

An Assessment of Regional and Urban Development Policies and Programmes of Nepal

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Key words:

SUMMARY

The paper is making an attempt to assess the current regional and urban planning policies and programmes of Nepal and conclude by recommending measures for sustainable urbanization policies. First, the paper reviews all the five year national plans, urban development related policies and programme documents to see their continuity on the policy commitment over time and the degree of budgetary support to the regional and urban planning policies; assess the inter-agency coordination and the coordination between spatial and economic or sectoral policies. Second, the paper reviews the annual reports, evaluation mission reports, quarterly newsletters of the Rural Urban Partnership Programme (NEP/96/003) supported by UNDP/UNCHS to identify the extent of rural urban linkage the programme has generated. Third, on the basis of the reviews, the paper highlights various regional and urban planning issues and, finally concludes by recommending policy measures for regional and urban development, urban economic development, urban planning and rural urban partnership programmes.

The paper contains eight sections. The sections are sequenced as: introduction, regional planning policies, urbanization and economic development policies, urban planning practice, urbanization policies and programmes to improve rural urban linkage, rural urban partnership programme, policy issues and conclusion.

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1. INTRODUCTION

Nepal is a country of 23 million people and 1, 47,000 sq. km. of area; linear in shape, stretching 500 km east-west and 290 km north south. Geographically, the country is divided into three regions: Mountain, Hills and Tarai (plain area) and administratively, the country is divided into five development regions: eastern, central, western, mid-western and far western.

Besides Kathmandu Valley, the entire territory of the nation was basically a rural and remote region around the 10th century AD. Only after the unification of the petty state into one Nepal in 1769, east to west and north to south hill trails were developed for administrative purposes. These trail later, became the major basis of urbanization in the hills. The deployment of administrative units and military garrisons in the strategic nodes along the trails encouraged the evolution of towns in the hills.

Until, 1951, Tarai¹ was largely a forest area without any roads and infrastructure but full of malarial diseases. After the eradication of malaria in 1951, Tarai became an attractive place for migrants from hills with increasing population pressure on the limited arable land. The rapid hill to Tarai migration accelerated the process of urbanization in Tarai. Every year 54,000 rural people migrate to urban areas of Nepal. Half of them move to Kathmandu Valley and rest half to major Tarai Towns (Urban Development through Local Efforts, 1998).

In 1981, twenty three municipalities accommodated 6% of the nation's population. Today, the number has reached to 58 by accommodating 14% of the nation's population or 3.3 million people and, with an average annual urban growth rate of 6.65% (Central Bureau of Statistics, 2001).

Table 1: Urbanization trend in Nepal

| S.N. | Census Year | Number of towns | Urban population in millions | Percentage of urban population | Average annual urban growth rate in % |
|------|-------------|-----------------|------------------------------|--------------------------------|---------------------------------------|
| 1. | 1954 | 10 | 0.238 | 2.9 | - |
| 2. | 1961 | 16 | 0.336 | 3.6 | 1.65 |
| 3. | 1971 | 16 | 0.462 | 4.1 | 3.23 |
| 4. | 1981 | 23 | 0.957 | 6.3 | 7.55 |
| 5. | 1991 | 33 | 1.696 | 9.2 | 5.89 |
| 6. | 2001 | 58 | 3.28 | 13.9 | 6.65 |

Source: Sharma, 2003

¹ Tarai, is a southern plain stretching east west along the Indian border.

2. REGIONAL PLANNING POLICIES

Since 1956, Nepal has been implementing periodic plans (five year national plan). While all the earlier five year plans followed controlled economic policies, the Fifth Five Year Plan (1975-1980) came up with regional planning objectives. The objectives of the plan were to increase productivity, make maximum use of labour power and ensure regional balance and integration. To achieve regional balance, the nation was divided into five development regions along with the introduction of the concept of growth axis: a series of north south development corridors linking diverse regions (Tarai, Hills and Mountains). The idea behind this was to permit economic viability and to generate complementary interregional exchange of goods and services.

This regional approach to planning did provide some territorial framework for rural development but failed to generate interregional exchange of various economic functions and merely served as an administrative centre. The devolution of power to small territories was still lacking and the sectoral investments were still biased toward Tarai and Kathmandu Valley. As a result, these regional centres located in the mid hills failed to retain hill population; the rural to urban and Hill to Tarai migration continued and diluted the fundamental principles of regional development.

Consequently, the regional policy commitment did not receive continuity in the successive five year national plans. The regional planning objective disappeared from the list of objectives of the sixth plan and emerged only in the eighth plan where the need to reduce regional balance was restated. Again, it disappeared from the ninth and the tenth plan (2002-2007) where poverty alleviation was the only objective (National Planning Commission, 2002). None the less, the urban development chapters of the ninth and tenth plans did continue to mention the need of rural urban inter- relationships.

3. URBANIZATION AND ECONOMIC DEVELOPMENT POLICIES

3.1 Urbanization Policy

In Nepal there is no urban policy as such developed with a specific intention to enhance the economic development. The five year national plan² document is only the basis of our urbanization policy. The Ministry of Physical Planning and Works through its Department of Urban Development and Building Construction (DUBDC) implements urban development plans and programmes in Nepal. The Ministry of Local Development (MLD) is responsible to administer the programmes of local governments such as municipalities and Village Development Committees. The MLD does only the administrative and personnel management function of the local government but has no capacity to assist for preparing physical development plans; for which it has to rely on the DUBDC. However, the exchange of cooperation is too weak.

² The five year policies, plans and programmes are implemented through the 14 sectoral ministries with the help of successive annual plans and budgeting.

Urbanization, as a process, is less influenced by policies pursued in the urban sector and more by the combined effect of sectoral policies in Nepal. The more urban policy influencing sectoral policies belong to the Ministry of Local Development, Finance, Industry, Tourism, Trade and supplies, Agriculture, Education, Health and Water resources. The government's roads and transportation policies, local development policies, fiscal and economic policies, industrial policies, tourism policies, agricultural policies, health policies, education policies have largely influenced the nature and type of urbanization in the country. Location of new economic activities and population movement influence the pattern of urban development and affect the efficiency of national economies and the stability of the political systems. (Sharma, 1998). In reaching decisions on a whole range of sectoral policies in the future, the urban implications will have to be considered (Watts, 1992:118)

3.2 Economic Development Policies

The urban economy in Nepal is growing at faster rate than the rural economy or the overall economy. As a result, predominantly rural activities are shrinking while predominantly urban activities like industry and services are growing more rapidly. The urban economy is estimated to have grown twice the rural economy per annum (ADB, 2000). The average income of urban population is 4.6 times higher than the rural income and the contribution of urban sector to the GDP is 60%.

The Eighth Plan (1992-1997) made the departure from the past controlled economic policies of Nepal by adopting the liberal and market oriented policy. The assigned government's role was of a facilitator of economic activities and promoter of private sector for development of physical infrastructure and social sector (National Planning Commission, 1998:72). In early 1993, Nepal undertook a series of reforms aimed at economic liberalization. Real GDP grew by 7.3% buoyed by a strong recovery in agriculture sector in 1993/1994. Industry sector growth recovered strongly to 9% (1993/94) from 4.8% (1992/93). Recent public policy has been to encourage investment of private and foreign capital in core economic sectors. In 1993/94, it is estimated that domestic savings and investment increased to 14.7% and 22.4 % of GDP respectively (ADB, 2000).

The fiscal policy 2000 has emphasised a major restructuring of the tax and expenditure system. Measures have been directed at mobilising additional public savings to support high priority infrastructure and social investments while reducing government borrowing to control growth of domestic debt. Government revenue has increased faster than expenditure through broadening of the tax base, simplifying and increasing the transparency of the tax system, improving tax administration, and increasing emphasis on direct as opposed to indirect taxes including the introduction of VAT (value added tax). Very soon Nepal is going to be the member of WTO (World Trade Organization).

Lot of private universities, colleges, industries, real estates and apartment developers emerged as a result of various economic reforms in the eighth plan period and, accelerated the pace of urbanization through out the nation. In the absence of land use strategy and policy, haphazard proliferation of education institutions, nursing homes, industries and real estates in incompatible locations have invited serious environmental problems in Kathmandu

Valley and other rapidly urbanizing towns. However, the mechanism to address the urban implication of all these activities has not been fully developed.

4. URBAN PLANNING PRACTICE

Around 1970s, land use plan for all the five regional centres were prepared and a detailed physical development plan of government's institutional area were made and implemented. Similarly few towns were established in Tarai by clearing some forest lands. Attempts were also made to implement a physical development plan in Kathmandu Valley but it could not materialize due to lack of political commitment. In 1970s two sites and services projects were implemented in the valley. Besides these events, land use regulation is no more practiced in the urban areas of Nepal; land is mostly developed by individual's decisions and the development pattern is mixed: residential cum commercial. The existing building bye laws is only the basis of development control in Kathmandu Valley and, some form of such bye laws are also implemented by rest of the municipalities. Besides the bye laws enforcement, two local area planning measures: land pooling (readjustment) and guided land development programmes have been widely implemented in the valley.

The MPPW is the highest level of government organization responsible for physical planning tasks. Under this ministry, the DUDBC implements various urban development projects through its 23 division offices located in various parts of the country. Preparing plans and enforcing building codes and apartment ownership acts are some of their tasks besides repair and maintenance of buildings and infrastructures. A Kathmandu Valley Town Development Committee (KVTDC) is responsible for planned urban development in the valley. At present, KVTDC is confined to the enforcement of building bye laws and implementation of land pooling (readjustment) projects and guided land development (GLD) programmes. Today, 11 land pooling projects have been implemented and about 280 km of GLD roads have been opened in the Kathmandu Valley.

The Town Development Act 1988 provides the legal basis for implementing town development plans. The Act has empowered both the central and local government agencies to carryout the land pooling projects (His Majesty's Government of Nepal, 1988). The Local Self Governance Act 1999 also provides the municipalities and the Village Development Committees to carryout town development plans but it is not comprehensive enough to carry out town planning as compared to the Town Development Act 1988.

5. URBANIZATION POLICIES AND PROGRAMMES TO IMPROVE RURAL URBAN LINKAGE

For the first time a more specific rural urban linkage related programmes were embedded in the urban development chapter of the Seventh Plan (1985-1990). It had presented the concept of service centre with an objective to establish the focal points (nine service centres in each district) for rural development. It envisaged developing three tier of urban hierarchy: regional level (development region), sub regional level (Tarai, Hill and mountain areas of each development region) and service centres (district level). The idea was to provide a base for absorbing surplus rural populations and promotion of off farm employment and economic

development (PADCO, 1990:105). However, the democratic movement in 1990 completely wiped out these concepts of urban based rural development policies strategies and programs.

The Eighth Plan (1992-1997) had three main planning objectives, extremely important for small town planning and regional development. They were to achieve sustainable development, poverty alleviation and the rural development and regional balance. The regional balance is elaborated as to promote self reliant social, economic and market services in backward areas and to uplift the level of economy. It further emphasizes on the road access to the market towns for various agricultural services. It also highlights the need to increase rural employment activities. Sectoral investments in rural areas, establishment of a national hierarchy of urban system and market oriented urban subsystem were the principles spelt to facilitate rural urban linkages.

A rural development through small town and market centre development programme was launched in 1995 under the active initiation of the National Planning Commission (NPC). The main aim of the program was to assess and identify the potential small towns and market centres on each district³. The Department of Housing and Urban Development, responsible agency for this study hired the Central Department of Geography for the study. By today study of 24 districts is complete. However, this study is not comprehensive in terms of understanding the nature of relationships between small towns and rural hinterlands and one of the main reasons was the allocation of little financial resources for the study. Secondly, it is only a study and there is no financial commitment to implement these plans (Manandhar, et. al., 1998). Never the less, with the active UNDP and UNCHS, a rural urban partnership programme has been launched since 1997.

6. RURAL URBAN PARTNERSHIPS PROGRAMME

6.1 Introduction

UNDP, on behalf of the UNCHS have launched a programme called Rural Urban Partnership Programme (RUPP) in Nepal in September 1997 (RUPP, 2001:1). It is also called the urban based local development. The main goal of the programme mentioned in the programme brochure is to improve people's livelihoods and strengthen the local economies by taking advantages of the social and economic development opportunities that can be obtained through strengthening rural-urban linkages (UNDP, 1996). Under this goal, the objectives are to support people for socio-economic enterprises in market centres and rural villages and strengthen the local authorities and the national planning commission to develop policies strategies and institutional capacity for urban based local development. The programme was supposed to end at the end of 2001 but it has been extended right up to the end of 2003.

The programme support is provided at two levels: central level and the municipality level. At the central level, activities were targeted to influence the policy making and coordination. At the municipality level, municipalities were used to implement the Municipality level programmes. Within the municipality, grass root level programmes are run through the group

³ In each district five important towns are identified in the hierarchical order. Besides this, the study document also identifies town level problems and projects.

of grass root people called: community based organizations or Tole Lane Organizations (TLO): comprising of the household members of a particular street or lane of a municipal or Village Development Committee wards. Each of the programme municipalities also selects couple of surrounding Village Development Committee (VDC) for programme implementation. The VDCs having strong linkage with the municipalities are selected for the programme. TLOs are also formed in the programme VDCs to implement grass root level programmes.

There are central and local level programme offices arranged to implement the programme. At the central level the programme operates through a programme management unit located in Kathmandu and national programme manager is the chief of the programme management unit. A high level steering committee has been formed at the central level to provide policy guidelines to the programme management unit at the centre. This committee includes representatives from the National Planning Commission (NPC), Ministry of Local Development (MLD), Ministry of Physical Planning and Works (MPPW), Association of District Development Committee (ADDC), Municipal Association of Nepal.

At the municipality level, the programme deutes a Market Development Advisor on secondment basis to each of the programme municipalities who will. The Market Development Advisor manages the municipality and its influence zone VDCs under the programme. A Partnership Development Committee (PDC) is constituted to provide policy guideline and coordinate the programme activities and, an Implementation Management Committee (IMC) is formed to support programme implementation at the municipal / VDC level. The TLO is the lowest unit from where the programmes originate through bottom up process. At present the programme is launched in 12 municipalities and in 28 VDCs of the respective municipalities.

6.2 Programme Components

The programme basically has four major components. They are: establishment of urban and rural information centre, institutional strengthening, saving and credit schemes and enterprises development activities. These programme components are launched both in the programme municipalities and VDCs. The Tole lane organizations are the places where all these last three project components emerge. The urban rural information centres are placed in the programme municipalities.

The urban rural information system was designed to supplement the basic information gap in the programme municipalities and VDCs, establish the base line data of the RUPP programme and to document and disseminate the information of RUPP programme. The intention was to keep all the socio economic and spatial information of the programme area.

Institutional strengthening component was designed to strengthen the capacity of responsible agencies, stake holders and the local people. The tools to strengthen the capacity of the of the institution were to launch workshops and trainings; formation of committees such as PDC and IMC in the municipality and VDC to ensure the representation and participation of local representatives, people and stakeholders; establishment of Support Organization (municipal

level RUPP office); and, promotion of TLOs for community mobilisation and social capital formation.

Saving and credit schemes were designed to involve community in resource mobilization, group savings, infrastructure development and economic enterprises promotion. Seed grants were also arranged to motivate the municipal and VDC level grass root communities to do some socio-economic infrastructure development activities.

The enterprises development activities basically were directed to encourage the poor and disadvantaged people both in urban (municipalities) and rural market centres (programme VDCs) to undertake economic initiatives based upon rural-urban linkages to improve their livelihood. First member of the TLO are encouraged to improve their group savings; interested people are trained to give them basic knowledge about business practice and finally, RUPP facilitates the process of enterprises development by providing either full or partial credit.

6.3 Programme's Achievements

Today, 12 programme municipalities and 28 VDCs have formed 2168 and 323 TLOs respectively. Urban information centres have been established by all the 12 partner municipalities and its information have been extensively used by the non governmental organizations and researchers. About 11209 participants of programme municipalities and VDCs have joined participatory municipal development planning⁴ (PMDP) and participatory village development planning (PVDP) trainings (Linkage, 2002). A total of 439 participants have completed the savings and credit training (RUPP, 2000) and 8,562 people have received economic enterprises trainings.

Table 2: Programme coverage and institutional strengthening measures

| S.N. | Programme features | Achievements | Remarks |
|------|---|--------------|--|
| 1. | Total number of programme municipalities | 12 | |
| 2. | Total number of programme VDCs | 28 | |
| 3. | Number of TLOs formed in municipalities and VDCs | 2491 | 2168 in municipalities and 323 in VDCs |
| 4. | Municipalities with urban information system | 12 | |
| 5. | People trained in PMDP and PVDP | 11209 | 10,339 in PMDP and 870 PVDP |
| 6. | Number participants in savings and credit schemes | 439 | |
| 7. | Economic enterprises training | 8562 | |

In the financial resource mobilisation side, 426 number of people or group of people have received seed grants (338 in municipalities and 88 in VDCS). A total sum of money worth

⁴ The PMDP or PVDP is concerned with planning, implementation, monitoring and evaluation of development programme at the municipality and VDC level. RUPP had conducted a series of workshops and training events to introduce the concept to the elected municipal and VDC officials and stakeholders. It gives the knowledge to prepare municipal and village development plan.

145527 US Dollars has been disbursed in the programme municipalities and VDCs. The Tole Lane Organizations have saved a total sum of 3, 10,810 US Dollars and 96% of it is borrowed by the TLO members (linkage2002). Altogether there are 2,734 credit supported enterprises, which have received 770270 US Dollars. The types of entrepreneurs are vegetable sellers, black smiths, shoe makers, barbers, farm input sellers, weavers, handicraft producers.

Table 3: Disbursement status of seed grants, credits and status of savings

| | Programme features | Achievements | Remarks |
|----|--|--------------|---|
| 1. | Number of people receiving Seed grants | 426 | 338, 88 |
| 2. | Total seed grants disbursed in municipalities and VDCs in US Dollars | 145527 | 103354 in municipalities and 42,173 in VDCs |
| 3. | All TLO's total savings in US dollars | 3, 10,810 | |
| 4. | Number of credit supported enterprises | 2,734 | |

7. POLICY ISSUES

7.1 Regional and Urban Policy Issues

From the very beginning of the planning practice in Nepal regional planning needs were being realized. However, it could not receive continuity in terms of policy and implementation commitment. As a result the regional centres located in the hills failed to provide economic opportunities and retain rural population and hill to Tarai migration continued. At the national planning level, regional policy thrust was successively overshadowed and replaced by sectoral economic policies and poverty alleviation programmes.

Rural hangover of the past still dominates the development policy despite the rapid trend of urbanization with an annual growth rate of 6.6%. Thus, urban policy, programmes and budgeting are still of low priority to the people working in the National Planning Commission. The five year national plan provides lip services for the urban development with too little commitment for budget allocation. The five year budget allocation for urban sector by the tenth five year plan (2002-2007) in the urban sector is only 6% of the total budget allocated for agriculture; 8% of the total budget allocated for the health sector and 16% of the total budget allocated for the Tourism sector (Tenth Plan document, 2002). There exists no urban development or urbanization policy besides the stuffs mentioned in the five year national plans

There is weak coordination between the central government agencies responsible for urban development. The MPP responsible for physical planning of towns and the MLD responsible for administering the municipalities have no mechanism to ensure consensus between these two agencies in the matters of urban planning and development. As a result, they work in isolation through their line agencies.

There is no mechanism of coordination between the urban policies and the policies of the Ministry of Finance, Industry, Tourism, Trade and supplies, Agriculture, Education, Health

and Water resources which could have strong bearing on the urbanization. The economic and spatial policies are not structured scientifically to supplement each other.

7.2 Economic Development Issues

The growing urban economy of Nepal which accounts 60 % of the GDP has failed to address the environmental problems and the poverty issues of towns and cities of Nepal. The quality of urban infrastructure is poor and the level of pollution is rising. About 23 % of the urban population are below poverty and the unemployment rate in the age group 25-29 is particularly high at over 20% (ADB, 2000). The mechanism to address the urban and environmental implication of all these growing economic activities literally does not exist in today's Nepal.

7.3 Urban Planning Issues

Almost all the urban development activities occur on the urban land without any spatial strategy. As a result, it has invited many conflicting land uses environmental problems. The development activities of the private sector such as hospitals, colleges, nursing homes have emerged in the residential areas. The private housing projects have emerged in low and inaccessible sites. The development activities of the government sector such as land readjustment projects and guided land development programmes have also occurred in inappropriate low land sites mostly prone to flooding. At the moment the planning agencies are busy only in implementing local area plans such as land readjustment projects without any broader spatial guideline. The town Development Act 1988 is not comprehensive with respect to the changing situation of urbanization. It talks mainly of towns and not of urbanizing VDCs and rural centres. Secondly, it is silent on the role of local governments such as municipalities and VDCs which are very crucial to implement plans at the local level.

7.4 Rural -Urban Partnership Programme related Issues

Rural Urban Partnership Programme is good and the best bottom up approach. It has sensitized, encouraged and trained the grass root level people; which would have eventually educated the people in general on how to raise the socio-economic level. The experts and technical persons of Nepal must have received experiences to manage community development projects. Many local people must have received employment opportunities through the enterprises development scheme of the programme. The Rural Urban Partnership Programme is under completion by the end of 2003 but the programme has appeared weak in answering couple of questions essential for the sustainability of the programme in future in the Nepalese society.

First question is would municipalities and the future mayors continue the ownership of the programme, after the project is over? Past experiences show that normally the municipality or the mayors do not continue the programme once the external support is over. They only continue funding those projects that have political significance. Second question is will the municipality have the kind of external experts hired by UNDP to run the programmes? Normally municipalities fail to hire the expensive experts as hired by the UNDP; they do not

possess skilled manpower and therefore abandon the programmes. As the RUPP have not trained and used the available municipal manpower in the programme, there would be no body capable enough to continue the programme after the project.

Third, how the resources of RUPP would be maintained after the programme is over? The RUPP programme document was comprehensive enough in many ways but it had no elaboration about how this project would be handover and what arrangements will be made to ensure the continuity of the programme. Mostly the programme resources, reports and logistics disappear with the closure of the programme.

Fourth question is how to preserve the knowledge and experiences of RUPP in the municipalities? After the project the experts would go and documents gradually misplaced which loses the knowledge and experiences gained by the project. Fifth, are the commitments of the entrepreneur long lasting or they are there simply because of the presence of the RUPP's support? In many projects such entrepreneur initiatives collapse gradually after the termination of the programme.

Finally, would the higher level agencies such as National Planning Commission, Ministry of Local Development and Ministry of Finance show a continued commitment on the programme's concept? The policy support also may change if there is no presence of attractive and reputed donors. Programmes could be affected even with the change of an individual official and politicians. In Nepal the fate of the development programmes largely depend upon the taste of the individual in power rather than the urgency and the genuine need of the programme.

Besides the questions presented below, there are also couple of remarks of the programme. The programmes have too many socio economic and community development programmes and it is difficult to distinguish its character from the other community development programmes. Often in the pursuit of promoting socio-economic development needs, the programme is being carried away from its principle of ensuring rural urban linkages; RUPP documents were comprehensive in documenting the programme's achievements but remained weak in elaborating how the rural urban exchange occurred by the programme intervention and, to what extent that particular exchange benefited both the municipality and the VDC. Perhaps, the programme might have assumed that the successes in community mobilisation and enterprises expansion would automatically ensure rural urban linkage. However, it may not necessarily be the case; the production of entrepreneurs may go waste in the absence of proper market linkage.

8. CONCLUSIONS

Regional planning policy should be the basis of economic development and poverty alleviation programmes. Economic growth policies could not be the substitute to regional planning policies and it alone can not ensure regional balance and poverty alleviation since poverty also has a spatial dimension. The five year national plans should be serious enough to address these concerns.

A joint steering committee should approve the plans and policies of MLD and MPPW to ensure coordinated urban development activities. The NPC should devise a mechanism to coordinate and integrate economic and spatial policies to supplement each other. Urban and environmental implication of the economic and sectoral development activities should be assessed by the NPC before approving the national five year plans. The poverty alleviation policy should not remain rural bias and should provide equal policy priority and resource commitment for urban poverty issues. To avoid urban environmental chaos a city or regional level spatial strategy or a broad land use plan should be the basis of all the private and public sector's development activities in urban areas. A comprehensive town and country planning act should be the basis of urban development in Nepal to address urban and regional planning concerns.

Rural Urban Partnership Programme is good and the best bottom up approach. It has sensitized, encouraged and trained the grass root level people; which would have eventually educated the people in general on how to raise the socio-economic level. The experts and technical persons of Nepal must have received experiences to manage community development projects. Many local people must have received employment opportunities through the enterprises development scheme of the programme. However, there are couple of questions one has to think for the internalisation of the programme in the Nepalese society.

A mechanism would be necessary to ensure that future mayors and the municipal councils would continue to own RUPP as their regular programme. Some amendments in the Local Self Governance Act 1999 are necessary to guide and encourage the local governments for rural urban linkage programmes. Future RUPP programmes should first attempt to train the municipality and VDC permanent staffs and involve them in the programme so that even after the project internal capacity would not evaporate. RUPP's handing over plan should be as comprehensive as the programme document. The plan should ensure that the valuable resources are placed in the right place; knowledge, experiences, documents and reports should be adequately filed, recorded and published before it gets lost.

Such programmes should have comprehensive plan to make sure that the entrepreneurs do not abandon the tasks after the project. RUPP should be endorsed as an essential procedure for the community development by the higher level agency such as NPC, MLD and MPPW and the Ministry of Finance. To ensure the continuity of the higher level (NPC, MLD and MPPW) commitment in the programme, legislative provisions should be designed and enforced to make the rural urban linkage a mandatory programme for local economic development. Last not the least; future projects should select mostly those components that benefit both the rural and urban community by that particular activity simultaneously.

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