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Political - economy Analysis

(For the D4D project)

Final report

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Data for Development (D4D) Project
The Asia Foundation
Kathmandu Nepal
For enquiries and suggestions, please email: ojashwi.kc@asiafoundation.org

Foundation for Development Management (FDM)
Level II, JDA complex, Sundhara, Kathmandu, Nepal
For enquiries and suggestions, please email: abijit.sharma11@gmail.com

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This report was drafted and designed by Abijit Sharma and Prabhas Pokharel.

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Table of Contents

Executive summary **1**

1. Background **1**

1.1. Introduction to the project *2*

1.2. Understanding of the assignment *2*

1.3. Objectives *2*

2. Desk review **3**

3. Analytical framework **10**

4. Methodology **12**

4.1. Tools *12*

4.2. Approach *13*

4.3. Sample *14*

5. Data collection plan **16**

6. Data analysis plan **17**

7. Limitations **17**

8. Quality assurance **18**

9. Findings **19**

10. Conclusion **47**

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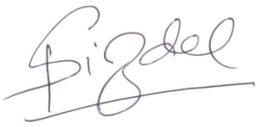

Dr. Shailendra Sigdel
Professional Lead
Foundation for Development Management (FDM)

List of abbreviations

CAO	Chief Administrative Officer
CBS	Central Bureau of Statistics
CIAA	Commission for the Investigation of Abuse of Authority
CSO	Civil Society Organization
D4D	Data for Development
DCC	District Coordination Committee
DOE	Department of Education
DOHS	Department of Health Services
DHIS	District Health Information System
EMIS	Educational Management Information System
FDM	Foundation for Development Management
GON	Government of Nepal
HMIS	Health Management Information System
ICT	Information, Communication and Technology
IDMS	Integrated Data Management System
INGO	International Non-governmental Organization
IT	Information Technology
KIIs	Key Informant Interviews
LGOA	Local Governance Operations Act
MIS	Management Information System
MOF	Ministry of Finance
MOFAGA	Ministry of Federal Affairs and General Administration
MPC	Metropolitan City
NGO	Non-governmental Organization
NSO	National Statistics Office
PEA	Political Economy Analysis
PLGSP	Provincial and Local Governance Support Program
SDGs	Sustainable Development Goals
SuTRA	Sub-National Treasury Regulatory Application
TAF	The Asia Foundation
VDC	Village Development Committee
WHO	World Health Organization

Executive summary

One of the most notable findings of the study was that local government were still not prioritizing data after five years of operation. First, there was tendency amongst local representatives to make populist decisions and ignore data. Instead of data and evidence informing decisions, the elected representatives were inclined to take decisions which they felt would garner them popular support even at the cost of violating laws. This subsequently led them to overlook data when making decisions. One of the reasons for this was the lack of literacy amongst local stakeholders regarding the importance of data and evidence in decision making. The locally elected representative still held on to the attitude that since they had been elected by the people, they were well acquainted with their needs and they did not really need data to inform their decision-making. Disregard for data as well as poor data literacy subsequently led to limited investment in data governance[1] – both in terms of financial investment as well as capacity building initiatives - as a result of which the capacity of local stakeholder in using/managing data was very low. Most of the municipalities allocated less than 1% of their total budget on data governance indicating how lowly prioritized data governance was. Local governments understood development only in the form of infrastructure development as a result of which other areas were often ignored. The local units were seen to be lacking digital platforms as well as resources for data management and only limited departments (particularly health and education) had such facilities.

All these problems stemmed from an important structural factor – the failure of local government to cultivate a culture of evidence based decision making. The study found that despite five years of operation, the local governments still took matters regarding planning, budgeting, law making on an ad-hoc basis. Multiple stakeholders, however, claimed that this culture persisted not just at the local level but also at the federal level. Pointing the finger only at the local government would simply mean ignoring the larger problem at hand. This long standing tradition of not using available information to inform decision making and making them simply based on ad-hoc basis had trickled down from the federal level itself. An interesting finding was that Simta and Tulsipur - two of the local units which had recorded relatively better evidence based decision making practice under the former leadership had failed to give continuity to the progress seen during the reign of the previous Chairperson/Mayor. While one of the reasons for this was the lack of culture of adopting evidence based decision making, another reason was poor institutional memory of local units. Poor institutional memory coupled with poor transfer of knowledge between the outgoing government and the new one meant that whatever little achievement had been made in the previous term of the local government had been lost.

Most importantly, political influence still remained extremely influential in decision making irrespective of whether the local unit was rural municipality, municipality, sub-metropolitan or metropolitan city. Despite completion of five years of their first term, the local governments had not been able to shrug of political interference in law, policy and even in everyday decision making. At times, this took the form of influencing project prioritization at the ward level in the

[1] Data governance, for this study, refers to a collection of processes, roles, policies and standards that ensure the effective and efficient use of information in enabling local governments to operate. While speaking with the respondents, the study team explained respondents that data governance collectively referred to interoperability of data, access to data, validity of data, use of data, usability of data and security of data during decision making process, in administration and in monitoring. Furthermore, for the purpose of this study, data governance also referred to the norms and practices on use of data for decision making by the government.

7-step planning process, while at other times, it took the form of allocating budget in areas that the leaders deemed a priority. A few of the ward chiefs with whom the study team interacted said that although they wanted to undertake work on the basis of data, the politics at the *Palika* level often discouraged them. Irrespective of how the political influence played out, the finding was that most of the elected leaders had very little regard for data and evidence. Not just in planning and budgeting, the disregard for evidence was found even in law making process where the leaders were found to adopt practices such as copying model laws sent by Ministry of Federal Affairs and General Administration (MoFAGA).

Finally, the conflict between the bureaucrats and the elected representatives had continued well into the second term of the local governments which was found to have affected decision making at the local level. Moreover, the coordination between the three level of government (federal, provincial and local) still remained poor when it came to systemic data sharing. The coordination was still ad-hoc, based on need and did not involve regular sharing/interaction.

1. Background

The Constitution of Nepal 2015 established a new federal structure in Nepal creating three spheres of government – the federal, provincial and local, each with its own set of authority and decision-making power. One of the features of the constitution was the mandate given to local governments in making decisions. The Local Government Operation Act (LGOA) 2017 provides a strong legal foundation to institutionalize legislative, executive and quasi-judicial practice of local governments. Local governments are mandated to formulate Acts, policies, regulations and directives, plans, and budgets to deliver essential services to the public. Among many others, some of the most important responsibilities of the local government now are collection of local statistics, collection and management of local records, planning of local development plans and projects and setting various taxes.

However, the transition to federalism has not been without challenges. Despite a federal structure in place, many of the key actors in the political/administrative system are yet to fully imbibe the spirit of federalism. In addition, lack of resources and skills is still a big hindering factor. During the first tenure, many local governments struggled with proper management of their offices and service delivery[2]. One of the main expectations when the local governments came into existence was that they would address the real needs of the people. In other words, they were expected to carry out decisions based on evidence. But when it came to evidence-based decision making, traditional practice of ad-hoc decision-making persisted for which various reasons including lack of proper data management system, lack of interest in part of the decision makers, political-economic influences, and lack of commitment in maintaining a transparent system were to be blamed[3].

Notwithstanding the performance of the local governments in their first tenure, there are positive signs. Firstly, it can be argued that since the entire practice of federalism was new for the country, the local governments took time to adjust to it. The 2017 local elections were the first in two decades, so elected representatives had a lot of catching up to do, and large gaps to fill. The second local government which has taken office now could be more efficient. There have also been some changes at the policy level. For instance, the passing of the Statistics Bill 2022 can be considered a landmark event. The bill has proposed to make data production, processing, storage, publication, and distribution more credible, systematic and time-befitting. More importantly, along with the federal and provincial level, the bill aims to facilitate the local governments in formulating and implementing their policies and programmes in an effective and objective manner. This can help make positive changes in the decision-making process. But many analysts point out that political culture can be hard to change and with Actors and Agencies being more influential in decision-making, there is also a lot of skepticism as to whether the newly elected local governments will be any different from the previous one.

[2] Ministry of Federal Affairs and General Administration (MoFAGA). *स्थानीय तहको क्षमता आवश्यकता पहिचान अध्ययन प्रतिवेदन*. Ministry of Federal Affairs and General Administration (MoFAGA), 2021. https://mofaga.gov.np/news-notice/2555

[3] Foundation for Development Management. Political Economy Analysis of Data Ecosystem in Nepal, 2021.

1.1. Introduction to the project

The Data for Development (D4D) Program aims to improve the sharing and use of data as evidence for decision-making and better development. It builds on Development Initiatives' efforts since 2011 to improve the sharing and use of data for sustainable development of Nepal by catalyzing a functional, inclusive and locally led data ecosystem as well as The Asia Foundation's work in Nepal and across Asia to promote the use of data as evidence for development by policy makers, civil society and the private sector.

The second phase of the D4D programme thus aims to develop data and information ecosystems at the provincial and local spheres with local stakeholders who have the knowledge and capabilities to demand, produce and use data for evidence-based decision-making that addresses local development challenges. The intended impact of the second phase is that there are better local development outcomes as a result of evidence-based decision-making by provincial, local and non-government stakeholders. Currently, in the third year of implementation, D4D is expanding to three more local governments (Lekbeshi, Janakpur and Suddhodan) in addition to the three local governments (Birgunj, Simta and Tulsipur) that D4D has been working with since the first year.

1.2. Understanding of the assignment

Political economy analysis aims to situate development interventions within an understanding of the prevailing political and economic processes in society – specifically, the incentives, relationships, distribution, and contestation of power between different groups and individuals – all of which greatly impact on development outcomes. Such an analysis helps identify various political and economic factors influencing a particular issue/sector, come up with solutions for persisting problems, point out the key stakeholders in the process and ultimately suggest policymakers on best possible strategies. In the context of this assignment, the Political Economy Analysis (PEA) particularly aims to understand how decisions are taken at the local level, what are the influencing factors, who are the most prominent actors and how the different factors and actors interact with each other to affect decision-making at the local level. This assignment has aimed to unravel a more nuanced explanation as to the who the actors are, identifies the institutions, explains their interplay, analyses the incentives and disincentives. Moreover, it has also investigated whether coordination between the local and provincial levels has improved and whether there has been any change in the demand side of data.

1.3. Objectives

The objectives of the PEA are as follows:

- Understand underlying relationships and power dynamics between different tiers of government as well as between local government and non-government actors in data and statistics production
- Examine political variables that determine provincial, local and non-government to use or not to use evidence-based, participatory decision-making processes.

- Understanding gaps and needs in terms of uses of data and evidence during decision making process in the municipality.
- Inform other activities of D4D program, especially focusing on Evidence Based Processes and Integrated Data management system.

2. Desk review

Federalism in Nepal

Nepal's politics underwent a historical administration shift from a constitutional monarchy to a federal democratic republic, and from a unitary state structure to a federal structure of governance after the People's Movement-II in 2005/06. Throughout its recorded history, Nepal had been practicing a unitary system of government. However, this system was deemed ineffective for the country's development and unity with led to the mass revolution popularly known as People's Movement-II.

The Constitution of Nepal 2015 introduced Nepal as a federal democratic republic. The basis for Nepal's federal system of government is the division of state powers among the federal, provincial, and local levels. After the transition of the government, Nepal was divided into 7 provinces, 77 districts and 753 local levels with one central/federal government. General elections for three levels of government were held in 2017 in accordance with the spirit of the constitution, ensuring a smooth transition of power. For the division areas of powers, the Constitution of Nepal 2015[4] has assigned roles and responsibilities to all the levels of the government.

Federal Level

The federal or central government has the highest power amongst the three levels of the government. Federal government is usually involved in the activities that requires national integrity, currency and monetary affairs, national security and defense, regulation, external relations, inter-provincial nature of work, including projects and infrastructure, research and development, etc. Schedule 5 in The Constitution of Nepal 2015 allocates 35 areas of exclusive jurisdiction to the federal government with the addition of the concurrent jurisdiction in Schedule 7 and 9. The federal government can currently legislate on 75 issues.

Provincial level

Federal structure in Nepal has introduced 7 provinces. Schedule 6 of The Constitution of the Nepal 2015 has allocated 21 exclusive areas of jurisdiction to provincial governments. Similarly, there are 25 concurrent areas between federal government and provincial government in Schedule 7 and 15 concurrent areas between federal government, provincial government and local government in Schedule 9. Altogether, The Constitution of Nepal 2015 has provisioned provincial government to legislate on 61 issues. Making legislation and overseeing provincial governments are two of the

[4] Constitution of Nepal 2015. Nepal Law Commission. https://lawcommission.gov.np/en/wpcontent/uploads/2021/01/Constitution-of-Nepal.pdf

key duties of provincial assembly. The way in which provincial assembly carry out their legislative and monitor their duties will influence how federalism will be implemented.

The major activity of the provincial government includes the sector of development of infrastructure, execution of development projects, regulations of provincial level functions, coordination among the local levels within the province, and program or projects encompassing more than one municipality and district. The provincial government acts as a bridge between the federal government and local government.

Typically, tasks relating to the provision of services, the implementation of local development projects, and the control of local services and activities are carried out at the local level. Local government is closest to the people. Schedule 8 of The Constitution of Nepal 2015 allocates 22 areas of jurisdiction to the local governments and Schedule 9 lists 15 concurrent jurisdictions between the federal, provincial and local governments. According to these Schedules in the Constitution, after including both exclusive and concurrent jurisdictions, the local government can legislate on 37 issues.

Local Level

The Government of Nepal (GoN) has introduced LGOA 2017[5] which defines the roles, responsibilities and authorities of the local governments. The act provisions the authority and responsibilities of the local government concerning areas of health, education, water and sanitation, electricity, agriculture and irrigation, poverty alleviation, livestock, food security and social security.

Gaunpalikas (460 village governments) and *Nagarpalikas* (293 municipal governments) are the two types of local government. Both municipal and village authorities have several unique powers in addition to shared ones with the federal and provincial governments. The policies and guidelines of the local government are approved by the Municipal or Rural Municipal Assembly of the respective local government. A municipal assembly consists of Mayor, Deputy-Mayor, Ward Chairpersons and 8 additional members (5 are women from Municipal Assembly and 3 are from Dalit and minority communities)[6]. A Rural Municipal Assembly consists of Chairperson, Vice-chairperson, Ward chairpersons and 6 additional members (4 women from the village assembly and 2 from Dalit or minority communities). The major function of the assembly is to approve annual budget plan and formulate laws[7].

The Assembly sessions are held twice a year, with a 6-month interval. However, any Assembly session can change budget priorities and principles as needed. Special sessions can be called if one-third of the members of the respective local government assembly request, within 15 days. Any decisions made during the assembly are made by a majority vote. If there is a tie, the Chair

[5] Local Government Operation Act 2017, Nepal law Commission
[6] Keshav K. Acharya (2018) The capacity of local governments in Nepal: from government to governance and governability? Asia Pacific Journal of Public Administration
[7] Pokhrel, S. R. (2020, September). *Governance processes for formulation of Energy Act, policy, regulation ...* Retrieved October 17, 2022, from https://www.nrepnepal.com/wp-content/uploads/2021/04/GOVERNANCE-PROCESSES-FOR-FORMULATION-OF-ENERGY-ACT-POLICY-REGULATION-DIRECTIVE-PLAN-AND-BUDGET-IN-NEPAL.pdf

of the Assembly will make the final decision. The Chief Administrative Officer also serves as the Assembly's Secretary.

There are typically four types of committees in the local government Assembly. These committees have sectoral roles and responsibilities like passing budget, publishing audit reports, implementing laws passed by the executive body, tasks related to infrastructural development and social development. The Accounts committee for instance, provides necessary guidance to the concerned bodies regarding the method of preparing the annual estimates, alternative policy that could be pursued in place of the policy underlying the annual estimates etc. The Legislation Committee, among other things, is responsible for ensuring that judicial precedents or interpretations laid down by the assembly has been implemented effectively. Similarly, other committees can be formed according to the need of the local government Assembly.

District level

Although the district level actors do not wield the same authority as they used to before, there are still some level actors who have an important role to play in the federal structure. One such actors is the District Coordination Committee (DCC). There are 77 DCC with important constitutional provisions. According to Article 220 Sub Article (7) of The Constitution of Nepal 2015, the DCC shall have the following functions, duties, and powers:

a) to coordinate between the Village Bodies and Municipalities within the district;
b) to monitor development and construction works in order to balance such works; and
c) to be in charge of coordination between the Federal and State Government offices and Village Bodies and Municipalities in the district.

Planning process and Act/policy formulation at the local level

When it comes to the planning at local level, LGOA is the foundation for local level planning and budgeting. According to the LGOA 2017, their authority extends to local planning and implementation for economic development (agriculture, livestock, cooperatives, and micro industries), social development (education, health, and social security benefits), the environment, and community infrastructure. The "planning and implementation" section of LGOA makes the following important provisions for local level planning and budgeting:

- Prepare periodic and annual plans
- Ensure that the plans align with provincial and federal policies, targets, objectives, timeframe, and procedures
- Make estimates of revenue, prioritization of projects, an execution plan, and inclusion of monitoring and evaluation (M&E) in local level plans
- For special programs, conduct implementation as per the specific procedure defined by the provincial and federal government.

Following the federal structure, guidelines mandate the seven-step planning process for local levels. The LGOA outlines the planning and budgeting framework and process. The MoFAGA approved a guideline in 2017 that clarifies the planning process at the local level. The seven steps of planning process include:

- Step 1: Budget preparation phase
- Step 2: Determination of budget ceiling and guidelines
- Step 3: Selection of community level plan and program
- Step 4: Project selection and prioritization at ward level
- Step 5: Consolidation of program from sectoral committees at municipal level
- Step 6: Approval of Annual Work Plan and Budgeting by the Municipal Executive Committee
- Step 7: Approval of Annual Work Plan and Budgeting and fiscal and appropriation bill from local municipal assembly

When it comes to local level planning, the GoN has introduced some guidance for local level planning. The planning and budgeting in local level is assisted by laws and guidelines enacted by the federal parliament and relevant sectoral ministries. These include:

- The Constitution of Nepal 2015
- Local Government Operation Act, 2074 [2017]
- Intergovernmental Fiscal Transfer Act, 2074 [2017]
- Reference guidelines for Local Level Planning and Budgeting, 2017 (MoFAGA)
- Handbook for Local Level Planning and Budgeting, 2020 (MoFAGA)
- Planning and Budgeting Guidelines for the Local Level (National Planning Commission)
- National Natural Resources and Fiscal Commission Act, 2074

The Constitution of Nepal 2015 clearly states that local governments may not pass laws that contradict federal and provincial laws. Many areas, such as education, health, mines and minerals, and so on, are still under the jurisdiction of local governments, and federal and provincial governments have yet to enact necessary laws and acts. Thus, local governments are discouraged from enacting their own local laws in case of delay in the formulation of federal and provincial laws. According to the Constitution, the village/municipal assembly is the legislative body of local government and can enact laws in its jurisdictions specified by the Constitution (and further detailed by the LGOA). The executive may table the bills (draft acts) before the assembly on matters under the jurisdiction of local government for discussion and approval. If the bill is adopted by a majority of then existing members of the assembly, the assembly chair must certify the bill within 15 days. After the bill is verified by the chair, it becomes an act. All laws passed by the assembly must be published in the *Rajpatra*/Official Gazette and one copy of each law must be sent to the provincial and the federal governments. Once an act is passed, *palikas* can make necessary draft regulations, procedures, guidelines and standards as required. The LGOA also authorizes local governments to form different committees, including the 'legislative committee', to work on the drafting of bills and to review existing laws for any necessary amendments. The passing of law thus generally goes through the following steps[8]:

1. Problem/need identification
2. Obtain consent on principles
3. Pre-consultation with stakeholders

[8] Ibid

4. Preliminary draft of the Bill
5. Draft bill by respective section/Review by legal section
6. Approval by Executive Committee
7. Approval/Pass by the Executive committee
8. Finalization of Draft Bill
9. Table to Secretariat of local government Assembly
10. Distribute to all Assembly Members
11. Distribute to ward committees and stakeholders for suggestions (optional)
12. Passed by the Assembly
13. Signed by the Chair of Assembly and forward to Chair/Mayor for Authentication

In addition to Acts, the local governments also form their own policies. The policy development process usually consists of agenda setting, agenda adoption and plan formulation, plan implementation and monitoring and evaluation. Political parties, non-state actors and economic factors such as market, private sector agencies and pressure group of concerned stakeholders' can influence the agenda setting and policy formulation process at the local level.

Apart from the formal process, there are other informal factors that guide law making/policy adoption process. Some major informal factors enabling the law-making process at local level includes good leadership, effective coordination and cooperation among various actors, better working relations between elected officials and bureaucrats/staff, presence of experienced and skilled elected officials, amicable partnership between local government, civil society and community leader[9]. Besides, the citizens' participation is one of the important factors in the law-making process. Chapter 6 Article 24, Sub-clause 5 of LGOA suggests, each municipality and rural municipality must ensure that local citizens, marginalized communities, and other stakeholders participate as much as possible in the planning and implementation of development plans and programs. This ensures the inclusion of grassroot level.

Status of local governments and evidence-based decision making

The promulgation of the Constitution of Nepal (hereafter, the Constitution) in 2015 and the subsequent elections to the three tiers of government, i.e., federal, provincial, and local, in 2017 and 2022 were major turning points in Nepali politics. The constitution paved way for the formation of local governments which are governing units that bring citizens and governments closer to the new structure, and encourage all actors to participate, deliberate, and develop solutions to pressing social, economic, and community development issues.[10] Because they bring citizens and governments closer, one of the most prominent impacts of local government in the first five years of their operations was improved access for the people. The 2017 local elections were the first in two decades, so elected representatives had a lot of catching up to do, and large gaps to fill. To a large extent, they were able to deliver on the 'access' part because people could

[9] Rai Janak (2019), *Status and process of law-making in local governments: Reflections from two provinces Federalism in Nepal - VOLUME 4,* International Alert

[10] Ghosh, A.K. (2020), "The paradox of 'Centralized Federalism': an analysis of the challenges to India's federal design", ORF Occasional Paper No. 272, New Delhi, Observer Research Foundation, New Delhi. https://www.orfonline.org/research/the-paradox-of-centralised-federalism/

get their work done much more efficiently than earlier. This aspect has appreciated by most of the people.[11]

However, the implementation of federalism in the country has continuously encountered challenges[12]. The culture of 'centralization' among bureaucrats and politicians who are incentivized to gravitate towards the power, privilege, and prosperity of Kathmandu has severely hampered the principles of federalism[13]. Experts claim that politicians are diffident in providing the required leadership and keen to maintain the status quo, bureaucrats are self-effacing and unwilling to take initiatives while the people remain cynical about the government's seriousness in advancing governance at the grassroots[14]. All these practices and trends involve excessive political maneuvering, decision making for serving personal interest or making populist moves and having little regard for evidences, needs or data. Subsequently, such issues have consistently caused evidence-based decision-making to take a backseat at the local level.

In developing countries, the main aim of the decentralization is to promote public participation, empower local people who are mainly marginalized to engage in the political decision-making process, so that governance can be fostered at different levels of the governing structure. However, experience shows that many such countries have failed to cope with these issues in their efforts to transform the social, political, and economic aspects of society due to significant degrees of bureaucratization, politicization, and undue influence of imported ideas and practices.[15] The likes of problems mentioned above has already hinted that Nepal's story was no different.

Having been their first tenure, the local governments in Nepal were burdened with expectations but had limited resources at hand. This naturally hindered their operations. A report by Development Initiatives on Data Landscape in Nepal highlighted that most of the local government had insufficient human, technical and financial resources that could hinder data collection and use as mentioned in LGOA.[16] It also mentioned that those data collected at the local level were carried out mainly for 'upward reporting and not for local use'[17]. This situation still persists even after the second local election in 2022.

Indeed, one of the biggest barriers for the local government to practice evidence-based decision making during their first tenure was the lack of resources – this included lack of human resource who were well trained in data management and also the lack of financial resources to ensure proper data management. This was corroborated by the MoFAGA which in 2020 found that most local governments performed poorly in the areas of their jurisdiction due to lack of human resources and necessary expertise.[18] With the federal government failing to send adequate human resources to local units for most part of the five years, most of the local governments simply

[11] https://www.nepalitimes.com/banner/local-government-by-the-people-for-the-people-of-the-people/

[12] Acharya, K.K. and Zafarullah, H. (2020), "Institutionalising federalism in Nepal: operationalising obstacles, procrastinated progress", *Public Administration and Policy: An Asia-Pacific Journal*, Vol. 23 No. 2, pp. 125-139. https://doi.org/10.1108/PAP-03-2020-0013

[13] Rai, Nirjan. *The Implementation of Federalism and Its Impact on Nepal's Renewable Energy Sector*. Nepal Renewable Energy Program, 2020

[14] Acharya, K.K. and Zafarullah, H. (2020), "Institutionalising federalism in Nepal: operationalising obstacles, procrastinated progress", *Public Administration and Policy: An Asia-Pacific Journal*, Vol. 23 No. 2, pp. 125-139. https://doi.org/10.1108/PAP-03-2020-0013

[15] Acharya, K.K. and Scott, J. (2022), "A study of the capabilities and limitations of local governments in providing community services in Nepal", *Public Administration and Policy: An Asia-Pacific Journal*, Vol. 25 No. 1, pp. 64-77. https://doi.org/10.1108/PAP-01-2022-0006

[16] Development Initiatives. (2020). *Diagnostic of Nepal's Data Landscape.* http://www.d4dnepal.org/wp-content/uploads/2021/03/2020.pdf

[17] Development Initiatives. (2020 a). *Towards Federal Statistics: D4D Nepal Strategic Action Plan.* http://www.d4dnepal.org/wp-content/uploads/2021/03/Nepals-evolving-data-community_Final-1.pdf

[18] Ministry of Federal Affairs and General Administration (MoFAGA). *स्थानीय तहको क्षमता आवश्यकता पहिचान अध्ययन प्रतिवेदन*. Ministry of Federal Affairs and General Administration (MoFAGA), 2021. https://mofaga.gov.np/news-notice/2555

functioned with limited human resource.[19] Add to that, the limitation of financial resource acted as further burden.

Another reason why the practice of evidence-based decision making was poor was because of the issue of transparency. A report released by the Commission for the Investigation of Abuse of Authority (CIAA), the anti-graft agency of the country in 2019 showed that municipalities and rural municipalities did not have a good record when it came to transparency.[20] A later report by the same agency stated the total complaints related to corruption received by the CIAA, around one-third was related to corruption in local bodies.[21] While discussing law making process at the local level, studies have found that local governments seriously lack the consultative and participatory mechanisms to ensure the community's involvement, and that of marginalized groups, in the law-making process.[22] One of the cross-cutting issue prevalent across the provincial as well as local level was undue political influence. Decisions were made at the behest of senior leaders or based on party interest, personal favoritism and short-term gains. This means that rather than evidence, personal interest of the handful were prioritized while decision making.

The practice of evidence-based decision making was also affected by fractured relationship between elected representatives as well as those between elected representatives and bureaucrats. Dozens of local governments failed to bring their budget on time due to chronic disputes between municipal chiefs and their deputies[23]. A study by MoFAGA showed towards the end of the five-year tenure of the 753 local units, more than 200 were still operating under acting chief administrative officers.[24] Some local governments even went on to have a tussle with provincial governments over areas of jurisdiction.[25] The priority of many of the local governments thus remained far from making evidence-based decision making.

The process followed by many of the local governments during law making also laid bare how poorly evidence-based decision making was practiced at the local level. Studies found that local governments simply 'copied' specific model laws prepared and circulated by MoFAGA and added the names of their local government units while passing bills[26]. This was a clear example of how local needs as well available evidence were often undermined while forming policies and laws at the local level. This also means that civil society engagement was often ignored.

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[21] Annapurna Express, The. "Editorial: Who Will Watch the Local Governments?" *The Annapurna Express*, Oct. 2022, https://theannapurnaexpress.com/news/editorial-who-will-watch-the-local-governments-32751

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[26] Rai, Janak. *Status and Process of Law-Making in Local Governments: Reflections from Two Provinces*. The International Alert, Nov. 2019, https://www.international-alert.org/publications/federalism-in-nepal-status-and-process-law-making-local-governments/

3. Analytical framework

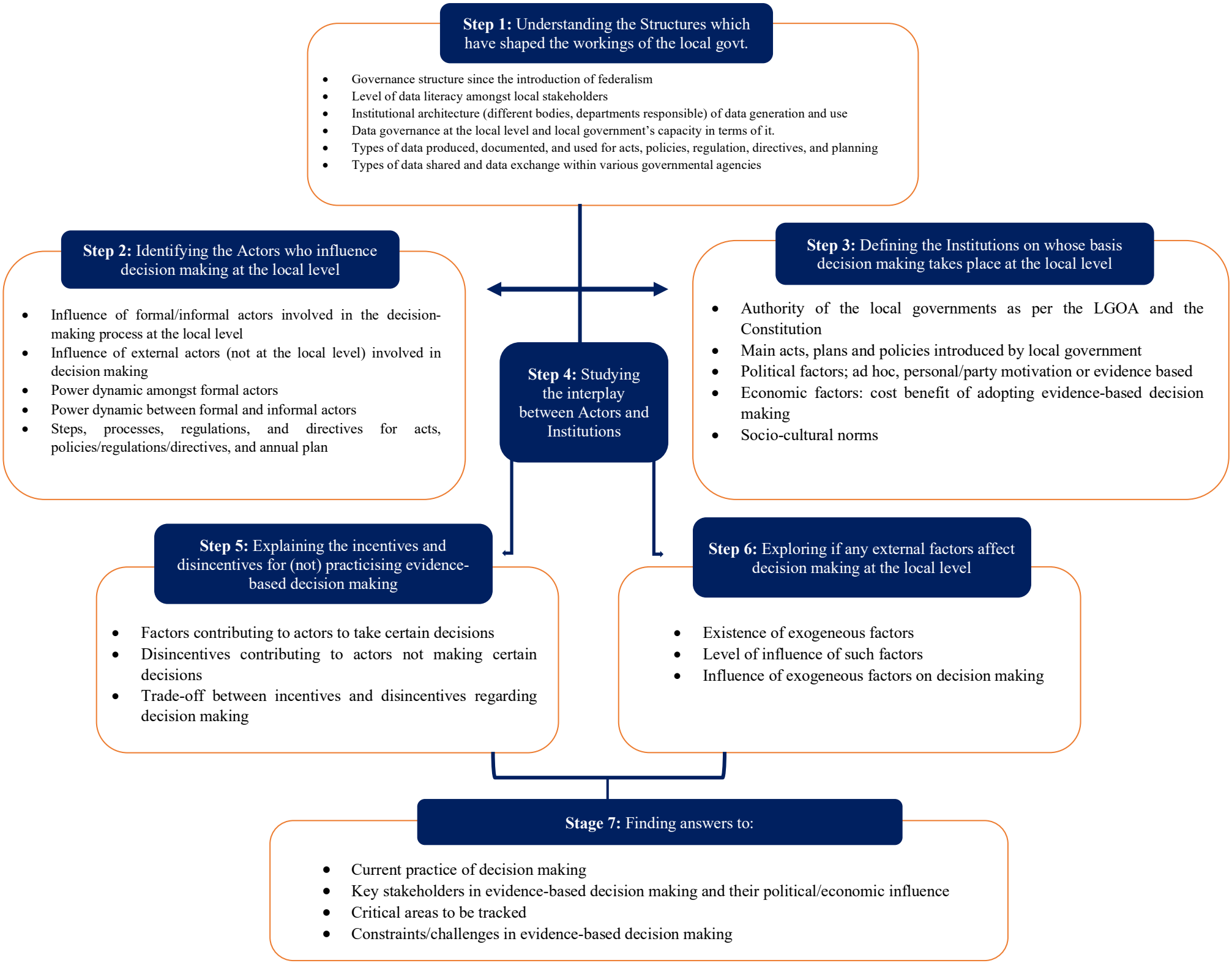
As with any standard PEA, FDM studied the structures, institutions, actors involved at the local level in decision making. The PEA also involved looking at the interplay between institutions and actors as well as studying the incentives and external factors that influenced the Actors to make certain decisions.

Element	**Issues**
Structures	Structures are the more enduring specifics of the context that change slowly, such as demographic shifts, historical legacies, social-cultural factors and technological progress.
Institutions	Institutions are the 'rules of the game', the local laws, practices and traditions that shape human behavior. They can either be formal or informal. Institutions are usually driven by power, shaped and given direction by incentives and norms.
Actors	Actors can be either individuals, organizations or coalitions from the public, private or civil society sectors. Their interests, motivations, networks and influence shift over time. Their behaviour can be thought of as 'the games within the rules'.

While the above-mentioned factors are traditionally looked at in a PEA, based on its previous PEA study, FDM also specifically investigated the following aspects:

Incentives	Incentives and disincentives feature heavily in the PEA literature and are not just about financial wealth or wielding power. Incentives can be very simple (money), or far more complex (the desire to leave a beneficial legacy). They can be highly destructive (harmful beliefs – such as prejudice), or entirely neutral (the desire for status and kudos can be either good or bad).
External factors	While internal factors within the local government might be the most influential when it comes to influencing the decision-making process, there are chances that exogenous factors might have also played a role. Exogeneous factors could include anything from the influence of federal actors to the role played by projects implemented by aid agencies.

The analytical framework for the assignment has been presented in detail below:


Step 1: Understanding the Structures which have shaped the workings of the local govt.
Governance structure since the introduction of federalism
Level of data literacy amongst local stakeholders
Institutional architecture (different bodies, departments responsible) of data generation and use
Data governance at the local level and local government's capacity in terms of it.
Types of data produced, documented, and used for acts, policies, regulation, directives, and planning
Types of data shared and data exchange within various governmental agencies
Step 2: Identifying the Actors who influence decision making at the local level
Influence of formal/informal actors involved in the decision-making process at the local level
Influence of external actors (not at the local level) involved in decision making
Power dynamic amongst formal actors
Power dynamic between formal and informal actors
Steps, processes, regulations, and directives for acts, policies/regulations/directives, and annual plan
Step 3: Defining the Institutions on whose basis decision making takes place at the local level
Authority of the local governments as per the LGOA and the Constitution
Main acts, plans and policies introduced by local government
Political factors; ad hoc, personal/party motivation or evidence based
Economic factors: cost benefit of adopting evidence-based decision making
Socio-cultural norms
Step 4: Studying the interplay between Actors and Institutions
Step 5: Explaining the incentives and disincentives for (not) practicising evidence-based decision making
Factors contributing to actors to take certain decisions
Disincentives contributing to actors not making certain decisions
Trade-off between incentives and disincentives regarding decision making
Step 6: Exploring if any external factors affect decision making at the local level
Existence of exogeneous factors
Level of influence of such factors
Influence of exogeneous factors on decision making
Stage 7: Finding answers to:
Current practice of decision making
Key stakeholders in evidence-based decision making and their political/economic influence
Critical areas to be tracked
Constraints/challenges in evidence-based decision making

4. Methodology

4.1. Tools

The PEA made use of the following tools:

Desk review: A central aspect of the PEA was desk review of secondary documents. The desk review was particularly be relevant in understanding the 'Structures' aspect of the analytical framework. The desk review also informed the study team of previous studies undertaken on the targeted local government, how decisions were currently being made, the laws, law making and planning process and policies passed by that local government, the local context including the socio-economic-cultural background.

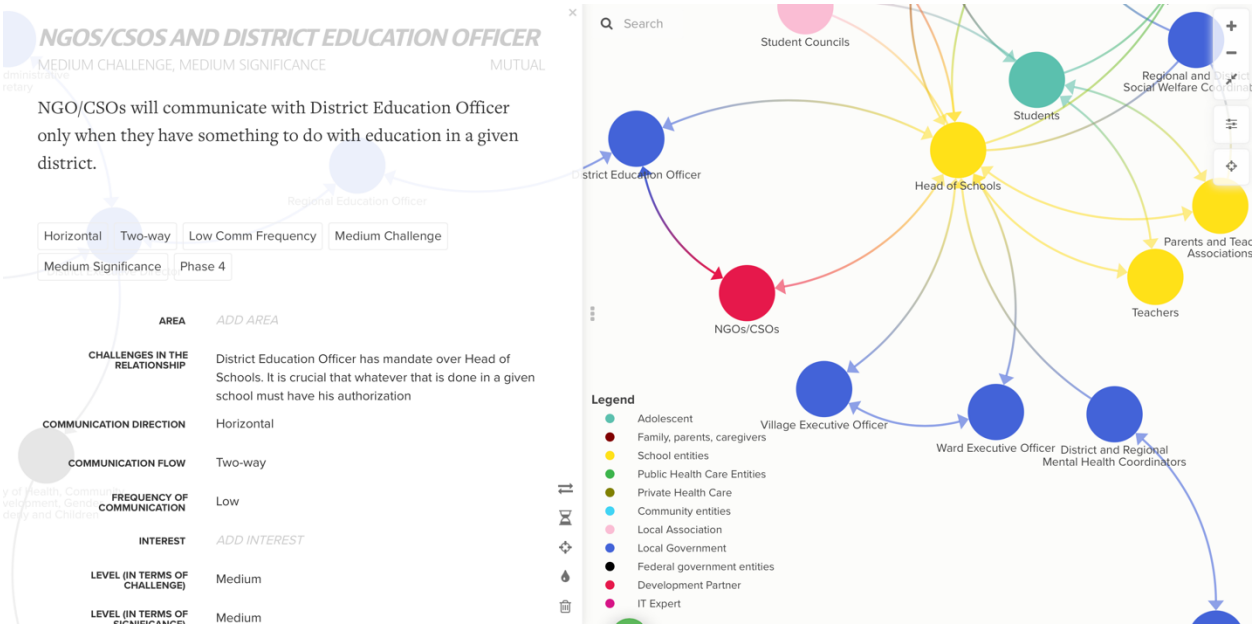
Key Informant Interview (KII): The KIIs were particularly helpful in clarifying the perspective of the key stakeholders of decision-making at the local level. KIIs helped the study team understand who the key Actors were, how they influenced decision-making at the local level, what were their incentives and disincentives and how committed they were to the principle of evidence-based decision-making. KIIs with provincial and federal level stakeholders acted as verifications to the response provided by the local level respondents.

Interactional workshop: The interactional workshop brought together civil society leaders, journalists, and media personnel and was hence be a platform where these key stakeholders laid out their opinion and provided their insight on the decision-making process at the local level. The interactional workshop provided FDM with insights from a myriad of stakeholders and helped validate information generated through desk review as well as KIIs. Moreover, the interactional workshops also helped explain the incentives and disincentives of the actors involved in decision-making process and explain why things have been going the way they have been.

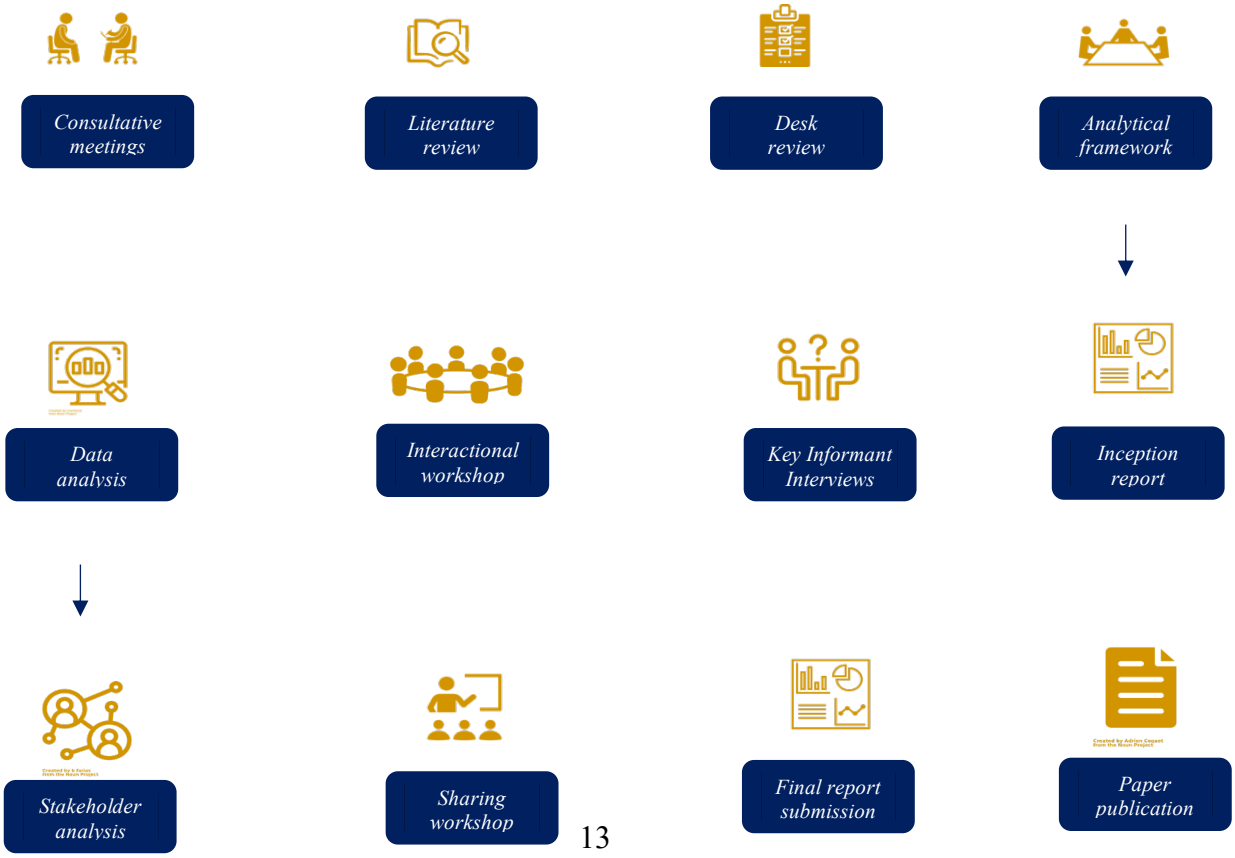
Sharing/Feedback workshop: Finally, the sharing/feedback workshop was conducted to share the preliminary findings of the report, gather feedback from the project team and revise the report further.

Stakeholder analysis: Stakeholder analysis can be of significant help for organizations to understand the relationship between the stakeholders within the subject matter. In this case, it will help TAF identify the key stakeholders, understand their role in influencing enrolment, assess the importance of their roles and their analyze their relationship with other stakeholders. FDM conducted stakeholder analysis using a stakeholder analysis software called Kumu. Kumu helps create a map of stakeholders and highlight social network analysis, the level of interest and power of the primary and secondary stakeholders, the level of stakeholder engagement and participation with one another, level of significance and challenges of relationships and gaps in stakeholder relationships/connections.

An example of stakeholder analysis using the software KUMU has been shown below:


NGOS/CSOS AND DISTRICT EDUCATION OFFICER
MEDIUM CHALLENGE, MEDIUM SIGNIFICANCE
MUTUAL
NGO/CSOs will communicate with District Education Officer only when they have something to do with education in a given district.
Horizontal
Two-way
Low Comm Frequency
Medium Challenge
Medium Significance
Phase 4
AREA
ADD AREA
CHALLENGES IN THE RELATIONSHIP
District Education Officer has mandate over Head of Schools. It is crucial that whatever that is done in a given school must have his authorization
COMMUNICATION DIRECTION
Horizontal
COMMUNICATION FLOW
Two-way
FREQUENCY OF COMMUNICATION
Low
INTEREST
ADD INTEREST
LEVEL (IN TERMS OF CHALLENGE)
Medium
Search
Student Councils
Students
Head of Schools
NGOs/CSOs
Teachers
Village Executive Officer
Ward Executive Officer
District and Regional Mental Health Coordinators
Legend
Adolescent
Family, parents, caregivers
School entities
Public Health Care Entities
Private Health Care
Community entities
Local Association
Local Government
Federal government entities
Development Partner
IT Expert

4.2. Approach


Consultative meetings
Literature review
Desk review
Analytical framework
Data analysis
Interactional workshop
Key Informant Interviews
Inception report
Stakeholder analysis
Sharing workshop
Final report submission
Paper publication

4.3. Sample

Tools	Stakeholder	Number of interactions	Total	Remarks
Interactional workshop	Media professionals	1 per district	5	
	Civil society leaders	1 per district	5	
	Political leaders	1 per district	5	
	Sectoral heads of the municipality	2	2	The Interactional workshop with the sectorial head was conducted in Lekbesi and Simta only. As there were issues in bringing them together at the same time, separate KIIs were conducted with them.
	TOTAL		**17**	
KII	Mayor or Chairperson/D. Mayor or D. Chairperson	1 per municipality	8	2 additional KIIs were conducted with the Deputy Mayors in Lekbeshi and Sudhodhan. Due to the unavailability of Mayor in Janakpur, Deputy Mayor was interviewed.
	Former Mayor or Chairperson/D. Mayor or D.Chairperson	1 per municipality	2	Former mayors were only available in Simta and Lekbeshi
	Ward chairperson	1 per municipality	6	
	Chief Administrative Officer (CAO)	1 per municipality	4	CAOs were not available in Birgunj and Janakpur.
	Sectorial/Division Heads/Other Officers	3/4 per municipality	21	
	IT/Information Officer	1 per municipality	6	

	Municipal assembly – Dalit representative	1 per municipality	3	Dalit representatives from the Municipal Assembly were not available in Simta, Birgunj and Janakpur
	Municipal assembly – Women representative	1 per municipality	6	
	Good Governance Committee members	1 per municipality	6	
	Accounts/Economic Development committee member	1 per municipality	4	Members from the Accounts/Economic Development Committee were not available in Lekbesi and Simta
	Representative - District chapter of National Statistics Office (NSO)	1 per district	4	NSO district chapter was not in the district in Rupandehi during time of the visit.
	Secretary/Under-Secretary – Ministry of Social Development	1 per province	2	
	Under-Secretary- Ministry of Women, Children and Elderly	1	1	The Ministry of Social Development no longer existed in Lumbini Province. Hence, the Under Secretary of Ministry of Women, Children and Elderly were taken was interviewed.
	Representative – Provincial and Local Governance Support Program (PLGSP)	1 per province	2	The PLGSP representative of Madhesh was not available.
	Under Secretary – MoFAGA	Federal	1	(Pending)
	Representative – NSO	Federal	1	
	Chairperson – District Coordination Committee (DCC)	1 per district	3	DCCs were unavailable in Rupandehi and Dhanusha.
	TOTAL		**79**	

5. Data collection plan

6. Data analysis plan

Before beginning the qualitative data analysis, a debriefing session will be organized after the field level data collection is completed. Following the debriefing session, the qualitative data will be analyzed using a thematic approach. This includes theme-based theory generation and interpretation of phenomenon backed by findings, examples and justifications. Qualitative data analysis will involve the following steps:

- **Coding:** FDM will use CAQDAS software to isolate phrases, sentences and paragraphs that talk about a meaningful topic. These isolated phrases, sentences and paragraphs will be labelled by codes. Before broadly grouping the information into themes, codes will help identify interesting information in the data and ensure that any interesting information is not left out.

- **Creating initial theme:** Once the transcripts have been coded, FDM will take the list of codes and cluster codes together that have similar meanings or have a relationship to one another to form different themes. FDM will examine the clusters to see if there are any additional relationships between the clusters themselves. If there are, the two or more clusters will be kept together. This process continues until there is no further assembling, reassembling, or clustering possible.

- **Reviewing themes:** FDM will take the themes and review them against the data. This process makes sure the themes capture the meaningful aspects of the data without missing any important details. Once the themes are confirmed to represent the data, FDM will move on to the next phase.

- **Naming and defining themes:** This process involves utilizing the labels created for the theme and providing a comprehensive name that describes the relationship or meaning conveyed in the theme. Once this is completed, FDM will define the theme according to the content and meaning of the codes. This definition summarizes the content of what is discussed within the theme.

7. Limitations

a. Since the study team visited Simta and Lekbeshi before the local level elections, it was very difficult to arrange meeting with the respondents. Although most of the respondents could be met, some of them could not provide adequate time for the interview. It was assumed that since the field visit was being done ten days before the elections, disruption due to the upcoming elections would not happen. Moreover, as per the Code of Conduct of the Election Commission, elected representatives at the local level were not supposed to participate in election campaigning. However, it was found that they were busy in arranging in logistical arrangement for the elections. Some of the elected representatives were found to be involved in campaigning indirectly and found it difficult to provide time for the interview.

b. In Rupandehi, since the provincial headquarter was being shifted from Butwal to Lamahi (Dang), the researchers could not meet some of the provincial stakeholders. There was a sense of confusion when the researchers visited the provincial offices and many of the stakeholders present did not know the whereabouts of the offices and whether these offices had already been shifted to Lamahi or were still in Butwal. Furthermore, the former Mayor of some of the municipalities could not be interviewed. Since they were not in power anymore and were either busy in their own work or were travelling, the researchers could not meet them.

8. Quality assurance

Stage	Quality Assurance Mechanism
Checklist designing	• To ensure that the checklist address the objectives of the study, FDM will hold series of consultative meetings with the project team to seek information as well as feedback on draft documents. • The draft version of the checklist will be sent to the project team for feedback and will be finalized only upon consultation with the project team
Data collection	• The KIIs and Interactional workshops will be conducted by a team of expert researchers with at least 2 – 3 years of experience. • Validation workshop will be conducted to verify the information generated through KIIs and interactional workshop • An extensive desk review will be carried out to understand the context of the information generated
Data analysis	• A thorough debriefing will be carried out upon return from the field with participation of all the researchers • All data collected from the field be stored by FDM in its online server, which will be password protected

Reporting	• To ensure that the report contains the all the information required by the project, FDM will provide a draft version to the project team as soon as the field visit ends. Based on feedback, a revised version of the report will be prepared. • FDM will conduct a sharing workshop upon completion of data collection to validate the findings as well as gather in-depth ideas on some of the linkages. • The report will be finalized only after thorough review of donor/project team.

9. Findings

The chart below summarizes the findings of the study in terms of structures, institutions and actors:

VARIABLES	FACTORS	REMARKS
Structural variables	• The 2022 local level elections • Cultural practice of not using data • Minimal investment in data governance • Poor data literacy • Poor coordination between three levels of government	*The four factors have been identified as structural variables because these are features that have affected the political economy of data governance from the foundational level. These factors tend to change slowly over time, and are sometimes beyond the direct control of stakeholders. Structural factors are identified as factors that are hard to transform in the short term and they have continued in Nepali polity for years, if not decades. For instance, the cultural practice of not using data has been a long-standing issue in Nepali governance right from the federal level. Similarly, data governance has always seen very limited investment over the years which has subsequently created a number of problems such as limited capacity. There was also no systematic mechanism for the three levels of government to coordinate when it comes to data governance, as a result of which this has also been identified as a structural factor. Finally, a factor that has affected data governance from a foundation level is lack of understanding amongst local stakeholders regarding the importance of data.*

Institutional variables	• Poor prioritization of data governance • Ad-hoc decision making • Poor transfer of knowledge between incoming and outgoing government • Pervasive political influence • Authority given by LGOA to local government in data governance	*Institutions are combinations of formal rules of the game and a host of informal arrangements. It was noted that both political and socio-cultural factors formed a part of informal institutions. In terms of political factors – influence of political leaders, ad-hoc decision making practice and poor transfer of knowledge between incoming and outgoing government were noted whereas in terms of socio-cultural factors - prioritizing 'local knowledge and understanding' instead of data was noted. Considering that it is the LGOA which has given the authority to local government to manage data governance, it has been identified as a formal institutional variable. But in reality, the informal institutional factors appeared to have been more dominant and guiding decision making at the local level.*

Actors	• Mayor/Chairpersons • Ward chiefs • Bureaucrats • Media • Provincial level • Federal level • Thematic committees	*Identifying the actors required identifying the stakeholders (both individuals and organized groups) and their relative influences, power relations, and positions. It was found that it was leadership of the local units which was the most instrumental in impacting evidence based decision making. This included Mayor/Chairpersons followed by Ward Chiefs. The role of bureaucrats was also found to be crucial. On the other, from the demand side, it was actors such as media who played a key role as they often required data for their work.. While not directly, the role of fostering the practice of evidence based decision making was related directly with the provincial and federal level as well; it was found that the lack of coordination between the three levels had also contributed to poor data governance. Thematic committees were an instrumental actor in the process; their ineffectiveness and inefficiency was one of the reasons why local governments did not practice evidence based decision making.*
Incentives/Disincentives	• Populist decision making • Attitude fearing that data might not align with interest • Attitude that local governments are 'independent'	*While incentives/disincentives do not feature in PEA studies as a separate variable, it was added considering that the PEA would not be complete without understanding the incentives/disincentives to use evidence based decision making. The study team learnt that the main incentive not to use data was because the locally elected representatives were tilted towards making populist decisions. Finally, the attitude that using data would be detrimental to their interest was another incentive to not use data.*

The subsequent sections describe in detail the findings of the study.

Objective 1: Understand underlying relationships and power dynamics at local government and non-government actors in data and statistics production

Low prioritization of data governance even in the second tenure of local government: One of the key findings of the study was that despite five years of federal practice, data governance still did not fall under the priority of the local governments. As a result, data governance remained poor in most of the local units. The study team specifically looked into whether things had changed by the end of the first tenure of the local government and the election of a new government. However, there were very little evidences to suggest things were any different. While some of the municipalities did not have much data, the other had data but was rarely used for decision making purpose. Furthermore, while some of the departments happened to have good data management, thanks to the federal government's portal like Health Management Information System (HMIS), Education Management Information System (EMIS) and Sub-National Treasury Regulatory Application (SuTRA), the other departments still practiced traditional form of manual data management. There was a unanimous opinion amongst most of the civil society leaders, journalists and even some of the bureaucrats that for local governments, more 'visible' forms of development like infrastructure (buildings, bridges and roads) still fell under the top priority. Despite a five year experience of having run local governments, neither the previous local government, nor the newly elected leadership appeared to have realized the importance of data in decision making.

> *"The priorities of elected representatives are to give out tenders, hire their relatives in key positions and make populist decisions. Data governance is far from priority for them "*
>
> *Political leaders, Suddhodan*

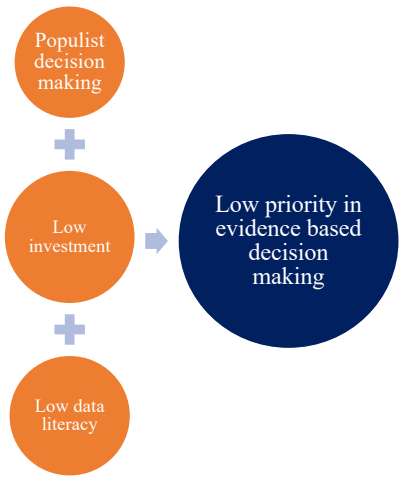


Figure 1: Factors contributing to low prioritization of data

One of the first tasks of this study was to make an effort to understand why data governance was not prioritized. One of the foremost reasons for this was because it was not seen as a 'popular' area to engage in. For obvious reasons, there was a tendency amongst elected representatives as well as local governments to tilt towards areas that would gain them popularity. For instance, the civil society leaders in Birgunj claimed that instead of focusing on pressing issues pertaining to health and education, the elected representatives were always interested in construction of ponds and temples while the need was clearly in other areas. An example of this was seen only a few months back when the newly elected Mayor gained huge popularity after he forcibly blacktopped the main road near the Birgunj clock tower, much against the warning of the federal government (under whose jurisdiction the road actually falls). The journalists in Surkhet echoed a similar opinion and said that elected representatives' focus was

making popular decisions, sometimes by even breaking law. In Tulsipur, one of the Ward Chiefs said that huge amount of provincial and federal level funds were allocated specifically to building temples and *Yoga bhawans*, the construction of which were neither really pointed out by data nor were immediately required and were made simply to gain popularity. In Janakpur, the Deputy Mayor while saying that areas like WASH, education and health needed attention in the municipality, also pointed out in the same voice that most of the municipality fund went towards infrastructure development.

Poor data prioritization was also pointed out by journalists. In Tulsipur, the journalists said that it was difficult to find data in the municipality for reporting purposes. They claimed that the municipality did not have a proper system of data collection, maintenance or analysis. While there had been some effort to improve data governance under the former Mayor, the journalists were of the opinion that it was only large surficial data that was managed properly and acquiring specific, segregated data was still very difficult. In Suddodhan as well, the journalists complained about the lengthy process of acquiring data and said that the process was cumbersome. Similarly in Birgunj, the journalists claimed that there was limited data at the local level and the elected representatives were hesitant to even provide that for the fear of 'data being used against them'.

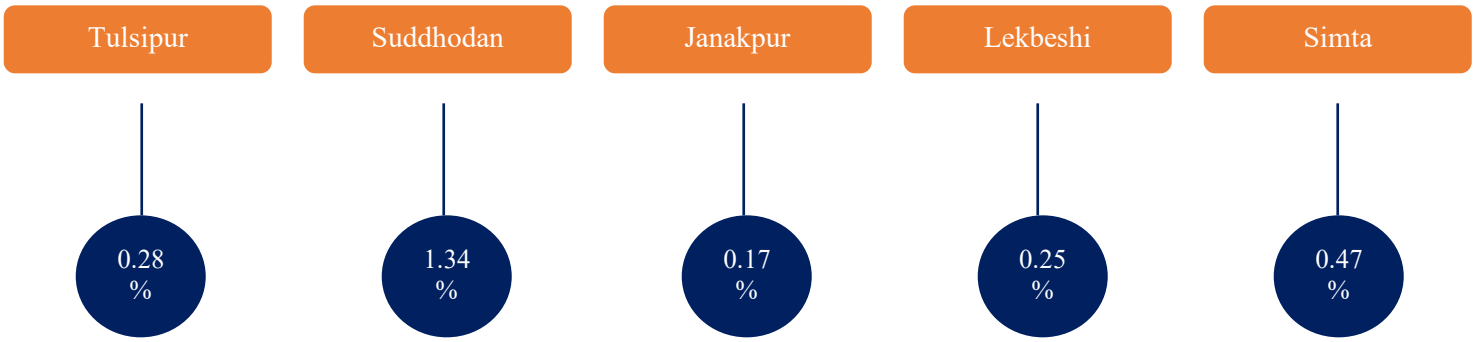


Figure 2: Percentage of the total budget allocated by the local units in data governance

How local governments did not prioritize data governance was evident from the budget allocated to the sector. After reviewing the Red Books of the local units, it was learnt that the amount allocated to data governance was minimal in all the local units. For instance, in Tulsipur, out of the total budget of NRs. 1.8 billion, only NRs. 5.1 million had been allocated to data governance. In Suddhodan, the figure was NRs. 4.9 million out of the total budget of NRs. 372 million. In Janakpur, out of the total budget of NRs. 1.47 billion, the amount was only NRs. 2.5 million Similarly, in Lekbeshi, out of the total budget of 834 million, the amount separated for data governance was NRs. 2.08 million whereas in Simta, the budget for data governance was NRs. 2.2 million out of the total budget of 470 million. Out of the all the local units, although Suddhodan appears to have dedicated a higher amount for data governance, it might have been so because the rural municipality has included salary of data management staff, their fooding cost under data governance. Moreover, it should be noted that the study team collated only those information in the Red Book that were clearly allocated to data governance; data governance could have been included under other headings which would be difficult to clearly discern.

"I have seen budgets allocated to building temples when there is severe need to provide books in school"

Ward Chief, Tulsipur

Complaining that the local government neither cared about data nor evidence based decision making, the civil society members of even sub-metropolitan cities like Tulsipur and Janakpur voiced their complaint that data governance was at a very nascent stage. The fact that data governance was not prioritized enough was not just a finding that respondents stated. For instance, the lack of updated municipal profile in municipalities like Lekbeshi, Simta and even Birgunj and Tulsipur were examples of how local governments did not consider data management as a top priority. One of the most blatant forms of disregards for data was seen in Suddhodan where the building of the rural municipality had been built at a cost of NRs. 6.5 crores. While the Deputy Chairperson claimed that the building had been built with the locally generated revenue, other stakeholders including the municipal staff themselves refuted this and said that the building had been built using the fund from the federal level. But instead of using the funds (or some amount of it) on improving data governance, addressing the budgetary needs of the wards (which was stated by the Chairperson as a need) or even in solving pressing problems such as addressing the teacher shortage, the local unit had decided to splurge it on the physical infrastructure.

The department head of the Planning Department in Janakpur explaining the situation of his sub-metropolitan city claimed that the performance of the outgoing and the incoming local government had been the same – they were both driven by their own interest and not by data. Although he spoke this only for Janakpur, this was found to be the case in most of the municipalities. In Surkhet, the civil society leaders said that although some level of data had been collected across municipalities in the district, the practice of using them in decision making was rare. The journalists in Tulsipur echoed a similar opinion. Complaining about ad-hoc planning and budgeting, they said the projects of least importance were sometimes implemented without anybody questioning it. Highlighting how this was due to poor data governance, the journalists said that decisions were made and projects were implemented solely based on what the representatives 'thought was right'. In Suddhodan, the civil society members stated that despite five years of local government, the municipality did not have comprehensive data on social indicators to aid societal development. They claimed that whatever data was available was only there for running the daily operations of the office.

"As the female executive member, I don't have any work. I just sign wherever they ask me to sign "

Female Executive Member, Birgunj

While ad hoc decision making is not new for Nepal, the five years of federal practice was expected to have brought about some change in the practice of local governments. However, this was not observed. An anecdotal evidence of this was provided by the female member of the Municipal Council of Birgunj. She said that while the meeting of the Municipal Council should have been held at least once a month, it had not been held even once in the last 3 months. She claimed that when the Mayor or the Deputy Mayor wanted to pass an agenda, they would call for a meeting even three times a month. Moreover, although to pass an agenda, around four sittings were required, the leadership would sometimes pass an agenda even in one sitting. Recalling when

the budget was being allocated in the wards, the respondent mentioned that she was 'asked to leave' the room because she questioned why her voice was not being addressed. The practice of ad-hoc meetings was verified by elected representatives themselves. For instance, the former Chairperson of Simta informed that he had also seen meetings at the local level which had passed the budget through a single sitting. In Suddhodan, the political leaders and the civil society members, some of whom belonged to the ruling party, accepted that when it came to decision making, community needs were rarely reflected. It was often the case that parties' needs were reflected in the garb of the needs of the community and even expert opinion was hardly considered.

While some of the stakeholders did mention that poor data governance was due to the low demand for data and the community's excessive focus on infrastructural need, respondents such as civil society leaders opined that improvement of data governance need not depend simply on demand for data. For instance, the sitting Chairperson of Simta said that whenever the people were asked about their needs, it was almost the need for 'tangible' development. As a result, data development was not prioritized by elected leaders like them. This was a response that most of the former as well as newly elected representative provided. But civil society leaders pointed out that it is understandable that the public's demand is going to be infrastructure in a country like Nepal where basic needs have not been fulfilled. They claimed that it was the job of the local governments to ensure that the local government maintained updated data to inform decision making, irrespective of the need of the community. They said that the mere reason that 'demand-side of the data is not strong' does not justify the local governments' inaction in data governance.

"The training on National Data Portal (NDP) that had been conducted in 2075/76 has turned out to be a complete waste "

NSO Official, Surkhet

The consultation with federal level authorities also revealed how the local level did not prioritize data. For instance, four years back, the NSO had conducted training on National Data Portal (NDP) to IT officers and statistics officers. But very few of the local governments actually ended up entering data on the portal. When asked what the reason was for this, the NSO officer said that the main reason was lack of compulsion for local governments to upload the data. While the local staff are obligated to fill in information on portals such as DHIS or EMIS, there was no compulsion for them to do so on the NDP. As a result, most of them simply ignored it. Moreover, the respondent said that the local government did not prioritize data management and as such the NDP, despite being in existence for a number of years now, was virtually useless.

The fact that data was not prioritized at the federal level itself was evident from the interview with the NSO officer in Kathmandu. During the time of the interview, the structure of NSO had been changed and it had been turned into NSO (from CBS) with the new office now under the jurisdiction of the Prime Minister Office. The office, which was previously led by Director General, now had to be led by a Secretary of the GoN. However, the office was still without a head three months after the decision. The NSO official claimed that things like statistics and data was not a priority of the GoN. The office ran with very limited budget and staff. He pointed out that in

"The state of NSO itself will tell you how to what extent the federal level prioritizes data governance'

NSO representative, Kathmandu

2075/2076, the office had conducted trainings for local level IT staff on NDP but no follow-ups had been conducted. In the words of the respondent himself, the NSO was in a 'state of limbo'. With the new Statistics Act in place, their role was confusing, their line agency was too overburdened to look after them and their district officers' were demotivated.

Complicated relationship between bureaucrats and elected representatives and its influence on data: There were indications that the relationship between elected representatives and bureaucrats played a key role in determining whether evidence based decision making was practiced or not. While in some cases, the relationship between the two sides was found to be tense, in other areas, stakeholders claimed that the objective with which bureaucrats and elected representatives worked, were the same. Irrespective of the status of the relationship, it was noted that the relationship between the bureaucrats and the elected representatives played a role in informing decisions as well as influencing them.

"The conflict between bureaucrats and elected representatives is a result of federal appointment of staff at the local level. Until and unless that changes, the relationship might not change much"

Civil society leaders, Surkhet

Many of the stakeholders claimed that despite five years of federal practice, the nature of relationship between the elected representatives and bureaucrats was still not very smooth. While the bureaucrats, civil society leaders and politicians raised a finger at the politicians, the politicians and the elected representatives were quick to blame the bureaucrats. Speaking on this, the civil society leaders in Surkhet accepted that there was a conflict between elected representatives and bureaucrats in most of the local units across their district. While the bureaucrats had come from a competitive procedure having acquired the knowledge that they had through extensive preparation, the elected representatives believed that they knew the 'people's needs' as they had been elected by the very people. As a result, a sense of superiority characterized the egos of both. This ego sometimes forayed into office as a result of which, the planning process was directly impacted. In Suddhodan, the political leaders who participated in the interaction went so far as to say that 'bureaucracy was a threat to development'. When asked to explain this, they said that bureaucrats at the local level often created hurdles when the government tried to initiate some work. While they did acknowledge the fact that sometimes the correct procedure might not have been followed, they said that the fact that the bureaucrats had come through a competitive procedure did not give them the right to act as a stumbling block for each and every initiative of the elected representatives. The civil society members of the same rural municipality were less critical of the bureaucrats but did point out that the work of monitoring of the elected representatives was in the hands of the bureaucrats, something that they had not being performing sincerely.

In Janakpur, the civil society leaders said that the frequent transfer of staff like CAO meant that it was difficult for even the elected representatives to work. Since the CAOs in Madhesh province

kept on changing at frequent intervals, they said that it made the local government's operations difficult. In Birgunj, the political leaders complained that the bureaucrats carried a very 'outdated' mindset. They added that the way of working of the bureaucrats was 'obsolete' and they did not work according to changing times. The Mayor in the municipality himself complained that the local unit such as Birgunj lacked senior bureaucrats, as they had only one 10th level Section Officer and 8th level section officer. He believed that metropolitan cities like Birgunj ought to have Under-Secretary level bureaucrats who could lead the bureaucracy.

On the other hand, when asked about this, the bureaucrats claimed that they had come through a formal hiring process and it was their job to keep a check on the operations of the local government. They said that they understood why the elected representatives were apprehensive of them. For instance in Lekbeshi, the CAO said that there was resistance to accept him into the municipality even after his appointment because the elected representatives felt that they could run the municipality through a temporary CAO. Temporary staff (or *nimitta* as they are known in Nepali) are hired locally by the Chairperson/Mayor himself. In many cases, they are close relatives/friends of the leadership reflecting a form of patronage. In Birgunj, certain staff who were alleged to be close to the former leadership had now been unnecessarily transferred to other departments despite having done good work in their department. The CAO of Simta also accepted that they would have to take stern stance against some of the decisions of the elected representatives. He recalled having sent away a number of projects which had been brought for his signature as they had not followed the proper procedure. The sectoral heads of Simta also echoed a similar view. They claimed that bureaucracy usually tried to work according to the system, but the politicians worked with certain biases and according to motives and hence there was a conflict.

> *"It's quite simple – bureaucrats have to follow laws and rules whereas elected representatives are simply focused on fulfilling their election promises"*
>
> *Department Heads, Simta*

While the relationship might have been strained in some of the municipalities, the relationship in some other municipalities were claimed to be relatively better. For instance, in Tulsipur, the CAO was not as critical of the elected representatives as the CAOs of other districts. In a rather diplomatic note, he said that the objective of the local government's bureaucracy as well as the elected representatives was aligned in the sense that both of them were dedicated to 'developing the local government'. The Physical Infrastructure Department member of Suddhodan and the department heads of Janakpur were also not so critical of their elected representatives. In Suddhodan, the respondent said that whenever there was a potential conflict regarding the political pressure, the bureaucracy as well as the leadership worked together to handle the situation. In Janakpur, the department chiefs did not have much to say when they were asked about the elected representatives. However, these responses had a diplomatic tone and were provided not to upset the leadership; an evidence to this was that other stakeholders from the same municipality had pointed out the conflict between bureaucracy and elected leadership.

After studying the responses from all the respondents, it was concluded that there were times when the bureaucrats had to actually follow procedures and cancel the propositions made by elected representatives which had not followed due process. The civil society members noted that during

such times, the study team noted that there was a genuine effort in part of the bureaucrats to promote evidence based decision making. But journalists and civil society members also pointed out that at other times, the 'ego' of the bureaucrats simply caused a hurdle in evidence based decision making. On the other hand, the mentality amongst politicians that the bureaucrats simply existed to 'create hurdle' could be detrimental. Politicians' thinking that bureaucrats simply wanted to be a stumbling block, reflected a flawed thinking. Journalists and civil society members agreed that without the two sides being on the same page, evidence based decision making could not be promoted.

Objective 2: Political variables that determine provincial, local and non-government to use or not to use evidence-based, participatory decision-making processes.

"Our country simply does not have the culture of giving importance to data"

Secretary, Ministry of Social Development, Karnali province

Culture of not using data starting from the federal level: One of the biggest impediments in the use of data in evidence based decision making was the lack of culture of using data amongst local level stakeholders. While this might appear as a very broad finding, many of the subsequent challenges in data governance stemmed from this very factor. This was one of the central findings of the previous PEA that FDM had undertaken. Although many of the municipalities suffered poor data management, a larger problem was local stakeholders not using the available information to inform decision making. Multiple stakeholders, however, claimed that this culture persisted not just at the local level but also at the federal level. Pointing the finger only at the local government would simply mean ignoring the larger problem at hand. This long standing tradition of not using available information to inform decision making and making them simply based on ad-hoc basis had trickled down from the federal level itself.

One of the main stakeholders who propounded this view was the Secretary of the Ministry of Social Development of Karnali Province. He claimed that rather than the lack of capacity, poor data literacy or no interest to use data, the culture of not using data was the main reason for poor data governance in the country. When asked to explain his stance further, the respondent said that right from the federal level, the country's decision makers and policy makers had never adopted the practice of using data in decision making. The trend amongst elected representatives had always learnt to make decisions based on their whim whereas the bureaucrats, he claimed, had always learnt to follow their superior. This trend had continued and it was not surprising that the local governments followed the same.

The view was upheld by a number of interview respondents. A Ward Chairperson of Tulsipur stated that that despite having some level data at the local level, the practice of using data in planning and budgeting is quite rare even in a sub-metropolitan city like Tulsipur. He blamed this on the culture that is pertinent not just at the local but even at the national level. Citing an

"Simply look at the federal level. How many decisions have been taken based on data?"

NSO representative, Surkhet

example of how the culture of using data in decision making was difficult to impart, the Ward Chief added that while Tulsipur had to some extent developed the practice of evidence based decision making under its previous Mayor, the practice has slowly died down beyond his reign. The journalists gave an example of an initiative called 'Hello Mayor' which was started by the previous Mayor. The call-in service had been initiated by the Mayor for people to call in and complain as there were complaints that service delivery was not very efficient in the sub-metropolitan office. However, this system which had been initiated after assessing the needs of the people (or in other words, after having direct evidence that something needed to be done to improve service delivery) was now defunct and the sub-metropolitan city sometimes did not even have anyone to pick up the calls.

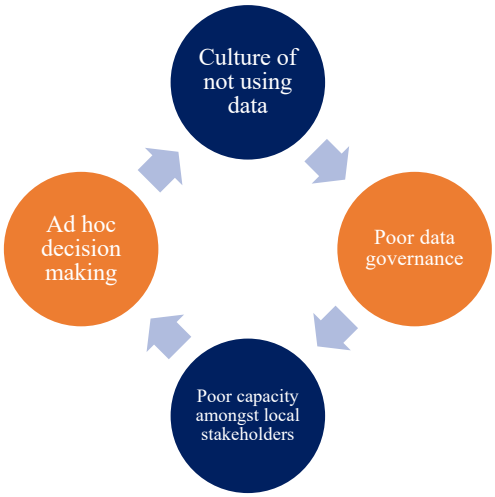


Figure 3: 'Vicious cycle' brought about by lack of culture of using data in decision making

It was not just Tulsipur but even Simta (which had fared well in the previous PEA undertaken by FDM), that had found it difficult to continue the practice of evidence based decision making. When asked how he assessed his own term of 5 years in the municipality, the former Chairperson of Simta acknowledged that while he had made attempts to instill a habit of making data driven decisions in his local unit, he had realized that this was a 'tough job'. He gave an example of the Bill Review Committee which although had the mandate to review the bills before they were presented, never ended up reviewing it. The respondent said how this was a clear example that actors responsible for promoting evidence based decision making were not performing their roles properly. The fact that the Bill Review Committee itself was not reviewing bills before they were tabled meant that instead of following proper procedure for act formulation, ad-hoc system was being practiced. He accepted that despite some level of change, local level stakeholders including newly elected representatives and bureaucrats still did not realize the importance of data in decision making. He claimed that there was a constant thinking amongst elected representatives that if they work according to data, 'they will not be able to pursue their own interest'. He further claimed that during his reign as well as in the current local government, some of the local staff as well as elected representatives themselves were unaware about the process of passing Bills and projects.

In Suddodhan, the politicians echoed a similar voice. They claimed that in country where data is not given importance by senior leaders, it was no use expecting the junior leaders to practice any different. They argued that right from the national level, there was a sense of shared feeling that every party or politician feel that they know everything about their place or their constituency, this confidence of theirs makes them overlook the data. Giving an example of how the federal level itself discarded data, the political leaders of Birgunj gave an example of Narayani Regional Hospital. The renovation of Narayani Hospital, which had been announced years ago, had not gone

ahead. Despite catering to thousands of patients every day, there were merely six beds in the Intensive Care Unit (ICU). The political leaders and civil society leaders reasoned that, had the federal level considered data, they would have made efforts to improve the state of affairs in a critical sector such as health (in fact, the federal government had not made any effort to even speed up the renovation process). The culture of not using data was also acknowledged by elected representatives themselves. For instance, in Lekbeshi, the Mayor mentioned that there was no system working with evidence at local level and data governance usually fell 'last in terms of priority'. He acknowledged that it was extremely difficult to get detailed and updated data at local level.

"Yes, the local level isn't really practicing evidence based decision making. But isn't the federal level doing the same thing?"

Politicians, Suddhodan

This was not something that the elected representatives refuted completely. The Chairperson/Mayor of Simta, Lekbeshi and two of the Ward Chiefs blamed primarily the cultural aspect for the local level not having a data driven practice of decision-making. The researchers then asked some of the respondents whether this was possible to change and how. Commenting on this culture, the civil society leaders of Surkhet opined that it was extremely difficult to change. They said that this mindset of not really referring to existing data to make policy decisions had existed in Nepali politics for ages. While they did acknowledge that projects by development partners might make some difference, they doubted whether a sustainable change was possible until and unless things changed right from the federal level.

Pervasive political influence in decision making: While influence of politics in decision making is not new in Nepali politics, this study aimed unravel patterns in how politics influenced decision making at the local level. In this regards, a few things were apparent. First, in almost all the local levels, be it a metropolitan city, municipality or rural municipality, the influence of politics in decision making was inherent. Again, despite completion of five years of their first term, the local governments had not been able to shrug of political interference in law, policy and even in everyday decision making. Secondly, the political influence was seen at different stages in different place. For instance, while it was seen at the *tole* level itself in some of the places, at others, it was seen more at the ward level while in others it was more apparent at the municipal level. Most importantly, political influence was so influential in planning and decision that most of the respondents had almost taken it to be 'normal' or nothing unusual.

"The 7-step planning process is followed only for namesake".

Civil society members, Suddhodan

To assess what level of influence politics played in local level decision making, the 7-step planning process was used as a reference. While it was gathered that the 7-step planning process was followed in most of the municipalities, a nuanced look revealed that political influence was evident. The finding, however was varied across the different provinces. In Simta, Tulsipur and Lekbesi, while the local level did hold the *tole* level meetings to gather their needs and the needs did come up to the ward level, political influence usually began from the

prioritization process. Since the prioritization happened at the ward, it was found that the ward chairperson often selected those projects which were in their interest. Following this, once the selected projects were sent up to the municipal level, the second level of political influence took place when the municipalities assigned budget to the wards.

On the other hand, in two of the municipalities based in Madhesh province, the influence began from the *tole* meeting itself. Civil society leaders and politicians in Janakpur and Birgunj claimed that while *tole* meetings were conducted, the participants called for these meetings generally belonged to the ruling party and hence 'spoke the language of the party'. Although on paper, it did appear that adequate steps had been followed as required in the 7-step planning process, journalists in both the districts claimed that in reality it was not so. Since parties' own cadres participated in the *tole* meetings, the exact needs of the community was not reflected. Moreover, it also meant that there was no adequate representation of women or marginalized groups in the *tole* meeting meaning that their needs were ultimately ignored. In Janakpur, the Deputy Mayor himself accepted that politicization happened at both the *tole* level as well as ward level. Explaining the challenges of operating at the ward level, the female member of the municipal assembly who was also a ward member from Janakpur, said that there was always political pressure at the tole level to propose certain projects and political pressure at the ward level to choose certain kinds of projects during the prioritization phase. The head of the Planning Division of Janakpur himself accepted that the projects were chosen by the municipality without adequate consultation with the concerned departments.

"Whenever we have to choose projects at the ward, we always face political pressure. This is quite normal".

Female Ward Member, Janakpur

The Former Chairperson of Simta said that while the seven step planning process was followed, it had not happened as envisioned. For instance, although the *tole* level discussion was done, it was not very interactive. At times, the quality of discussion, interactions and feedback that came from the community were not very enriching and fruitful to inform the decision-making process. He further added that prioritization of projects at the ward level was not very transparent which raised a question on the validity of the process. The current Chaiperson of Simta himself accepted that the 7-step planning process existed 'only in paper'. He said that the steps were followed just because the local government had to, as compulsion. In Tulsipur, the Accounts Committee member said that the projects selected by the ward during prioritization are not priority based but rather selected to suit the interest of the ward chairperson or to make certain 'sections' happy. There were very little evidences to show that decisions are made based on data, needs and evidence.

"The fact that Damashahi budget allocation is done is an evidence itself that we don't follow evidence based decision making".

Ward Chief, Tulsipur

In Tulsipur, the journalists verified that the 7-step planning process was used in most of the municipalities including in Tulsipur, the process was not rigorous. While some of the wards followed the process rigorously, the others did not. Some of the journalists themselves claimed not to have known about the *tole* meeting in their community. But irrespective of whether they

were conducted properly or not, it was clear that the prioritization phase always saw some level of political influence, they added. In Suddhodhan, the political leaders themselves accepted that the 7-step planning process saw political interference. The political leaders also mentioned that the *tole* meetings were politically charged spaces with a partisan bias. For instance, a representative from UML party would invite only UML people and that politically neutral people were hardly ever included. In the same municipality, the Deputy Chairperson said that although the 7-step planning was followed in some of the wards, in others, she could not guarantee that the process was followed thoroughly. This was also verified by the journalists.

> *"The crux of the matter is the parties have proclivity to push their party agenda.".*
>
> *Political leaders, Birgunj*

One of the biggest signs of how the 7-step planning existed only in paper was reflected by the finding that some of the municipalities practiced equal distribution of budget to all wards (the practice being known as *damashahi* in Nepali) irrespective of the need of the ward. This was done by the municipal head so as to ensure that none of the ward chiefs were unhappy and everyone could be equally pleased. The sectoral heads of Simta reiterated the fact that budget being allocated equally to all wards itself was the biggest sign there was no evidence based planning. They further added that the needs of the community were not considered during planning and budgeting and there a conscious effort to please all the wards. This practice of equal distribution of budget to all the wards made the 7-step planning process futile as there was no guarantee that the budget allocated to the wards could help cover the cost of the needs raised by the community. Had the municipality considered the needs that had come up from the tole level, it would have assessed the need and allocated budget accordingly. Most importantly as pointed out by some of the respondents, this practice drew attention to how the local government was devoid of evidence-based decision making.

The former Chairperson of Simta too expressed his unhappiness over the *damashahi* practice adding that it indicated poor evidence based decision making. He said that the practice of equal allocation made 7-step planning and other evidences futile. Civil society leaders and journalists pointed out that there was no way that all the wards had the same requirements; some of the wards' requirement would require larger budgetary support whereas the others' would require smaller budgetary support. The practice which was also present in Tulsipur was vehemently opposed by the two ward chiefs. One of the ward chiefs said that his ward was in the city and with higher population, it was obvious that needs were higher. However, he said that the municipality did not consider this. The practice of equal distribution of budget persisted in Suddhodan as well. As a result, the ward chiefs said that they found no point in undertaking the 7-step planning process as they would not get the budget that they required for their proposed projects. They reiterated that this was a clear indication of how for the municipal heads, 'pleasing all the ward chiefs' was a priority rather than the evidence of need that came from the community.

"Whenever we ask the people, their demands are simple – build a road or canal for us"

Deputy Chairperson, Suddhodan

While there were concerns from the civil society, journalists and some elected representatives themselves that the 7-step planning process was not followed as envisaged, some of the elected representatives explained why it was difficult to follow. One of the ward chiefs of Simta said that the community itself was not able to identify their needs. The community, he claimed was not capable of engaging in *tole* discussions and identify their priority needs. Most of the feedback from the *tole* level was simply around infrastructure for instance the need for roads and bridges. When the community's capacity and demands were such, the ward chief questioned how we could expect the discussions at the local level to be 'enriching' and of the 'highest standard'. Explaining why following the 7-step planning was difficult, the Mayor of Lekbeshi stated that although they tried their best, there were multiple political pressures, sometimes from the federal level and sometimes from the ward level itself to select certain projects and allocate higher budget. Thus, despite attempts to follow these steps, it was challenging due to political pressure. The Deputy Chairperson of Suddhodan echoed a similar voice and said that leave alone data governance, the focus of the people was simply on roads and not on pressing matters like education and health. He said that although the wards did conduct meetings as required per the 7-step planning process, it was not possible to select many of the community required projects as they required huge budget, which according to him, was not 'within the budget range of municipality'. As a result, they got increasingly frustrated that their projects were not selected.

"They don't ask anything to the common public. Public's opinions and suggestions are never taken or considered."

Female Ward Member, Birgunj

In some of the municipalities, the 7-step planning process was not inclusive meaning that even if women or other marginalized members provided evidence, data or input for making certain decisions, they were ignored. Evidence based decision making is a strategic and deliberate method of applying empirical knowledge and research-supported principles to decisions. But not considering female members' inputs at all meant that many such evidences, which the female members might have had a strong case for, were essentially ignored. The female executive member from Birgunj also presented critical perspective the 7 step planning process. Leave alone the 7 step planning process, she claimed that the prioritization of plans, policies and programs were neither done on the basis of data nor were the female members in the wards consulted. She claimed that decision was taken based on whatever the ward chairpersons, Mayor or the Deputy Chairperson wanted through their own mutual agreement. She argued that while the representatives may consult with community for namesake, they did not really incorporate the needs of the common people at the end. She complained that her voice was often overlooked. The response of female representative of Janakpur was similar. She was not aware about her role and expressed here unawareness of terms such as the 7-step planning process. She said that her job, as of now, had simply been to participate in the meetings indicating how the voice of women was hardly reflected in the planning process.

In Suddhodan, in a rather surprising finding, some of the politicians themselves were unaware about the 7-step planning process. Although they had heard about *tole* meetings, the politicians expressed their unawareness regarding the entire 7-step planning process highlighting the ignorance amongst politicians. At the *tole* level, there was a unanimous voice amongst politicians that a partisan divide largely existed in these *tole* meetings. Party leaders at the local level often invited their own cadres to the *tole* meeting. The leaders went as far as to say that non-partisan people rarely went to these meetings as the people no longer bought into the false hope given by the parties.

In Tulsipur, an ongoing protest targeted against the local government itself happened to signify how data driven decision making was not practiced even in a sub-metropolitan city like Tulsipur. It was learnt that the protest was regarding a planned business fare in the municipality. The business fare was being organized by the local government and would include stalls by external businesses. However, the local government had not done enough study to analyze the detrimental impact of external businesses on the local businesses. Unhappy with the local government's decision, the local businesses had been protesting. The Ward Chief said that had the local government undertaken a study to analyze the impact of external business led fare in the municipality, it would not have made a decision to organize such a fare. He claimed that the local government was conducting the fare at the behest of some political leaders without studying the impact.

An equally interesting observation was noted in Suddhodan. Although the Chairperson mentioned proudly that there was 'no political influence' when it came to decision making in his office, right before the start of the interview, he was found to be urging someone on the phone to transfer an employee using his political channel. Moreover, although the municipality was in dire need of roads (none of the roads leading to the rural municipality had been properly constructed), the municipality had instead chosen to build a park that had large-size animal replicas in the name of 'promoting tourism'. A review of the rural municipality's Red-book revealed that a cost of NRs. 8 lakh had been allocated to its maintenance and NRs. 30 lakhs had been allocated to install a new 'stall'. As mentioned earlier in the report, the fact that the municipality had spent around NRs. 6.5 crores to build the massive municipality building itself was a sign of how the local unit had total disregard for the need pointed out by data.

The study went further to analyze what the other stakeholders thought of this pervasive political influence. In most of the cases, Civil Society Organization (CSOs) and journalists were the most vocal ones about it. Journalists claimed that they had reported on the issue a number of times and the civil society members said that they had raised voice against many malpractices at the local level. However, they acknowledged little had changed in the past five years. Despite raising voice, they had come to accept that political influence in Nepali politics, be it federal or local, was next to normal. On the other hand, the view of the bureaucrats to the political influence varied. While some bureaucrats took some steps to control the political influence, others were not so pro-active. A common finding was that the bureaucracy acknowledged political influence to be 'normal' and something that could not be done away with. In the case of Sudhodhan, the study team noted that bureaucrats acted more of an 'accomplice' to elected representatives' decisions rather than taking a strong stand. This was reflected in their response to local government's decision to build a park in the rural municipality. In Simta, the CAO responded that bureaucracy tried its level best to

prevent the pervasive political influence; he himself had rejected a number of decisions that had been proposed by the elected representatives. But he acknowledged that ultimately, many decisions were ultimately politically influenced. Similar was the case in Lekbesi. In Birgunj, for instance, those bureaucrats who were close to the leadership simply accepted the leadership's decision without any questions whereas those who opposed decisions, were often transferred. Irrespective of the steps taken by other actors to control the political intrusion, little had changed in the duration of the past five years and there were little signs to show that things would change in the coming years.

Poor data literacy and poor understanding regarding the importance of evidence based decision making: While data governance not falling under the priority of the local governments was one of the reason why data management at the local level was poor, the other reason which was responsible for this was the poor data literacy amongst elected representatives. Many of the local stakeholders had not yet realized that data was instrumental for guiding the development process. Instead, local stakeholders had normalized the concept of 'elected representatives' knowing their area well and not needing data for decision making. This reflected a sense of illiteracy amongst local government stakeholders regarding the importance of data. As local stakeholders did not have an idea regarding the importance of data, key decisions for instance, policy formulation, law formulation and others were taken simply on the basis of their local knowledge and on the basis of what they thought was right. Instead of data informing such key decisions, vested interest and the assumption of 'knowing their area well' influenced decisions.

"The elected representatives probably understand only 1/4th about data governance".

NSO Official, Birgunj

This finding was noted through interviews with elected representatives and verified by NSO officials across the districts. In Surkhet, the NSO official said that post federalism, not all the elected representatives were educated and many did not have the capacity to understand the importance of data in evidence-based decision making. He claimed that many of these representatives had a sense of fear that if they worked according to data, they would not be able to pursue their own interest. In Suddhodan, the civil society members had a similar response and said that the problem lied in uneducated elected representatives taking charge of office; they understood development only in terms of infrastructure development. The CAO of Suddhodan had a similar reponse. In Birgunj, the the NSO official said that the elected representatives neither paid heed to data nor were they interested in developing any interest around it. He claimed that even the bureaucrats were not well versed with the ideas of data governance including the IT and MIS officers at the local level. As of now, no one from the metropolitan office had ever contacted the NSO for data. Although the newly elected Mayor appeared positive and spoke encouragingly of the centralized server system for database management, this was yet to translate into action.

A striking finding was how at the local level, practices such as elected representatives being 'biased' towards their constituency, elected representatives 'knowing their area well and not requiring data' had been normalized. For instance, the CAO of Lekbeshi accepted that it was natural for elected representatives to work for their vote bank in a tone depicting that it was 'unnatural' if they did not do so. Although he did add that it was the responsibility of the elected representatives to work for other communities as well, he did say that it was normal for elected representatives to work for their own vote bank anyhow. The CAO of Tulsipur replied that the locally elected representatives 'knew their area well' and did not really require data or evidence to make decisions. In what he saw as being normal, he claimed that since the locally elected representatives had been born and brought up at the place, they did not require data to make decisions – they already knew the people's needs. The elected representatives, too, exhibited a sense of data illiteracy. For instance, in Janakpur, the Deputy Mayor claimed that they are expected to follow people's needs and 'not what the data says'.

> *"The elected representatives are locals from this place. Why do they need data to make decisions when they know their place so well?"*
>
> *CAO, Tulsipur*

Coupled with poor data literacy, there was also the practice of elected representatives focusing on fulfilling promises made during elections as a result of which data driven decision making often took a backseat. As seen during the first PEA study, the practice of elected representatives making decisions with the aim of fulfilling promises made during elections was still persistent. This was a practice across all the districts. In Suddhodan, the political leaders themselves pointed out that the vision of the elected representatives was not long term; they said that they were simply focused on giving out tenders, continuing the patronage system by hiring their own relatives in key positions while in power. Focusing on data governance was far from priority for them. The journalists in Birgunj claimed that during the election the representatives often promised jobs to their people and to act on these promises, they often ignored data. Moreover, following the elections, a number of jobs were opened in the municipality as well as in the wards; majority of whom were hired as Management Information System (MIS) or IT officers in the ward. As a result, in some of the wards, there were two computer operators, most of whom were not skilled. All of these pointed towards the poor data literacy amongst elected representatives.

> *"What is the point of keeping two computer operators in one ward? If you ask them to open a simple excel file or a PowerPoint file, they can't do it".*
>
> *Political Leaders, Birgunj*

Along with poor data literacy, it was also observed that the local stakeholders did not really understand the importance of evidence based decision making. This was particularly evident when it came to the law-making process. All the local units were found to have formed a legislative committee comprising of selected elected members to draft the required bills. When asked about the existing law making process, the elected representatives interviewed were quick to refer to the 'official' law-making process i.e. the legislative committee works to draft bills and coordinates with other thematic committees. However, in practice, this was not practiced in all the municipalities as verified by journalists and civil society members. In Tulsipur, the civil society

members said that elected representatives are less interested and motivated in their legislative roles. They complained that there was no motivation amongst elected representatives to use evidence to inform the law making process. They journalists added that the actual law-making process is too exclusive and lacks wider consultation with and participation of local citizens for feedback and suggestions. In Surkhet, the civil society leaders and journalists added that in drafting new legislations, the local governments have relied heavily on and copied the 'model laws' prepared by the MoFAGA. Rather than taking these 'model laws' as guidelines, elected representatives and staff simply 'copy and paste' the specific model law. In Simta, the former Chairman accepted that during one instance, one of the bills tabled at the assembly had a name of another municipality. In Lekbesi, the CAO accepted that this 'quick and easy' approach has maintained a uniformity of legislation in local governments and offered a convenient way to pass many laws in a shorter period. In Birgunj and Janakpur, although the CAOs said that the legislative committees were active, the study team observed that it was mostly one or two staff who had a legal background that guided the law-making process and that the consultations were not very interactive.

Moreover, the study did not find any evidence of law making process involving citizens. The LGOA has clear instructions to ensure the maximum participation of local citizens, marginalised communities and other stakeholders in the planning and implementation of development plans and programmes. However, none of the municipalities' chiefs cited consultation with and participation of local communities in the local law-making process which points out that they were either unaware or they did not have the practice at all. Even within the legislative committees, there was very little or no representation of women. Apart from Deputy Mayors, most of whom were women, most of the other committee members were found to be male.

Poor transfer of authority and responsibilities between new and old government: It was noted that the transfer of authority, responsibility and knowledge between the outgoing and incoming governments had not been very good. Most of the incoming governments had not caught up with the work of outgoing government. Both the governments had not had proper communication to transfer power which was seen in terms of data governance as well. As a result of this many of the work that had been taken to strengthen data governance was either lost or were incomplete under the new government. Moreover, while some of the earlier local governments had performed well in terms of data management under the previous leadership, the new ones did not carry the same enthusiasm and interest. In fact, some of the newly elected governments were found to be unaware about the capacity of their own governments when it came to data management; they did not know what kind of data existed, what kind of software they had or how data was managed. In the lack of these information, it was certain that data governance would be affected. It was evident that there is a pressing need for improved communication and collaboration between the incoming and outgoing governments to ensure that the progress made in data governance is not lost and that the new governments are well equipped to carry out their responsibilities effectively

This was verified by a few of the incidents stated by the respondents. For instance, the Former Chairperson of Simta stated that they had passed a guideline on evidence based decision making but was not sure what the status of the document was after the new elected representatives took office. When the new rural municipality chief was asked about this, he said he had no idea about the guideline. When the newly elected Chairperson/Mayors of the local units were asked what sort

of data existed at the local level and what sort of data lacked, many of them were not aware. When asked what sort of data the municipality required, the Chairperson of Simta said that they needed data on total agricultural land, number of farmers, active farmers, seasonal farmers, production whereas the agriculture department head had already informed the study team that it already had such data. Highlighting this gap, the CAO of Lekbeshi said how the outgoing government should have left a *shrot naksa* (resource map) to outline what achievements had been made and what resources the municipality and what lacked.

The poor sync between incoming and outgoing was evident when the researchers spoke with Chairpersons/Mayors. While it was not expected for the new Chairpersons/Mayors to have complete idea about the project, it was expected that they had at least some idea that the project was being implemented in their municipality. However, in some of the municipalities, it was not so. In Birgunj, for instance, the Mayor barely spoke about the D4D program, as he was not much aware about it. Similarly, in Tulsipur, the Mayor had heard about TAF's intervention but was not sure what the project exactly did.

Poor working modality of the thematic committees: One of the core findings of the study was that most of the thematic committees were dysfunctional. This was not just because they had just been formed; even the thematic committee that existed earlier were found to have had poor functioning mechanism. The researchers spoke with a range of thematic committees from accounts committee, economic development committee to good governance committee. Some of these committees had not even convened a single meeting. The role of the committees, according to the LGOA are to discuss the bills before they are presented in the local assembly and provide feedback. However, none of the committees appeared to be performing this duty. Since the committee members included elected representatives as the Convenor, they often had to perform multiple roles and thus did not prioritize the work of the committee much. The ineffectiveness of thematic committees draws attention towards a larger problem at hand – the actors responsible for evidence based decision making not performing their roles as envisaged. Committees not performing their roles means that bills and policies are passed without thorough review; a clear deviation from evidence-based decision making.

"I have a business to handle along with my role at the ward. It is difficult to convene the committee's meeting"

Good Governance Committee Convenor, Simta

For instance, in Simta, the good governance committee chairperson was an elected representative of the ward who also had jewelry business. He said that he was engaged most of the time either in the municipality or his own business and thus had not convened even a single meeting of his committee. Another respondent in Lekbeshi, who was also a member of the good governance committee, was a construction contractor who did not have much time left for the committee after committing time to the ward's work as well as and had no idea what the good governance committee did. He also had not been a party of any committee meeting until now.

The findings were similar in other districts. In Simta, the former Chairperson complained that the inefficiency of the thematic committees is not a new phenomenon. Recalling his own experience,

he said that whenever the bills were provided to committee members for review, it came back with hardly any feedback. Leave alone the other committees, even the Bill Review Committee hardly reviewed the bills, he added. The CAO from Simta also voiced a similar concern. He accepted that the thematic committees were existent only in namesake. Recalling an anecdote, he mentioned when the municipality had received a project called Karnali Pilot project (of which the British Embassy was also a part), the Physical Infrastructure Committee could not even produce two meeting minutes which was a requirement of the project.

There were plenty of instances where the thematic committees had not even met once. In Lekbeshi, the CAO accepted that thematic committee's operation had not been as envisaged. He gave an example of Planning Committee, one of the most important committees, which did not even have one minute of their own. In Tulsipur, the Accounts Committee member said that despite being such an important one, they had not met even once. When asked the reason why, he said that despite repeated insistence from members like him (who were municipality staff), the Convenor had shown no interest in meeting. In Simta, the member of the good governance committee, could not even recall what the role of his committee was.

> *"Despite repeated requests, our Convenor hasn't shown much interest to convene a meeting"*
>
> *Accounts Committee Member, Tulsipur*

In Birgunj, the situation was more or less the same. In the span of almost 6 months, the good governance committee had only had two meetings. The major agendas of the committee had not been discussed. In the last meeting the major agenda was to get the data of the employees from the municipality. However, the committee still had not received the data from the municipality. The Good Governance Committee Convenor was completely unaware about the role of the committee and provided a rather unconventional response that the committee had been formed to 'keep the updates related to the employees/bureaucrats of the municipality' and to organize tasks such as 'planning farewell of bureaucrats'. In Suddhodan, the situation of the committee member was no different. When enquired, he said that he himself was not very clear about the role of the committee and they had not convened a single meeting since their election.

> *"I have heard that my committee works to instill the values of good governance in the employees but I am not entirely sure"*
>
> *Good governance committee member, Suddhodan*

Objective 3: Understanding gaps and needs in terms of uses of data and evidence during decision making process in the municipality.

Lack of capacity at the local level: While the culture of not using data, poor data literacy and elected representatives' disinterest in using evidence based decision making stood out as the three core findings when it came to data governance, there were also concerns from the respondents that along with these issues, poor data governance could also be attributed to poor capacity at the local

level. This was also a finding in the previous PEA undertaken by FDM. But even two years later, the situation had not changed. Many of the stakeholders interviewed said that very little budget was allocated to data governance at the local level which was one of the core reasons for poor capacity. But upon completing all the consultations, it was observed that it was not just limited investment, but a range of factors that led to poor capacity. This began from prior prioritization of data at the local level and the lack of culture of using data. These factors then subsequently led to limited investment in data governance and lack of trainings for the staff, without which a robust data governance cannot be expected. If the local government had coordinated with the NSO, some level of improvement in the capacity could have been expected but since the local level did not coordinate with the NSO for any data related work, this further meant that there was no avenue for the local staff to develop their capacity. Thus, the combination of low prioritization, limited investment, no culture of using data and lack of trainings ultimately led to poor capacity in data governance.

The former Chairperson of Simta, while acknowledging that the core reason for poor data governance was the lack of culture of using data in decision making also stated that the other reason was the poor capacity at the local level. Sharing his own experience, he added that while some changes did come about during his reign, he was unable to bring about a systemic change owing to poor capacity. But despite this, the local governments paid very little interest in developing capacity as developing capacity was not really the interest and infrastructure development took the top spot in the priority list. In rural municipalities, the number of staff itself was a problem. For instance in Suddhodan, the head of the education department said that there were only 2 people working in his department; as a result it was not possible to ensure efficiency and focus on data management. He added that since the rural municipality could not create its own vacancy, it had not been able to get adequate number of staff. In the same municipality, the CAO said that the lack of capacity was coupled with poor financial resources with the local level, which directly hindered data governance.

> *"The local levels do not place adequate emphasis on capacity development especially in regards to data governance".*
>
> *Former Chairperson, Simta*

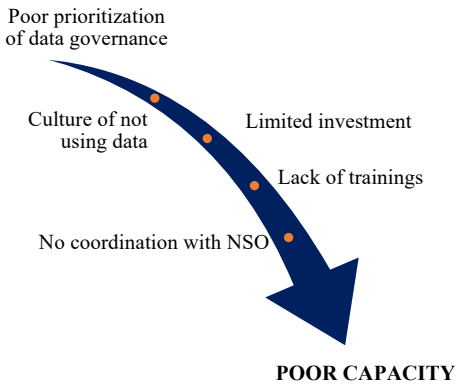


Figure 4: Factors leading to poor capacity

While lack of capacity in rural municipalities like Simta and poorer municipality like Lekbeshi is understandable, one of the findings of the study was that even sub-metropolitan cities like Janakpur, Tulsipur and metropolitan city like Birgunj suffered from poor capacity. Journalists as well civil society

leaders unanimously agreed that although there had been some improvement in the data management, but it still needed major improvements. In Janakpur, the Deputy Mayor acknowledged that they their human resource was not enough and that they were demanding human resource from the federal level. Even for the existing staff, he pointed out the need of trainings for data driven decision making. The NSO official in Surkhet confirmed that even big municipalities did not have adequate staff to operate the office. He claimed that there were many temporary staff at the local level who did not have the required competency and were chosen only on the basis of their relation with the elected representatives. He added that until and unless a NSO certified statistician person was stationed at the local level, things would not improve.

The NSO official of Birgunj had a similar suggestion. He said that to make the data systems robust, the reach of NSO should not only be limited to a district but to the local units as well. The NSO official in Kathmandu also echoed a similar opinion and said that the local governments need to have a dedicated person looking after data/statistics.

"Some MIS or IT professional at the local level are not even aware of simple statistical terms such as weighted average".

NSO Official, Surkhet

The view of the other stakeholders such as the PLGSP representative at Surkhet was also similar. The representative that the project team met with claimed that in some of the local units, there were not enough staff whereas in others, the local units did not have manpower to process whatever data was available. This, they claimed was one of the biggest hindrances at the local level planning process. In some areas, it was just the computer operators who did the work and in the absence of dedicated expert to analyze data, the data governance remained poor. Though e-governance/integrated system was a priority in Nepal, the PLGSP representative said, it had not been possible at the moment due to lack of skilled manpower and proper system. When the researchers spoke with MIS officers and IT officers, their biggest complaint was poor capacity building initiatives. In Lekbeshi, the IT officer said that the capacity-building training that they received was limited to website management only; they had not received any training specifically on data management and analysis.

"Agriculture department is one of the most important departments of this municipality. Yet we have to maintain all our data manually in registers"

Agriculture department head, Lekbeshi

The interaction with the section heads showed how there was excessive focus on education and health sector with only limited support in other areas with other areas seriously affected by lack of software as well as capacity. For instance, in Simta, the agriculture department head complained that while the agriculture department had a lot of data, most of them were manual and not even digitally stored. He claimed to have multiple requests to the municipality (and to the project) to help digitize the data available in agriculture sector, but said that nothing had been done. The response was more or less similar across other municipalities as well. In Birgunj as well, the representative of the agriculture division stated that the department suffers mostly due to the lack of data. For instance, the division had data related to cultivation and fertilizers but these were 10 year old. The latest survey done by the

division was Farmer Indexation in 2021. Apart from that every other data was outdated. Due to the lack of proper platform for data management, the department head simply stored data on personal computers, flash drives and hard drives. Poor data management had resulted in hurdles such as proper management of fertilizers. The agriculture department chief gave an example of how despite providing fertilizer to farmers of ward number 16, it was never enough. Later they had found out that the farmers ward number 16, which shares its border with Bara district, used the fertilizer even on their land in Bara which was not under the jurisdiction of Birgunj. Had these information been available with the local unit, they could have ensured a much efficient utilization.

In Suddhodan too, the agriculture department did not have well organized data despite having their own programs, plans, targets and goals. The department head said that it was unfortunate that data like the availability of fertilizers had to be kept by cooperatives, instead of the rural municipality. In Janakpur, the agriculture department chief said that at most, they could provide information like area of agriculture land, but they did not have any other data with them. The municipality was going to start farmer listing and the federal government had provided them with NRs. 3 lakhs as a conditional grant and the municipality itself was planning to arrange NRs. 4 lakhs internally. But the issue was that they did not have a proper platform/software to store this data. The condition was similar also for some of the other units. For instance, in Birgunj, the Head of Planning Department said that despite doing the needs assessment for infrastructure projects, the Planning Department did not store any data required for the needs assessment. Therefore, they relied upon the data from the wards. If another project were to be implemented, they would again have to go to the wards to collect the same data. Due to the lack of a database or the server, he claimed that they were not being able to take decisions based on data effectively and efficiently.

> *"I made repeated requests for development of an agriculture portal, even to the D4D project. But nothing has been done as of now"*
>
> *Agriculture department head, Simta*

On the other hand, due to the prevalence of DHIS and EMIS, the health department had a very systemized data management in all the municipalities. In Birgunj for instance, the health department along with acquiring data on the DHIS, also conducted regular surveys on vaccination status and conducted a yearly review of the programs. In the near future, the department planned to make the health posts self-reliant capacitating them to enter data into HMIS software on their own. Currently due to the lack of technical infrastructure in the health posts they had not been able to enter their data directly. When it came to capacity building of the health and education department staff, the finding showed that these were satisfactory. Almost all the health and education department chief acknowledged that they received training periodically regarding data management.

The CAO of Simta verified that apart from education and health departments, data management was not up to the mark in other areas like agriculture. Moreover, while the municipality had expected to make improvement in terms of judicial data management (with the help of a software introduced by the project), in other areas, capacity was still quite poor. His counterpart in Lekbeshi also voiced a similar concern. He said that despite his municipality relying on agriculture and livelihood as the main source of income, the municipality did not have data such as how many

cattle the farmers had, how much land they had, their food security and the likes. Although the former Chairperson of Simta did acknowledge that the municipality made at least some progress in terms of data during his reign, he accepted that enough could not be done. This was due to lack of capacity, trained man power at the local level. The core problem was the lack of trained manpower; not just at the municipal level but also at the ward level.

"The DHIS and EMIS are used merely for reporting purpose and not much for policy making."

Education department chief, Suddhodan

Even within the education and health sector, there were a few stakeholders who said that the data on EMIS and DHIS need to be monitored properly. While acknowledging that education sector had good data management, thanks to EMIS, there was no monitoring of the data that was sent on EMIS. Some of the journalists and civil society leaders as well as education department chiefs themselves said that at times, schools were sent to have incorrect data on the platform for their school's benefit. Echoing the voice of many municipalities, the education department chief of Suddhodan said that due to limited manpower, although they did want to monitor the EMIS data, it was not possible. Most of the municipalities did not have enough resources and manpower to check these trends. Moreover, despite the prevalence of DHIS, one interesting finding was that the data from DHIS too was not taken into account at times while designing the projects. For instance, in Simta, the head of the Health department stated that despite the DHIS data signaling that there needs to be intervention to improve the nutrition of the local level, there had been no intervention from the local government's side on this. The education department chief of Suddhodhan made an identical statement. He said that data that was entered into EMIS was used simply for 'reporting' purpose rather than decision making purpose. Thus, despite having data, dedicated platform, the local level did not use data at times, pointing out again to the poor capacity of using data in evidence based decision making.

Limited capacity meant that the stakeholders neither had the skills, nor the platform required to make evidence based decision making. Firstly, since the municipalities had very limited human resource, they could not do much around data governance. Secondly, the available human resource was not trained and, some of the departments did not have the required platform (such as digitized software) to maintain and analyze data. This ultimately affected data governance.

Lack of common platform to acquire data and the need for integrated data management system: Another gap in terms of data governance was the absence of a common platform for stakeholders to acquire data. Realizing this gap, most of the stakeholders, requested for an integrated data management system which would solve the problem. In absence of an integrated data management system, it was learnt that there was a lot of confusion, miscoordination as a result of which efficiency was lost. At times, duplicate data was being collected since one department was unaware of what data existed whereas as other times whatever data existed was being under-utilized. Most of the department heads said that planning and budgeting would be much more efficient if they had an integrated system. They said that they could use data from other departments in planning and whatever data was not present, they could then collect it. For instance, the head of health department in Simta said that health indicators were often required in other areas

as well, such as in education or in disaster. However currently, this was not possible in the absence of an integrated system.

> *"Even when we get data, we get it reluctantly after we are asked tons of questions "*
>
> *Journalists, Birgunj*

For instance, in the interaction with department heads in Simta, the respondents emphasized on the need of an integrated data management system as it was difficult for staff of one department to access data from another department. As a result, the departments would sometimes collect data that had already been collected by the other department for some other purpose. The voice of civil society leaders of Surkhet was also similar – they said that the provision of integrated data management system should be the first step towards improving data governance.

The requirement of an integrated data management was a recommendation that was provided by almost every department head. Highlighting how the lack of integrated data management system had resulted in duplication in collection of data, the PLGSP representative of Surkhet added that an integrated data management system was the need of the hour in almost all local units across the country. In Birgunj, the NSO official added that were the local level were to have an integrated data management sever the need for census would be obsolete, saving up a lot of resources for the state. Although some of the municipalities did conduct sharing sessions between the different departments and it did allow for some level of understanding between the different departments, this practice was not prevalent in all the municipalities. Moreover, it certainly did not compensate for the lack of integrated data management system. Although the project had initiated integrated data management system, it was yet to come into practice in the municipalities, hence its effectiveness could not be assessed.

> *"It becomes a herculean task even to get the most basic of data"*
>
> *Journalists, Tulsipur*

Since there was no integrated data management system, data was not readily accessible to all. The main complainants in this regards were the journalists who often required data. In Birgunj, the journalists said they had observed that the elected representatives and the bureaucrats usually got defensive whenever someone asked for the data. The general mentality was that 'data would be used against them'. The journalists claimed that at times, they received data from the municipality only after complaints were filed to the National Information Commission. One of the journalists present in the interaction shared that she had asked 15 of the wards for their budget of the last 5 years. In one of the wards, she had to wait for 35 days to get the data. She received the data only after threatening that she would file a complaint against them. Similar was the response of journalists in Tulsipur. The journalists said that data was provided very 'reluctantly'. Whenever it was provided, it was not managed and provided in very raw format. Most importantly, the journalists had to run from one department to the other to ask for data which was not even updated most of the time. The solution to this, they felt was an integrated data management system.

While the need for integrated data management system was pointed out by most of the stakeholders, it should also be noted that the NSO (then CBS) had already carried out some initiatives towards this about four years back. The office had carried out training for local level IT officers and data officers (wherever possible) on the NDP. The NDP is a comprehensive integrated open platform where local level can easily enter data pertaining to various thematic areas. However, after entering basic level data, most of the municipalities did not do anything on this. A few months back, the Planning Commission had again undertaken the training on the same but even then, local level has not shown any initiative to work on it. According to the NSO officer, rather than anything else, the sole reason for this is the inactiveness of IT officers and the 'attitude' of locally elected representatives of not wanting report to a federal level agency. Had all the information been entered on the portal, the local governments would have a comprehensive integrated data management system. The NSO official mentioned that until the NDP is linked with LISA, the local governments will not work on it and it always take it as a 'burden'. The official also mentioned that had the HMIS and EMIS been linked with the portal, double entry would not have been needed and the portal would at least have health and education related data.

> *"We trained IT officers way back in 2075/756 on NDP. But local officers have not done anything on this"*
>
> *NSO Officer, Kathmandu*

Need for better coordination with provincial and federal level: It was learnt that the coordination between the federal, provincial and local level was still not very systematic. There were very few meetings (or hardly any in some of the local units) to share the data. The coordination between the three units existed only when required by the federal or provincial level especially during time of disaster or some specific program. The Chairperson of Suddodhan perfectly explained the situation when he said that data sharing was only related to roads, disaster and sometimes, epidemic or agriculture when the provincial level had some projects or investments to make. In case there were any data to be collected by the local level, the federal or provincial level often sent instructions following which the local level collected the data and sent it. Two of the provincial officials - the Secretary of the Ministry of Social Development in Karnali province and the Under Secretary of the Ministry of Women and Children in Lumbini, both verified that there was no mechanism of regularly sharing data between the local and provincial government. It was only the ministries such as education and health which had some level of sharing. Similarly, the federal or provincial level also hardly provided any technical assistance or capacity building opportunities for staff at the local level apart from the trainings conducted for DHIS and EMIS.

> *"The sharing of data between the local and provincial level is only need-based"*
>
> *Under-secretary, Ministry of Women and Children, Lumbini province*

It was learnt that the main problem was that there was no systematic mechanism, platform and most importantly no compulsion to undertake coordination and communication between the three levels of government. But some officials also claimed that this was because the local governments' attitude. The NSO official in Surkhet said that the NSO had lots of areas where it could support

the local government but due to the reluctance of local government to cooperate, no such collaboration had taken place. The official mentioned that although the constitution gave the local government a degree of independence for operations, they had 'misunderstood' this and they felt that the need not coordinate with the higher authorities for any work whatsoever. The NSO representative from Birgunj had a similar response. He informed that so far Birgunj Metropolitan City had not asked for any data or any help regarding data from the NSO. The NSO official in Kathmandu also said that the 'attitude' of the local government that they should not cooperate with a federal agency was to blame for the poor coordination between NSO and the local governments across the country.

"It is difficult to coordinate with local level after federalism. They think they are independent and superior".

NSO Official, Surkhet

On the other hand, some of the locally elected representatives such as the Chairperson of Suddhodan said that conflicting laws at the provincial, federal and local levels was the main culprit and said that this made it complicated to determine the mandate and jurisdiction between the three tiers of the government. The Mayor of Birgunj had a similar response. He said that legal framework has acted as one of the major hurdles for them in decision making as there was still a sense of confusion as to what areas fell under whose jurisdiction. He clarified that even though the country had a decentralized system, the local unit felt its hands were tied because even for small things like hiring of employees it had to look up to the central government for the guidelines. At times, the different departments (like agriculture and education) often reported directly to their line ministries, which also affected the coordination channel.

In part of the provincial ministries, they acknowledged that they lacked proper platform for data sharing. The officials said that if they were to use a server for data transmission, there wouldn't be the need for mailing the rural municipality requesting for data time and again; they would readily have it in their computers. Additionally, they felt that asking for data sporadically hampered the uniformity of the data as it could potentially be difficult to compare and contrast the data and could also result in duplication.

As a result of poor coordination, there had been lack of communication and subsequently, duplication of work. For instance in Janakpur, it was found that the provincial and federal level had been allocating budget for the same program within the municipality. Had there been proper coordination with the local unit, this would not have happened claimed the Deputy Mayor. Similarly in Birgunj, there had been a plan to build a staircase in one of the ponds for Chhath puja for which all three tiers of government ended up providing monetary support. The political leaders in Birgunj accepted that the coordination between the three tiers of government was poor when it came to planning and decision making. In Suddhodan, the Physical Infrastructure Department chief informed that due to lack of coordination, the provincial government (with a budget of NRs. 50 lakhs) and local government (with a budget of 1 crore) had ended up investing in the same road in ward no. 7. Due to this the project was stalled. He claimed that a simple mail to the rural municipality could have avoided this duplication.

Poor coordination was not just mentioned by respondents, but observed even in smaller matters. For instance, in Janakpur, it took the researchers two hours to locate PLGSP's office since none of the local stakeholders knew about its existence. Despite PLGSP being one of the major stakeholders involved in coordination with the local level, it was rather strange to observe that most of the staff at the sub-metropolitan office had idea about the PLGSP. Only when the researchers approached an under-secretary from the Ministry of Social Development, finally the the PLGSP office could be located.

10. Conclusion

The PEA was undertaken with the aim to understand underlying relationships and power dynamics at the local level in regards to evidence based decision making. Along with this, the study also aimed to examine political variables, incentives and disincentives that determined stakeholders to use or not to use evidence-based, participatory decision-making processes. By identifying the structures, institutions and actors, the study aimed to understand gaps and needs in terms of uses of data and evidence during decision making process at the local level.

Upon interaction with a range of stakeholders, the study identified the culture of not using data as one of the most influential structural factor that determined whether stakeholders used evidence or not while making decisions. But this culture of not using data was not just limited to the local level but trickled down from the federal level itself. This was the biggest impediment in promoting the practice of evidence based decision making. Despite trying their best to promote the culture of evidence based decision making, some of the former elected representatives as well as the current ones accepted that it had been difficult. Another structural factor that had influenced evidence based decision making was poor data literacy. There was tendency amongst elected representatives to think that they knew their area well and data was not of priority in making decisions. This attitude subsequently led to local units and leaders making very little investment in data governance which was another structural factor that influenced evidence based decision making. Finally, poor coordination between the three levels of government was another structural factor identified by the study. The local level felt that they were 'independent' and they need not really communicate with other bodies in decision-making matters; as a result, there was limited coordination between the local level and other tiers of governments when it came to data governance. All these structural factors affected evidence based decision making from a foundational level. These are also factors that have continued in Nepali polity for a long time and might be difficult to transform in the short term.

The institutional variables, which are defined as are combinations of formal rules of the game and a host of informal arrangements, were also found to be affecting evidence based decision making. One of the primary institutional variable was the authority given by the LGOA to local government in data governance. But amongst the institutional variables, the political and socio-cultural factors or in other words, the informal institutional variables were found to be more dominant when it came to influencing evidence based decision making. The practice of ad-hoc decision making was one of the main institutional variable that influenced decision making at the local level. Despite five years of federal practice, the local governments' decisions were highly politicized. There was pervasive political influence, be it in terms of allocating budget, in terms of selecting projects at the local level or deciding what kind of projects to pursue. All this pointed to the poor prioritization

of data governance – this was amply reflected by the limited investment in human resource as well as financial investment to improve data governance. One of the reasons why all of this had happened was because of the poor transfer of knowledge between new and the previous government. Whatever achievements the previous government had made in terms of data governance was either lost or had not been transferred.

As far as the actors were concerned, the study found that it was the elected representatives who were the most influential in promoting evidence based decision making. At present, most of the elected representatives were found to have limited understanding about the importance of data governance and evidence based decision making as a whole. It was found that it was particularly populist decision making that clearly was the most prominent incentive for elected representatives. This was verified by other set of elected representatives, the ward chiefs themselves who said that they had often seen money go into infrastructure development, building temples and other areas which made the elected leaders 'popular'. The role of bureaucrats was also found to be quite crucial. The study found that there was a conflict in most of the local units between the bureaucrats and the elected representatives – with the former believing that elected representatives 'wanted to run things their own way' and the latter believing that bureaucrats 'created obstruction quite often'. This subsequently affected data governance and evidence based decision making often took a back-seat.

All these factors point us towards a concerning issue i.e. constant disregard for data in making decisions. While some of the stakeholders did mention that poor data governance was due to the low demand for data and the community's excessive focus on infrastructural need, respondents such as civil society leaders opined that improvement of data governance need not depend simply on demand for data. In all this, the question then is what can be done? While there might be limited scope to work on as far as the structural factors are concerned, there could be scope to work on the institutional variables. For instance, as pointed out by many of the stakeholders, one of the primary short-term tasks could be the provision of an integrated data management system, which was highlighted as the one of the main needs by most of the department heads. This could encourage department heads to make use of data while making decisions. This could be complemented by working on developing the capacity of the local stakeholders in evidence based decision making; including creating awareness on why data driven decision making is important. Moreover, there is also a scope for increasing coordination between the three tiers of government which can also involve improving relations between local unit and NSO (especially in regards to making the NDP active). The coordination with the NSO, especially in light of the newly passed Statistics Act, also could be crucial in the near future.