The 14 Step Annual Planning Process of Local Level

Step 1:

The National Planning Commission provides the budget ceiling and guidelines for the coming fiscal year.

Step 2

The District Development Committee prepares an estimate of the following resources and fills out a standard template.

1. Own Source Revenue and Resources of the District
2. Block Grant from the Government of Nepal
3. Resources from the Line Ministries
4. Grants and other forms of support from other organizations

The DDC has to follow these measures for estimating budget ceiling; reviewing the guidelines; and estimating resources:

a) Stakeholder Analysis
b) Budget Ceilings and Guidelines for VDCs and Municipalities
c) Formation of Annual Planning Facilitation Group
The 14 Step Planning Process of Local Level

Step 3

DDC organizes a pre-planning workshop to

a) disseminate information on budget ceiling and guidelines, and

b) discuss the roles of VDCs, Municipalities, line agencies, and NGOs.

The members of the Integrated Plan Formulation Committee (IPFC) participate in the workshop to discuss the budget ceiling and guidelines.

Step 4

Municipalities/VDCs should prepare an estimate/projection of its own-source revenue in the following areas through the meeting of Revenue Advisory Committee

1. Own Source Revenue areas
2. Possible outcome of the mobilization or resources
3. Management and cost of resource mobilization
4. Trend of previous year’s resource mobilization

The Municipalities should organize discussion with different stakeholders for estimating budget for different sectors for the coming fiscal year.
The 14 Step Planning Process of Local Level

Step 5

- A pre-planning workshop at the Ward level is organized in association with the Ward Citizen Forum, Community Organizations, User Committees and Groups, NGOs and the local inhabitants.
- The Ward Citizen Forum facilitates the settlement level assemblies to discuss and identify proposals for the projects which are then submitted to the respective Wards.

Step 6

After collecting the proposals from the settlement level, a Ward level assembly is organized in cooperation with the Ward Citizen Forum. In this assembly, the inhabitants of the concerned Ward prioritize the proposed projects based on the following criteria.

1. Project which give immediate benefits
2. Promotion of employment
3. Income generation
4. People’s participation
5. Utilization of local skill, resources and capacity,
6. Environmental protection and promotion
7. Demands for underprivileged groups
The 14 Step Planning Process of Local Level

**Step 7**

The proposals for the projects collected from the Ward level are further discussed/analyzed at the VDC/Municipality level through the following process.

1. Coordination meeting with NGOs and Development Partners
2. Subject/Thematic Committee Meeting
   a) Infrastructure Development Committee
   b) Agriculture, Forest and Environment Committee
   c) Demographic and Social Committee
   d) Organization and Administration Committee
   e) Land and Water Resource Committee
3. Integrated Plan Formulation Committee Meeting

**Step 8**

Municipal/VDC Council

The Municipal/VDC Councils will prepare three separate lists of projects.

a. Projects which will be financed by own source/budget — The Municipality or the VDC do not need approval for these projects
b. Projects which need partial support from the DDC — Sent to the DDC
c. Projects which are recommended for total support from DDC — Sent to the DDC
The 14 Step Planning Process of Local Level

Step 9
The Ilaka Level Planning Meeting is organized to
- Discuss the status of development of the concerned Ilaka,
- Review the status of ongoing projects
- Review the projects mentioned in the periodic plan and prioritized for the Ilaka
- Inform the participants about the projects proposed from Municipalities and VDCs
- Classify projects based on sectors and priority lists

The proposed projects are reviewed and classified, and feasibility of the proposed projects is studied.
The policies/programms of the Central Government and supply driven programmes are discussed.

Step 10
Subject/Thematic Committee Meeting is organized with the following objective:
   a) to review and adjust the projects proposed by the Ilaka level under different subjects/themes
   b) to classify the agency and level for the implementation of the projects
   c) to prioritize the projects based on subjects/themes

Following are the Subject/Thematic Committees
1. Economic Development Committee
2. Social Development Committee
3. Forest and Environment Committee
4. Institutional Resources and Capacity Development Committee
The 14 Step Planning Process of Local Level

**Step 11**

Integrated Plan Formulation Committee Meeting is organized to revise, amend and prioritize the projects recommended by the subject/thematic committees through proper analysis of their interrelations and complementarities.

The Integrated Plan Formulation committee has the following tasks.

a) To review the proposed projects based on priority and feasibility
b) To recommend the projects to the DDC Council for approval

The IPFC examines the proposed projects based on the following considerations.

1. Sectoral inter-relations of the proposed projects
2. Possible alternatives
3. Ceiling of budget available for the DDC
4. DDC Periodic Plan
5. Other ongoing projects
6. Reports

Results of the IPFC meeting are documented by the DDC. The IPFC has to provide justification if it rejects the projects endorsed by the Subject/Thematic Committee.

**Step 12**

DDC Meeting is organized to a) discuss the preparations for the DDC Council, b) Review and classify the projects endorsed by the Integrated Plan Formulation Committee.
The 14 Step Planning Process of Local Level

Step 13

DDC Council approves the projects endorsed by the IPFC.

Step 14

- DDC conducts documentation of the projects approved by the Council.
- The projects which cannot be financed by the DDC are endorsed to the Ministry of Federal Affairs and Local Development and other Central Government Ministries, which are then discussed in the National Planning Commission.