointly create awareness on e-Commerce in the country.

### **AEC/FNCCI's strategy for providing B2B e-Commerce Service**

AEC being a Central Administrator of Nepali e-Haat Bazaar, AEC has formulated following strategies to maintain, manage and promote the B2B e-Commerce Services:

- AEC will strengthen the capacity of B2B e-commerce unit of AEC to manage the website, update the content regularly, promote the online transaction, & follow up on users' trend.
- AEC will regularly keep in touch with RUPP and HLCIT and will inform about the trend of online transaction, suggest on future approach to be considered, recommend on future support and changes needed, etc.
- AEC will regularly keep in touch with HLCIT for updating the site, incorporating digital signature, online payment, security, etc. on a timely manner

- In the first year, the AEC will work closely with local CCIs, which are currently initiating B2B e-commerce in their districts. The AEC and CCI members will work on creating awareness about the online transaction, making potential buyers and sellers to try posting their requirement in the website, and promoting the site in a business like manner.
- AEC will also work closely with different commodity associations, individual companies and entrepreneurs to make use of the website for online posting of buying and selling information.
- AEC will regularly evaluate the progress achieved. Within a period of three years, AEC will obtain the information about users' trend in buying and selling. Based on the information, if the majority of the online transaction is of agricultural products, then AEC will continue managing the B2B e-commerce site. Where as, if the majority of the online transaction is of non-agricultural products, then AEC will facilitate FNCCI to make a separate B2B e-commerce cell within the FNCCI to manage the site.
- AEC will initially seek resources to professionally manage the website and to promote online transactions among the business communities, manufacturers, producers, cooperatives, farmers' groups, etc.
- In the long run, the AEC's major focus will be towards making this e-commerce trade promotion program a sustainable business identity by charging fees to the users.
- AEC is regularly receiving inquiries from different countries for Nepalese products. Such inquiries will be posted in Nepali e-Haat Bazaar for Nepalese entrepreneurs.

**c. Tele Center/e-Community Centers for strengthening trade linkages and bridging the digital divide**

In what can be seen as a landmark event, Nepal's first Rural Tele Centre was officially inaugurated on August 29, 2003 at Bhimphedi Rural Market Centre (RMC). The launching of the Tele Centre at Bhimphedi VDC marked the beginning of Tele Centres establishment in Nepal.

Apart from providing general access to ICT's to the rural communities, these Tele Centres provide expanded access to RUPP's B2B e-Commerce and e-Governance initiatives to the citizens of municipal wards and rural market centres. Given current asymmetry in access to the ICT resources, the establishment of these Tele Centres will go a long way in closing the gaps between those who have access to ICTs and others who don't have this facility.



**A glimpse of Tele Center in Gorkha**

The Programme has developed a strategy to establish community run Tele Centers with the support of local governments. Realizing the good experience of RUPP in Tele Centers, High Level Commission for Information Technology (HLCIT) appointed RUPP as a Member Secretary of Rural Tele Center Coordination Committee (RTCCC). Similarly, World Bank supported ICT Project executed by Nepal Telecom Authority (NTA) signed a MoA for partnership in establishing such Tele Centers and Cyber Cafes in eight districts of Nepal. NTA provided equipments where as RUPP took the responsibility of social mobilization, formation of Tele Center User Committee, operation & management of Tele Centers including trainings to Tele Center staffs and Cyber Café Operators. RUPP also prepared Tele Center User Manual and Info Mobilization Manual for the effective operation of these centers.

The Tele Centers supported by the Programme are used in awareness & training, establishing market linkages through Nepali e-Haat Bazaar (B2B e-Commerce), Internet surfing for searching jobs, text materials, etc., email communication, accessing online newspapers, short & long distance calls, accessing the online services of municipalities, providing desktop services to the schools, colleges, government/non government organizations & people living in the respective area, etc.



**Training on Tele Center Operation and Management**

The activity has resulted in bridging the digital divide between rich and poor. It has provided easy information access to all without any discrimination and successful in bringing the communities closer and united. This activity has extended the services of ICTs without discrimination even to the poor, disadvantaged, women and vulnerable groups. The TLO members are aware and using email and internet services, farmers and SMEs are benefiting from Agricultural Price Information and National B2B e-Commerce Services “Nepali e-Haat Bazaar”, students are getting friendlier with the computers and its applications taking benefits from the power of Internet, communities are connected, communication are faster and easier, different organizations are benefiting from its desktop services, etc.

### **Awareness & Training of ICT uses**

Tele Centers have been regularly organizing awareness and training programmes to the community members including women and disadvantaged groups, school/college students on the use of Internet and email communication and its importance on their daily life. Apart from this, awareness on social issues like HIV/AIDS, Gender, Internally Displaced Persons, etc. is also taken care through the Tele Centers.

### **Establishing Trade Linkages**

Tele Centers are providing online services to the farmers and business community in trading their products. They provide a business platform for entrepreneurs to find their buyers and sellers at the Nepali e-Haat Bazaar – [www.b2b.com.np](http://www.b2b.com.np). Tele Centers also provide daily agricultural market price information of more than 150 agricultural commodities to the farmers and business people – [www.agripricenepal.com](http://www.agripricenepal.com) .

### **Internet surfing, email communication & Tele Communication**

Community members, students, teachers, traders and others use Tele Center for searching jobs, text/research materials, surf Internet to gain knowledge on different activities going on the world, access the online news papers, marketing of the local products, take the facility of email services, etc. These centers also provide telephony services including local calls, STD calls and ISD services to the community.

### **Online services of municipalities and other Government organizations**

Some of the municipalities have initiated e-Governance in the country and have provided some online municipal services like birth, marriage, death registration (also the facility to download forms), participate in the online polls and discussion forums for the participatory planning. Such types of online services to the community are also provided by the Tele Centers. In addition to this, Tele

Centers are also providing the facility of downloading forms of passport as well as the citizenship certificates.

### **Desktop services**

Apart from the above-mentioned activities, the Tele Center is also providing desktop services to the schools, colleges and other govt. / non govt organizations & people living in the respective areas. This includes typing and printing of letters, exam papers, proposals, etc. They also help in establishing communication linkages to these organizations and communities.

## **6. Assessment of performance and key results of the initiative**

Aligned with the IT Policy of Nepal published in the year 2000, RUPP's initiatives in the area of e-Governance and B2B e-Commerce are in a way groundbreaking initiatives in that such strategically focused application of ICT's embedded with on-going development model hitherto did not exist in Nepal. These are at best entry-level activities, which have nevertheless been able to generate some important lessons with wider policy implications. More specifically, the initiatives have resulted in the following:

### ***Municipal e-Governance:***

- Political will and commitment from bureaucrats and local authorities is a must.
- Local government outfits have waken up to the prospects of augmenting basic tenets of good urban governance through digital means.
- Provided increased access to information to ensure right to information to public granted by the Constitution of Nepal in municipalities where such initiatives have been implemented.
- Improvement in urban service delivery within citizen-centric framework by improving the efficiency of municipal administration.
- Promotion of ICT culture among key stakeholders and municipal citizenry.

### ***MIS and B2B e-Commerce:***

- Exposed local entrepreneurs in municipalities and VDC's to the potential of ICT's.
- Contrary to popular assumptions, the B2B initiative has proved that digitally supported B2B business models can be scaled down to suit small and micro-entrepreneurs.
- Has provided opportunities for further articulating and strengthening regional linkages through expanded access to markets and customer bases
- Policy for online transaction should be in place

### ***Tele Centers/e-Community Centers:***

- Communities are empowered through easy information access
- Farmers and SMEs have easy access to price information and markets
- Plays a key role in bridging digital divide between rich and poor
- Establish two-way communications and extended ICT services without discrimination to the poor, disadvantaged, women and vulnerable groups
- Community run centers are more effective and sustainable

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## Urban Social Mobilization Process

