What Comes After the Streets? : *A Manifesto for a Just Nepal*

> **Disclaimer:** *This document was prepared in a rapid 36-hour timeframe with the support of a large team of Nepali contributors and the assistance of AI tools, including ChatGPT and Claude, primarily for research, organization, and formatting. Many experienced professionals then reviewed and refined the content to ensure accuracy, clarity and alignment with the tools, systems and processes that are enabled in Nepal. Over 1,500 suggestions from engaged Nepali citizens have already been incorporated, and the process of gathering input is ongoing.*
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> *If you have any feedback on the document, please write to us at:*
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Nepal stands at a moment of reckoning. With the Prime Minister's resignation, the nation is left without an executive head. This is not a collapse of democracy, but it is a test of whether our institutions can rise above paralysis and deliver leadership when it is most needed. The Constitution lays out the path, the Parliament must now take responsibility for government formation, ensuring that the people are not left adrift in uncertainty. The Constitution foresaw this moment. Article 114 empowers the President to act in times of crisis, while Article 66 places upon the President the sacred duty of guarding the Constitution itself. These provisions exist to protect the people from paralysis. They call for action, not hesitation. Interim leadership must be formed to recommend urgent laws, especially those governing elections, so that democracy is not left suspended in a void.

What we decide now will shape whether Nepal continues with fragile improvised arrangements or emerges with stronger, more durable institutions. This is not simply a question of governance; it is a question of destiny. The responsibility lies with us all to demand clarity, to insist on accountability and to choose the system that will carry Nepal forward with stability, dignity and courage.

This document offers a beginning of a framework for direction and reform. It is not final, nor is it complete. It is intended to be tested, challenged, and improved through collective engagement from Nepali. The responsibility lies with all of us to ensure that this energy translates into durable institutions, not fleeting slogans.

The reforms outlined here are not theoretical abstractions. They are grounded in international experience where nations facing deeper crises of governance and corruption achieved measurable progress through practical reforms. These examples demonstrate what is possible when political will, institutional accountability, and citizen participation align.

At the same time, Nepal is unique. What worked in other countries cannot simply be replicated. Their experiences are offered here as lessons, as sources of inspiration and caution. Our task is to adapt proven principles to Nepal's constitutional framework, cultural realities, and institutional capacity. Success will come not from imitation but from careful adaptation.

After achieving this and restoring parliament the Country can move ahead based on the points mentioned in the manifesto as the road map.

The goal of this manifesto is therefore twofold: to show that transformation is achievable, and to provide a foundation for building a system that is just, accountable, and rooted in the aspirations of the Nepali people.

If you believe in this movement, don't just skim this document - speak it, share it, test it and add on to it. Critique what doesn't work. Improve what does. But most of all, don't stop at protest. Let this become our working blueprint for action and accountability.

A revolution is not measured by how many streets it fills or how much tear gas it survives. A revolution is measured by whether it builds a state that governs fairly, transparently and for the people, not one that exploits them.

This is the standard to which we hold ourselves, our institutions, and our leaders!

Contents

1. TRANSFORM CIAA INTO A TRULY INDEPENDENT ANTI-CORRUPTION FORCE

The Problem: Nepal's Commission for the Investigation of Abuse of Authority (CIAA), though constitutionally established under Articles 238 and 239 of the Constitution (2015) and governed by the CIAA Act 2048 (1991) and its Rules 2049, remains largely ineffective despite having strong legal powers on paper. The CIAA holds extensive legal authority under Section 19 (particularly Subsections 6 and 8) of the CIAA Act, which allows it to: Seize documents and property relevant to an investigation, Arrest or take into custody accused persons when necessary, and directly file and prosecute corruption cases before the Special Court without having to route them through the district courts.

However, despite these powers, the CIAA's effectiveness is severely undermined by structural and political weaknesses:

- **Politicised leadership:** The Chief Commissioner and other member Commissioners are politically appointed. Chief Commissioner wields sole discretionary power to approve or block cases, even overriding other Commissioners in case of disagreement. This makes the institution vulnerable to political capture and selective enforcement.
- **Lack of operational independence:** The CIAA depends on the Ministry of Finance for its budget, limiting its ability to investigate those controlling its funding.
- **Narrowed jurisdiction**: The 2015 Constitution removed its authority to investigate "improper conduct", sharply reducing the scope of cases it can take up.
- **Weak institutional capacity:** While it has seven state-level offices, its investigation and prosecution units are understaffed, siloed, and lack advanced forensic and digital tools, weakening the quality and speed of case building.
- In practice, this means the CIAA possesses the legal tools to investigate, seize, arrest, and prosecute, but lacks the independence, integrity safeguards, and professional capacity to use these powers credibly and consistently, especially against high-level political actors.
- **Make CIAA practical and enforceable:** The Commission for the Investigation of Abuse of Authority (CIAA) must be restructured for effectiveness. Instead of a top-heavy, sluggish model, it should include a tier system starting with strong presence at the local level. Local enforcement would deter corruption before it escalates up the chain, making the system more practical and enforceable.
- **Constitutional & Legal Foundation:** CIAA was established under Article 238 and 239 of Constitution 2015 with investigation authority. CIAA Act 2048 (1991) governs operations. Commission for Investigation of Abuse of Authority Rules 2049 provides a procedural framework. **Some reforms use existing authority; others require constitutional amendment.**

The Solution - PHASE 1 (Immediate Statutory Reforms):

Strengthening Investigation & Prosecution

- Integrated investigation–prosecution teams: Build mixed teams where legal experts work alongside investigators to ensure cases are legally sound from the outset.

- Collaboration with the Office of the Attorney General: Second prosecutors to the CIAA until its own internal prosecution capacity is fully developed.
- Specialised training: Mandatory 6–7 months intensive training for new investigation and prosecution staff on corruption laws, evidence handling, and courtroom procedures.
- Adequate staffing: Significantly expand the number of investigators, forensic auditors, digital forensics specialists, and prosecutors through competitive hiring.
- Performance safeguards: Enforce a strict code of conduct, require minimum two-year service terms, and maintain public quarterly performance reports on case outcomes and timelines.

Procedural and Operational Reforms

- Enhanced powers through CIAA Act amendments:
  - Authorise court-supervised asset freezing during investigations.
  - Clarify rules to remove "policy decision" exemptions for ministers and restore jurisdiction over improper conduct cases.

- **Technological capabilities**: Invest in digital evidence systems, financial tracking software, and secure data management.
- **Strengthen use of existing special anti-corruption courts**: Focus on reforming appointment of judges, speeding up case timelines, and decentralising benches closer to state-level CIAA offices.
- **Fast-track CIAA courts:** Specialized anti-corruption benches through Special court administration with focus on reforms in the appointment, procedures, decision timeline, and decentralization among others.
- **Professional staff expansion:** Competitive recruitment for investigators, forensic auditors, prosecutors using existing hiring authority
- **Witness protection program:** Enhanced security protocols through coordination with Nepal Police
- **Performance accountability:** Public quarterly reports on case resolution times and conviction rates

The Solution - PHASE 2 (Constitutional Reforms):

Independence Guarantees: Appointment & Institutional Integrity (Requires Amendment):

- **Constitutional budget allocation:** Independent funding line, not dependent on Finance Ministry (Article 238-239 amendment)
- **Merit-based appointments:** Chief Commissioner and Commissioners selected through competitive examination by independent panel, not Constitutional Council.
  - Chief Commissioner criteria: Select from among experienced Commissioners, retired justices, or senior thematic experts, with no political affiliations, proven integrity, and knowledge of institutional functioning.
  - Merit-based Commissioner selection: Introduce open competitive examinations with clear criteria (e.g. minimum 7–10 years of specialised professional

experience in areas like finance, revenue, land administration, public procurement, or legal/judicial service).

- **Fixed tenure protection:** Introduce a 5–8 years fixed term tenure to prevent capture while avoiding lifetime appointments that encourage entrenched power.
- **Jurisdiction over corruption and improper conduct:** Amending Article 239 and extending CIAA's jurisdiction.
- Diverse expertise: Recruit Commissioners from varied technical backgrounds to cover the breadth of corruption cases.

Real-World Evidence: Singapore's CPIB achieved 98% conviction rate through complete independence, direct prosecution powers, and asset recovery authority. Critical sequencing: Singapore first strengthened powers through legislation (1952), then achieved full independence through constitutional protection (1965).

Hong Kong's ICAC reformed gradually: 1974 initial legislation gave prosecution powers, 1997 constitutional entrenchment secured independence. Went from investigating 2,300 cases annually to virtually eliminating government corruption within a decade.

Indonesia's KPK demonstrates a phased approach: 2002 law created prosecution authority, 2004 constitutional amendment secured independence. 77% conviction rate with major high-level prosecutions.

Why Reform CIAA vs. Create New Body: Existing constitutional framework (Articles 238-239) provides foundation, faster than creating new institution, maintains institutional memory while fixing structural weaknesses.

Implementation Timeline:

- **Months 1-6:** CIAA Act amendment for prosecution powers, asset freezing authority, expanded jurisdiction
- **Months 7-12:** Specialized courts establishment, professional staff recruitment, digital capabilities deployment
- **Years 2-3:** Build political consensus for constitutional amendments on budget independence and appointment reform
- **Years 3-5:** Constitutional amendment process and full independence achievement

Performance Targets:

- 80% conviction rate for corruption cases within 2 years
- Average case resolution time reduced from 3+ years to 6 months
- 90% of major corruption cases reach prosecution (vs. current 30%)
- Full asset recovery in 60% of proven corruption cases

Political Strategy: Phase 1 reforms demonstrate effectiveness and build public support for Phase 2 constitutional changes. Success with statutory powers creates political momentum for full independence.

Key Improvement: This revision provides realistic sequencing between immediate statutory reforms and longer-term constitutional goals, uses existing legal framework more effectively, and creates achievable milestones rather than impossible timelines.

2. FRESH ELECTIONS IN 180 DAYS

The Problem: This government has lost legitimacy. People no longer trust their representatives.

The Solution:

- **Parliamentary dissolution** under Article 76(7) followed by immediate elections within 180 days
- **Strict candidate vetting:** Ban candidates with proven criminal and corruption charges AND pending corruption indictments
- **Voter education campaign:** Know your candidates' backgrounds, not just their rally promises
- **Real-time campaign finance transparency:** All candidates must disclose budgets, funding sources, and spending online within 24 hours
- **Ban corporate donations:** Only verified individual contributions allowed
- **Campaign spending limits:** Strict ceiling with live monitoring and immediate penalties for violations
- **Public finance dashboard:** Election Commission provides real-time tracking of all donations and expenditures
- **NOTA option:** If "None of the Above" wins in a constituency, re-election with entirely new candidates.
- **Reform in prevailing electoral laws**: In order to ensure the above, electoral laws will be reformed.

Real-World Evidence: Ecuador has a "Muerte Cruzada" mechanism that allows the president to dissolve parliament but triggers fresh presidential elections too - preventing abuse while resolving deadlocks. President Guillermo Lasso used this in 2023 to avoid impeachment and reset the political system.

Campaign finance transparency works globally: **Canada** requires real-time disclosure of donations over $200 within 3 days, while **Australia** mandates disclosure of all donations over $15,200 annually. Countries with stricter campaign finance rules show higher public trust in elections and lower political corruption.

The key is balance: dissolution must come with immediate accountability, not just executive power grabs.

Implementation:

- As the guardian of the constitution, the President can dissolve the parliament considering the political changes required and the crisis the nation is facing.
- Election Commission publishes detailed candidate profiles including education, experience, wealth sources, and complete criminal/corruption case status

- Amend Electoral laws to disqualify candidates with pending corruption and criminal indictments
- Mandatory audited expense reports within 30 days of polls with heavy penalties for violations

3. DECENTRALIZE POWER FROM KATHMANDU TO PROVINCES AND LOCAL LEVELS

The Problem: Too much power concentrated in Kathmandu creates corruption bottlenecks. Every decision, every budget, every project approval goes through the center, creating opportunities for bribes and delays.

The Solution:

- **Enforce constitutional decentralization:** Implement existing Schedules 5-9 that already grant provinces and local governments exclusive powers over health, education, and infrastructure.
- Address jurisdictional ambiguities that lie within Schedules 5-9.
- **60% budget decentralization:** Direct allocation to provinces and local levels with ring-fenced sector transfers to prevent federal reclaim
- **40% provincial tax retention:** Provinces keep income tax, VAT share, and natural resource royalties collected within their borders
- **50 crore local approval authority:** Municipalities approve projects independently without federal sign-off
- **Provincial civil service:** Province's recruit and manage their own staff instead of waiting for federal appointments
- **Federal role limited to monitoring:** Central government audits performance but doesn't control day-to-day decisions except for national strategic projects

Real-World Evidence: Indonesia proved this works with their "Big Bang" decentralization in 2001. They transferred major powers directly to local governments and reduced central dependency from 82% to 48% of subnational revenue by 2020. Local governments became more responsive and efficient.

The Philippines achieved even bigger impacts with their Local Government Code. The Mandanas Ruling increased local transfers by 55% to ₱1.08 trillion (4.8% of GDP) in 2022, giving local governments real power and resources.

Switzerland demonstrates ideal federalism where apart from foreign affairs and defense, almost all decisions are made at cantonal and municipal levels without central oversight, creating one of the world's least corrupt and most efficient governments.

Why This Reduces Corruption: When power is spread out, no single person or office can hold entire sectors hostage. Local accountability is stronger because officials face voters directly and bureaucrats work in their home communities.

Implementation: Enforce existing constitutional provisions through amended federal laws and immediate administrative decentralization within 2 years.

4. IMPLEMENT MANDATORY WEALTH DISCLOSURE FOR ALL POLITICIANS

The Problem: Politicians become millionaires on government salaries. Where does the money come from?

The Solution:

- **Public digital portal:** All politician and candidate asset declarations published online in searchable, downloadable format within 7 days of filing
- **Candidate disclosure at nomination:** Must declare all assets inside and outside Nepal before being allowed to run for office
- **Supporting documentation required:** Title deeds, bank statements, purchase invoices, and company records for all major assets
- **Automatic red-flag triggers:** 50% annual wealth increase or large unexplained purchases automatically trigger CIAA investigation
- **Annual wealth audits:** Auditor-General audits Cabinet ministers and high-risk officials yearly; CIAA audits MPs on risk basis
- **Multi-institutional verification:** CIAA, Election Commission, and Auditor-General coordinate to cross-check declarations against tax records, bank data, and public registries
- **Clear sanctions ladder:** Failure to file = immediate disqualification; false declaration = criminal investigation and asset forfeiture

Real-World Evidence: Ukraine shows the power of digital transparency. Their electronic asset declaration system processes over 1 million declarations annually with 72% public approval. The automatic verification led to prosecution of 5,131 civil servants for corruption by 2020.

93% of countries require cabinet members to disclose assets, but only 43% provide public access. Disclosure without transparency is useless - it's the public scrutiny that creates accountability.

Timeline: All current politicians have 60 days to comply or face disqualification. Public portal operational within 6 months.

Implementation: Amend Prevention of Corruption Act to replace confidentiality with public disclosure + create a central asset declaration portal coordinated by CIAA, Election Commission, and Auditor-General.

5. SET STRICT QUALIFICATIONS FOR GOVERNMENT MINISTERS AND MEMBERS OF PARLIAMENT

The Problem: Ministers and MPs are often chosen through political bargaining rather than expertise, leading to a mismatch that undermines governance, wastes resources, and prevents the Constitution's promise of accountable, effective leadership from being realized.

The Solution:

- **Ministerial Qualifications Act:** Parliament passes law requiring sectoral expertise for specific portfolios

- **Education OR Experience:** Bachelor's degree and 3+ years proven experience in relevant field OR 10+ years proven experience in the sector
- **Health Minister:** Medical/public health degree and 3+ years' experience OR 10+ years in healthcare management/policy
- **Finance Minister:** Economics/finance degree and 3+ years' experience OR 10+ years in banking/financial management
- **IT Minister:** Technology degree and 3+ years' experience OR 10+ years in tech industry/digital governance
- **Plus:** Minimum 5 years leadership experience in any case
- **Parliamentary justification:** PM must justify ministerial appointments to Parliament in writing
- **Fair Baseline Compensation:** Revise the pay of government officials to align with the Constitution's guarantees of equality and fair labour, benchmarking it to senior civil service levels. Competitive, transparent compensation will attract qualified leaders, reduce corruption incentives, and professionalize politics.

Real-World Evidence: While most democracies don't have formal requirements, the data speaks for itself. The UK's cabinet shows 91% university-educated members, and India's 2014 cabinet had 91% graduates despite no constitutional requirements. Political incentives naturally drive qualification levels when voters demand competence.

Implementation: Pass Ministerial Qualifications Act through Parliament (simple majority) rather than constitutional amendment to Article 78 (2/3 majority) for faster implementation. Long-term goal remains constitutional amendment for permanent protection.

No Exceptions: Party loyalty doesn't qualify you to run a ministry.

6. CONSTITUTIONAL REFORM FOR STABLE GOVERNANCE

The Problem: Nepal's current parliamentary system creates chronic instability, coalition governments that collapse frequently, and allows unqualified party loyalists to become ministers. There are no independent checks on executive appointments and insufficient separation of powers to prevent abuse.

The Solution - PHASE 1 (Immediate Statutory Reforms):

Independent Commission on Executive Appointments (ICEA):

- Statutory body with advisory powers and mandatory public vetting
- All ministerial nominees must undergo public hearings with published scorecards
- ICEA reports directly to Parliament and public on qualifications/integrity
- Can be established through simple Parliamentary Act within 6 months

Ministerial Qualifications Act:

- Education OR Experience requirements: Bachelor's degree with 3 years relevant experience OR 10+ years sector experience
- Health Minister: Medical/public health background and management experience

- Finance Minister: Economics/finance education or banking experience
- Mandatory Parliamentary justification for all appointments
- Immediate implementation through simple majority vote

Enhanced CIAA Powers:

Independent prosecution wing through CIAA Act amendment
Asset freezing authority with court oversight
Constitutional budget protection from Finance Ministry control
Can be strengthened without creating entirely new institution

Overseas Voting Implementation:

- Electronic **and/or** Embassy voting through Election Commission regulation
- Technical infrastructure already exists in many countries for Embassy voting whereas for e-voting, work on strong digital infrastructure to test feasibility, security, costs, and user-friendliness, and vote secrecy.
- Can be implemented for next election cycle

The Solution - PHASE 2 (Long-term Constitutional Goals):

Direct Presidential Elections:

- Requires constitutional amendment but provides stability precedent from France, South Korea
- Creates clear executive authority and accountability
- Needs broad political consensus and 2/3 Parliamentary majority

Separation of Executive/Legislative:

- Ministers cannot simultaneously be MPs and vice versa
- Requires amendment in Article 78 and other Articles of the constitution. Ensures professional governance over political loyalties

Real-World Evidence: Singapore's statutory Public Service Commission (1951) created merit-based appointments without constitutional change, contributing to 100x GDP growth over 60 years.

South Korea's 1987 constitutional reforms required years of political consensus-building but established direct elections and independent institutions that supported economic miracle.

Estonia's post-independence institutional reforms combined immediate statutory changes with longer-term constitutional development.

Implementation Timeline:

- **Phase 1 (0-12 months):** ICEA establishment, Ministerial Qualifications Act, CIAA strengthening, overseas voting

- **Phase 2 (2-5 years):** Build political consensus for constitutional amendments on direct elections and executive/legislative separation

Why This Sequencing Works: Immediate statutory reforms demonstrate effectiveness and build public support for deeper constitutional changes. Countries that achieved stable governance typically started with administrative reforms before constitutional transformation.

Key Change: This revision creates realistic expectations about what can happen immediately (statutory reforms) versus what requires longer-term political coalition-building (constitutional amendments), while maintaining the revolutionary vision of transformed governance.

7. DIGITIZE ALL GOVERNMENT SERVICES

The Problem: Although Nepal has made considerable progress in digitizing major government functions—such as budgetary systems, revenue collection, passports, driving licenses, immigration, and national ID—these systems remain fragmented and lack interoperability. This results in inefficiencies, duplication of work, and limited transparency for citizens.

- **Lack of System Integration Across Federal, Provincial, and Local Levels**
  - Budgetary systems are digitized but operate in silos, preventing citizens, especially at the ward level, from tracking government expenditures across all levels of governance.
- **Inconsistent Citizen Service Processes**
  - Core services like driving license renewal at Department of Transport Management (DOTM) offices and land ownership verification (४ किल्ला) at ward offices operate on entirely different, non-standardized digital processes, creating confusion and inefficiency.
- **Partial Digitization Without Interoperability**
  - While services like revenue collection, passports, and licenses are digitized, they are not interoperable, forcing citizens to repeatedly provide the same documents and data to multiple government entities.
- **Neglect of Basic Services in Digitization**
  - Core functions such as tax payments or fund transfers are digitized nationwide, but essential citizen-facing services—such as grievance filing at ward offices—remain manual, limiting accessibility and accountability.
- **Exclusion of Technologically Disadvantaged Citizens**
  - Current digital systems lack inclusivity, with little to no support for individuals who cannot independently navigate digital platforms.

Constitutional & Legal Foundation: Preamble and Article 51(j)(k) mandates good governance and transparency. Article 27 guarantees Right to Information. Article 51(h)(3) obligates technology development. The Good Governance Act (2008) and Right to Information Act (2007) already require efficient service delivery with citizen charters. Digitization implements existing law, no constitutional amendment needed. However, constitutional focus is required to prioritize budget allocation into these services unless deemed otherwise for the foreseeable future.

The Solution:

Infrastructure for Digitization:

- **National Digital Framework:** Shared standards with decentralized ownership; allowing each government entity, i.e. federal, provincial and municipal bodies, to maintain their own systems but must ensure interoperability.
- **National E-Governance Service Center (NESGC)** must be established under the Ministry of Communications & IT, responsible for:
    - Design standards and service templates.
    - Cybersecurity protocols.
    - Central maintenance of shared infrastructure.
- **Secure Data Servers & Disaster Recovery:** A redundant, geo-distributed network system with regular backup and business continuity plans is a must to ensure infrastructure operability during disasters and provide recovery mechanisms.
- **Annual Third-Party Security Audits (by law):** Independent firms assess uptime, vulnerabilities and compliance.
- **Fixed Funding Mechanism:** A portion of each ministry's IT budget must be earmarked for NESGC maintenance.
- **Amendments to laws:** Review and amendments to Good Governance Act and Right to Information Act including prosecutorial provisions in case of non-application or implementation of these laws.

Digital Public Infrastructure (DPI):

- **National Digital Identity (Single Source of Truth):** National IDs must be integrated across all services such as taxation, health, social welfare, licensing, etc.
- **Digital Financial Infrastructure:** Universal digital payment gateways enabling fee collection, welfare distribution, and tax settlement directly through mobile banking, wallets, and real-time settlement systems.
- **Data-Sharing Layer:** Secure, interoperable APIs across ministries and local governments to eliminate duplicate submissions, manual verifications and "file-holding".
- **Legal Reforms:**
    - Amendments to Good Governance Act and Right to Information Act to enforce:
    - Mandatory proactive disclosure of eligibility, required documents, fees, timeline, and contact point for every service.
    - Penalties for non-compliance.
    - Legal timelines for service delivery; portal displays legally mandated timelines for each request.

E-Services for Citizens:

- **Unified One-Stop Portal:**
    - (Nepal.gov.np) must be expanded into a single unified portal within 24 months to provide:

- o Full end-to-end digital services (application, verification, updates via SMS/email, issuance of digital certificates) to provide verified digital certificates directly and digital signature issuance upon completion.
  - o Automatic timeline tracking based on legally mandated deadlines.
- **Human-Centric Design:**
  - o Services must be user-friendly, responsive, and accessible via both desktop and mobile.
  - o Interfaces designed with clear navigation, reducing dependency on middlemen.
- **Interconnected File Sharing Across Departments:**
  - o Eliminates repetitive submission of the same documents.
  - o Significantly reduces processing time and prevents corruption linked to "file holding."
- **AI-Powered Citizen Support Center:**
  - o 24/7 virtual assistant to answer FAQs, guide citizens through processes, and reduce traffic in help desks.
- **Single Information Portal:**
  - o Mandatory publication of eligibility, required documents, fees, processing time, and contact points for every service, in compliance with the Right to Information Act.

The Three Safeguards of the Pillars:

- **Cybersecurity:**
  - o Adoption of globally implemented best practices (end-to-end encryption, two-factor authentication, penetration testing).
  - o National Cybersecurity Operations Center should be under NESGC for real-time monitoring and threat response.
- **Data Protection and Publication:**
  - o Layered approach: storage, transfer, and access protocols standardized across ministries.
  - o Citizen data classified and anonymized where necessary.
  - o Proactive disclosure of non-sensitive public data for research, business innovation, and accountability.
- **Inclusion:**
  - o Multi-language accessibility (Nepali, English, and provincial languages).
  - o Voice-based systems for illiterate and differently-abled citizens.
  - o Offline kiosks and municipal help desks for citizens without internet access.

The Three Enabler of the Pillars:

- **Innovation Sandboxes:**
  - o Establish dedicated "sandbox environments" where new digital technologies — such as Artificial Intelligence (AI), blockchain, and advanced data analytics — can be tested safely on a limited scale before being rolled out nationwide.
  - o These sandboxes allow government, private sector, and academia to experiment with real data under controlled conditions, ensuring compliance with privacy and security rules.

- **Capacity Building:**
  - Mass Education Campaigns: TV, radio, social media demonstrations of portal use.
  - Municipal Digital Help Desks: Staffed locally to support citizens.
  - Civil Servant Training: Mandatory Digital governance modules must be included in Nepal Administrative Staff College curriculum.
  - Partner with universities, training centers, and private sector providers to upskill government employees in digital service delivery, cybersecurity, and data management.
  - Literacy Campaigns via TV, radio, social media showcasing online portal usage for broad adoption.
  - Digital help desks in each municipality with trained staff/personnel for citizen assistance.
- **Accountability Mechanisms:**
  - Establish an Independent Digital Governance Authority responsible for monitoring service quality, citizen satisfaction, and adherence to standards.
  - Mandate annual digital service audits for all entities, with findings made public.
  - Tie budget allocations for digital initiatives to measurable outcomes, such as service adoption rates, uptime, and citizen feedback.
  - Penalty for Delays: Allowance deductions for officials missing legally mandated service deadlines.
  - Constitutionally mandated KPIs: Every government officer should have constitutionally required Key Performance Indicators tied to their role, with promotions contingent on meeting these benchmarks.
  - An online complaint system must directly report to the Chief Secretary/Local Chief Administrative Officer.
  - Quarterly Service Delivery Scorecard is required to publicly rank ministries and municipalities by performance.
  - Builds on Good Governance Act enforcement provisions

Inclusive Access and Citizen Verification

- Use the **National ID** as the single source of truth for identity verification across all services, ensuring seamless access for citizens.
- Deploy **Assisted Digital Service Desks** at ward offices where staff digitize documents and process applications on behalf of citizens who lack digital literacy, ensuring inclusivity.

Real-World Evidence: Estonia achieved 100% online service availability using similar institutional frameworks, saving citizens 1,400 years of working time annually. Digital signatures alone save €2,700 per year for institutions.

India's JAM Trinity (banking + biometric + mobile) eliminated 25 million false beneficiaries, saving ₹3.5 lakh crore while processing 40% of global real-time payments.

Implementation Timeline:

- **Months 1-6:** NESGC establishment, portal expansion planning, pilot services
- **Months 7-18:** Ministry integration, staff training, help desk deployment

- **Months 19-24:** Full service availability, accountability system launch

Why This Works: Uses existing legal framework and institutions rather than creating new bureaucracy. Combines technical infrastructure with human capacity building and real accountability measures.

Key Improvement: This revision provides the legal foundation, institutional framework, and accountability mechanisms completely absent from the current version, making it immediately implementable rather than aspirational.

8. CREATE TRANSPARENT PUBLIC CONTRACTING

The Problem: Public procurement in Nepal continues to face systemic challenges that undermine efficiency, fairness, and accountability. While transparency is important, it does not address the root causes of inefficiency and corruption within the procurement process. Unverified budgetary requirements, biased bid documentation, and flawed bid awarding systems pose major threats to fair and competitive participation. Similarly, technical specifications for bids are often written to favor particular vendors, limiting fair competition. Independent verification of bid documents through sample audits could ensure fairness, accountability, and genuine competition. Additionally, following systems like China's method of awarding bids to participants closest to the mean, rather than automatically to the lowest bidder, would prevent quality compromises and ensure procurement favors optimal value over merely the cheapest option.

Legal Foundation: Public Procurement Act 2007 and Right to Information Act 2007 already require transparent procurement. Article 51(j) mandates good governance through transparent processes.

The Solution:

Requirement Verification and Budget Justification

- Establish a mandatory pre-procurement assessment process to evaluate the necessity, scale, and feasibility of proposed projects or purchases.
- Independent oversight committees should validate budget proposals before they enter the procurement pipeline, ensuring alignment with actual needs and preventing inflated or unjustified requests.

Independent Bid Document Verification

- Introduce a system of third-party audits for bid documents across all procurement categories (infrastructure, technology, services, etc.).
- Independent review panels should ensure that technical specifications are neutral, promote fair participation, and are free from vendor bias.
- Implement random sampling audits of procurement notices to deter malpractice in specification design.

Revised Bid Awarding Mechanism

- Replace the lowest-bidder approach with a mean-based awarding system, where the winning bid is selected based on proximity to the average of all submitted bids.
- This method balances cost and quality, preventing the automatic selection of the cheapest option while incentivizing vendors to propose realistic and competitive bids.
- Establish strict post-award monitoring to ensure that the awarded bidder delivers on both cost efficiency and quality standards.

Mandatory Electronic Procurement Platform:

- **Upgrade existing PPMO e-GP system** to handle all contracts above Rs. 500,000, ensuring interoperability with other national digital infrastructure to create a seamless, integrated system.
- **Real-time publication** of tender notices, bid documents, evaluation criteria, and awards
- **Public project tracking comprehensive dashboard** showing real-time progress, payments, critical milestones, quality assurance checks, and any delays with automatic updates.
- **Contractor performance database** with historical records, performance metrics, and compliance history, accessible to all government agencies and the public.

Enhanced Transparency Requirements:

- **Detailed tender criteria published 30 days before bidding** with objective scoring matrices
- **Live-streamed bid opening** for contracts above Rs. 50 lakhs with public access
- **Mandatory disclosure** of beneficial ownership for all bidding companies
- **Conflict of interest database** cross-checking contractors against politician/official connections

Strict Accountability Mechanisms:

- **Performance bonds doubled** for repeat deadline violations (from 5% to 10% contract value)
- **Automatic debarment system:** 2 contract failures = 2-year ban, 3 failures = 5-year ban
- **International debarment recognition:** Companies banned by World Bank, ADB, or other countries automatically excluded
- **Separate bidding requirements:** Infrastructure construction and maintenance must be bid separately to prevent monopolization

Institutional Enforcement:

- **Public Procurement Monitoring Office (PPMO)** given enforcement authority with dedicated investigation unit
- **Mandatory quarterly performance reports** published online ranking all contractors and government agencies
- **Citizen complaint portal** with 30-day mandatory response timeline

- **Independent procurement audits** by Auditor General with public hearings for major violations

Real-World Evidence: Rwanda's UMUCYO system processes 100% of contracts above $20,000 with full transparency. Result: average of 4.2 bidders per tender vs. 2.1 before digitization, and 15% average cost savings.

Estonia achieved 96% electronic procurement with 3.6 tenderers per electronic procedure vs. 1.9 for paper-based. Their centralized monitoring reduced procurement time by 40% while increasing competition.

Georgia's procurement reforms (2004-2012) combined electronic systems with strict penalties, reducing infrastructure costs by 30-50% while eliminating bid-rigging cartels.

Implementation Timeline:

- **Months 1-6:** PPMO system upgrade, legal amendments, staff training
- **Months 7-12:** Phased rollout starting with central ministries, then provinces
- **Year 2:** Full implementation including local levels with performance monitoring

Key Performance Indicators:

- Average number of bidders per tender (target: 3+ for all contracts)
- Cost savings compared to previous years (target: 15% reduction)
- On-time completion rate (target: 80% within contracted timeline)
- Citizen complaint resolution rate (target: 90% within 30 days)

Why This Works: Uses existing legal framework while adding digital enforcement tools and real penalties. Creates competitive market pressure while maintaining public oversight.

Critical Addition: This revision provides the legal foundation, institutional mechanisms, and specific enforcement tools completely missing from the original version, making it implementable rather than aspirational.

9. BREAK MONOPOLIES AND STRENGTHEN CONSUMER PROTECTION

The Problem: Monopolistic practices are widespread, particularly through unregulated associations. The transport associations set fares and restrict vehicle routes, while agricultural middlemen control prices and supply chains, leaving farmers with only a fraction of the value. Although the Competition Promotion and Market Protection Act (2007) prohibit such practices, weak enforcement, low penalties, and judicial bias allow cartels to operate unchecked. At the same time, gaps in consumer protection laws leave citizens without clear guarantees on goods and services, safeguards against unfair practice, or effective remedies when rights are violated.

Legal Foundation: As per Trade and Commerce Act 1962 Section No. 3, the Government may regulate imports to protect public interest while allowing temporary import licenses in case of scarcity or monopoly risk. Similarly, Customs Act 2007 states that the Government may exempt certain goods from duties and simplify clearance temporarily. Consumer Protection Act 2018 gives ECN authority to monitor monopolistic practices and safeguard consumer interests,

supporting the publication of risk lists. Finally, Constitution of Nepal 2015 states that the State shall promote fair competition and encourage industrial development, which can be paired with temporary import liberalization.

The Solution:

- **Price monitoring:** Selling above Maximum Retail Price (MRP) = heavy fines.
- **Consumer courts in every district** with power to impose penalties and regular check of customer services.
- **Small Importer License:** Create a simplified, digital "small importer license" for individuals and SMEs to import limited volumes, allowing them to import small quantities without complex licensing.
- **Motivate the local good production** and incentivise the local projects which not only minimises the price but also increases the job opportunities.

Import liberalization to Increase Competition:

- **Temporarily ease import restrictions on goods** where monopolies inflate prices (e.g., cooking gas, food items, medication).
- **Implement monitoring mechanisms** to prevent smuggling and maintain safety standards.
- **Increase Threshold for Small-Quantity Imports:**
    - **Individuals (personal/household):** Up to **NPR 30,000/per month** duty-free, no complex licensing. These covers buying cooking gas cylinders, medicine for family, or small food parcels.
    - **Small Businesses (Registered SMEs):** Up to **NPR 9.5 million/per year** with a "small importer license" (digital, one-page application). Requires simple online declaration but avoids full-scale import licensing bureaucracy.

Competition Law Enforcement

Strengthen Competition Commission of Nepal:

- **Investigate cartels and dominant firms** abusing market power to address weakly enforced systems.
- **Impose antitrust and structural remedies** to big conglomerates where necessary.
- **Cross-check companies' international compliance** to prevent entry of blacklisted firms.
- Encourage **whistleblowers** with **legal protection and financial incentives**.

Citizen Awareness:

- **Launch consumer education campaigns** on rights, price checks, and reporting channels to provide information about complaint channels or what qualifies as an anti-competitive practice.
- **Encouraging NGOs and media to publish price comparisons**, exposing monopolistic behavior amplifies enforcement and deter collusion.
- **Promote crowdsourced monitoring apps for citizens** to report overpricing or cartel activity, starting from urban areas first and strong moderation.

Safeguards:

- **Mandatory customs e-filing with cross-checking** (digital declaration, even if exempt from duty).
- **Category restrictions:** Medicines must meet Department of Drug Administration standards; cooking gas must meet safety certification.
- **Blacklist system:** Traders who repeatedly exceed the threshold or mis-declare lose small-importer privileges.

Real-World   Evidence:
South Korea shows how this transformation happens. They went from protecting large business groups (chaebols) in the 1970s to serious competition enforcement post-1997. This coincided with their transition from developing to developed economy, with manufacturing growing from 10.4% to 22.6% of GDP.

India replaced their old monopoly protection law with the Competition Act in 2002, which paralleled economic liberalization and GDP growth acceleration.

Implementation Timeline:

- **Months 0-6:** Draft and issue Temporary Import Liberalization Order and launch digital SME/individual permit system.
- **Months 7-12:** Track the imports with enforced barcoding and publish open dashboards while auditing safety and smuggling risks.
- **Year 1:** Assess impact on local production, competition and prices and adjust policy accordingly.
- **Year 2:** Conduct full evaluation and decide on extension, modification, or termination of liberalization.

Performance Targets:

- **30% average price reduction** in essential goods (cooking gas, food, utilities) within 18 months through increased competition
- **500% increase** in number of registered small importers using simplified digital licensing within 1 year
- **50% reduction** in consumer complaints about monopolistic pricing within 2 years
- **100% of districts** have functional consumer courts with penalty authority by Year 2
- **75% increase** in market competition (measured by number of suppliers) for previously monopolized goods
- **NPR 30,000 monthly duty-free threshold** utilized by **25% of eligible households** within 6 months
- **SME import participation** increases by **200%** using simplified licensing system
- **Zero tolerance enforcement:** 90% prosecution rate for MRP violations with published penalties
- **Competition Commission** investigates and resolves **80% of cartel complaints** within 90 days
- **Consumer awareness:** 60% of urban population can identify and report anti-competitive practices through digital platforms

Target Sectors: Essential goods like fuel, food, medicine, and utilities prioritized for immediate intervention.

10. REFORM PUBLIC TRANSPORTATION WITH SMART URBAN PLANNING

The Problem: Traffic chaos, pollution, and unreliable public transport.

The Solution:

Smart Infrastructure Design:

- **Multi-modal dedicated lanes:** 2 lanes electric buses, 2 lanes walking/cycling, 2 lanes private vehicles
- **Strict enforcement:** Camera monitoring with automatic fines for lane violations
- **Intelligent traffic lights** GPS-linked to bus locations for priority flow optimization
- **Transfer hubs** at major intersections with sheltered waiting areas and integrated ticketing

Massive Sajha Yatayat Transformation:

- **Fleet expansion target:** 1 electric bus per 500-1,000 urban residents in Kathmandu and Pokhara
- **Integrated fare system:** Card-based and mobile app ticketing across all buses and vans
- **Public-private partnerships** for rapid coverage expansion with dedicated budget lines from all government levels
- **Performance-based payments:** Operator compensation linked to punctuality and reliability metrics

Service Quality Standards:

- **Frequency targets:** Buses every 5 minutes on major routes, electric vans every 10-15 minutes on secondary roads
- **Real-time tracking:** Public GPS app showing live bus locations and arrival times
- **Integrated last-mile connectivity:** Electric buses for main roads, e-rickshaws/mini-vans for inner areas

Infrastructure Accountability:

- **Pre-construction planning requirement:** All road/transport projects need comprehensive approval before starting
- **Utilities synchronization mandate:** Complete sewage, water, electricity work before road paving
- **Public project tracking:** Online publication of timelines, budgets, contractor obligations
- **Contractor penalties:** Fines, blacklisting, contract termination for substandard work

Public Participation Framework:

- **Mandatory city-wide consultations** before implementing major routes or infrastructure
- **GIS and traffic simulation modeling** for evidence-based route optimization
- **Environmental impact assessments** required under Environmental Protection Act compliance
- **Quarterly public forums** for service feedback and route adjustments

Real-World Evidence: Bogotá's **TransMilenio achieved 32% travel time reduction** and carries 1.6 million daily passengers with **40% air pollution reduction** through dedicated lanes and integrated systems.

Curitiba's **integrated BRT system serves 70-80% of commuters** at construction costs of **$200,000 per kilometer vs. $90 million for subways**, with 25% lower per capita emissions.

Lagos **BRT reduced travel time by 40% and CO$_2$ by 13%** while cutting fares 30% through systematic lane enforcement and fleet electrification.

Implementation Timeline:

- **Year 1:** Route planning, environmental assessments, pilot corridors, fleet procurement
- **Year 2:** Major route implementation, GPS systems, integrated ticketing launch
- **Year 3:** Full network operation, performance optimization, expansion planning

Performance Targets:

- 40% reduction in average commute times within 3 years
- 80% of urban residents within 500m of reliable public transport
- 50% reduction in private vehicle usage during peak hours
- 90% on-time performance for scheduled services

Why This Works: Combines dedicated infrastructure with smart technology, performance accountability, and systematic planning - addressing Nepal's chronic coordination failures while providing world-class service.

Key Improvement: This revision provides specific implementation mechanisms, accountability measures, legal compliance, and citizen participation processes completely absent from the basic original version.

11. TRANSFORM EDUCATION FOR ALL NEPALIS

The Problem: Rural areas lack access to quality education due to cost and poor infrastructure. Private educational institutions (Schools & Colleges) exploit families while government educational institutions suffer from unqualified teachers, poor facilities, and outdated curricula. This creates a two-tier system that limits opportunities and skilled workers needed for Nepal's development.

The current higher education system in Nepal is inadequately aligned with global academic and technological trends. Universities across the country have not adopted mechanisms to ensure the timely integration of emerging technologies and modern teaching methodologies into their programs. Consequently, graduates from multiple disciplines lack the applied, real-world competencies required to thrive in competitive international markets.

Furthermore, limited government investment in Research and Development (R&D) has significantly weakened the capacity of higher education institutions to innovate. The absence of robust research ecosystems compels many scholars and researchers to pursue opportunities abroad, leading to a persistent brain drain in critical Science, Technology, Engineering, and Mathematics (STEM) fields.

Constitutional & Legal Foundation: Article 31 guarantees free basic education. Article 51 mandates universal quality education access. The Right to Education Act 2018 and Local Government Operations Act 2017 provide comprehensive implementation authority. Existing laws enable transformation, no constitutional change needed; however, constitutional ambiguities with regard to the exercise of power between three governments need to be solved.

The Solution:

Expand Government School Network:

- **School mapping surveys** to identify underserved areas using Local Government Operation Act budget authority
- **Model school construction** with safe classrooms, gender-separated toilets, clean water, internet connectivity where feasible
- **Align with School Sector Development Plan (SSDP)** equity and access provisions
- **Priority rural investment** through provincial and local government coordination

Comprehensive Faculty Development:

- **5-year teacher requalification cycle** through Teacher Service Commission with mandatory pedagogy, digital literacy, and inclusive education training
- **University partnerships** for in-service training delivery
- **STEM/vocational teacher recruitment** with special quotas, housing allowances, and hardship pay for rural postings
- **Federal conditional grants** to provinces/localities for teacher training programs

Skills-Oriented Curriculum Reform:

- **Technical and Vocational Education (TVET) expansion** at secondary level
- **Mandatory work-oriented subjects'** grades 6-10: coding, sustainable agriculture, carpentry, hospitality
- **Industry partnership programs** linking schools with farming co-ops, local businesses, health posts
- **Life skills integration:** leadership, sports, financial literacy through local youth clubs and NGOs

Digital Learning Infrastructure:

- **National Education Digital Platform (NEDP)** or expanded OLE system for e-books, recorded lessons, teaching resources
- **Offline-compatible content** for weak connectivity areas
- **Solar-powered smart classrooms** were grid power unreliable
- **Radio/TV education backup** systems based on COVID experience

Quality Assurance System (Up to Higher Secondary):

- **Independent Education Regulatory Authority (IERA)** conducting annual comprehensive audits covering:
    - Infrastructure safety and facilities
    - Learning outcomes via standardized testing every 3 years
    - Financial management and teacher attendance
    - Educational supplies and maintenance standards
- **Empowered School Management Committees** with parental involvement for daily monitoring

Curriculum Modernization and Responsiveness

- Establish a mechanism for the rapid development and revision of curricula to ensure academic programs remain aligned with international benchmarks.
- Create dedicated review bodies within universities, mandated to track global academic trends and incorporate relevant updates on an annual or biennial basis.

Faculty and Student Exposure to Global Practices

- Introduce structured exchange programs, training fellowships, and digital collaboration platforms to expose both faculty and students to state-of-the-art technologies and pedagogical approaches used in advanced economies.
- Incentivize partnerships with leading international universities and industries to facilitate knowledge transfer and skills development.

Strengthened Investment in Research and Development

- Commit significant public funding to R&D within higher education institutions, prioritizing projects that address national challenges and align with global innovation trends.
- Promote collaborative research initiatives with international partners, thereby embedding Nepali researchers within global knowledge networks and enhancing institutional credibility.

Independent Quality Assurance and Accreditation

- Establish autonomous, nationally recognized bodies responsible for setting academic and research quality standards across universities.

- Mandate periodic institutional assessments and program-level accreditation processes to ensure consistency, accountability, and competitiveness with global higher education systems.

Empower these bodies to recommend reforms, withdraw recognition from underperforming institutions, and provide transparent benchmarks for both public and private universities.

Private School Accountability:

- **Fee transparency mandate:** Published breakdown linking fees to actual services provided
- **Annual fee increases caps** at government-approved inflation-adjusted rates
- **Cross-subsidy enforcement:** 10-20% free seats for marginalized students (strengthen existing weak enforcement)
- **Tax audits with rechanneling:** Private school tax revenue directed to public school improvement

Real-World Evidence: Kenya's 2003 fee elimination doubled primary enrollment achieving 99% net enrollment by 2016, with targeted support for marginalized communities.

Finland transformed from average to world-leading education through teacher training focus, practical skills emphasis, and eliminating private school advantages - 99% comprehensive school enrollment with consistent high outcomes.

Brazil's FUNDEB system increased per-student spending 40% while reducing inequality between rich/poor municipalities through targeted funding formulas.

Rwanda saw 167% increase in young women's university enrollment after implementing comprehensive basic education with practical skills components.

Implementation Timeline:

- **Year 1:** School mapping, teacher requalification launch, IERA establishment, digital platform development. Establishment of Quality Assurance and Accreditation Agencies.
- **Years 2-3:** Model school construction, mechanisms to ensure rapid curriculum reform rollout, private school regulation enforcement.
- **Years 4-5:** Full system operation, quality measurement, performance optimization

Performance Targets:

- 95% primary enrollment in underserved areas within 5 years
- All teachers certified under new standards by year 5
- 50% reduction in private school fee complaints through transparency
- Standardized learning outcome improvements of 25% by year 5

Why This Works: Uses existing constitutional authority and institutional frameworks while adding systematic quality assurance, practical skills focus, and enforceable private sector regulation.

Key Improvement: This revision provides a comprehensive legal foundation, institutional mechanisms, financing pathways, and accountability systems completely absent from the original aspirational version, making it immediately implementable.

12. PROMOTE LOCAL PRODUCTION AND INNOVATION, ENSURE QUALITY

The Problem: Nepal remains import-dependent and agriculture-heavy, with weak legal protections for farmers and high costs that have kept local production uncompetitive. Entrepreneurs face very high land prices, bureaucracy, and extremely unreliable energy sources, discouraging investment.

Legal Foundation: Industrial Enterprises Act and Investment Board authority provide a comprehensive framework for industrial promotion. Agricultural Development Bank, cooperatives law, and Public Procurement Act enable supply chain interventions. **Uses existing legal instruments - no new legislation required.**

The Solution:

Industrial Growth Fund (IGF):

- **Public-private blended finance vehicle** taking maximum 20% equity stakes in commercially vetted local firms
- **Independent governance:** Board with private sector experts, technical specialists, Auditor-General oversight, non-renewable fixed terms
- **Market discipline:** Mandatory 1:1 or 2:1 private co-investment requirement to crowd in capital
- **Performance-based releases:** Tranched funding tied to capacity targets, local sourcing quotas, employment milestones, export thresholds
- **Clear exit strategy:** Public stakes divested to strategic/financial investors after 5-7 years with published transactions

Conditional Tax Incentives:

- **Performance-linked tax holidays:** 3-5 years maximum for firms meeting investment, local-content, and employment conditions with clawback penalties
- **Accelerated depreciation** for locally-sourced capital equipment
- **VAT exemptions** on imported machinery where local production capacity doesn't exist
- **Investment tax credits** for firms increasing local raw material sourcing
- **Sunset clauses mandatory** to prevent permanent market distortion

Raw Material Supply Chain Solutions:

- **Forward purchase agreements:** Government/cooperatives guarantee minimum prices for farmers supplying sugar cane, dairy, jute to local manufacturers
- **Input aggregation hubs:** Public-private processing centers providing reliable supply with quality grading
- **Preferential government procurement:** Schools, hospitals, public works buy from certified local producers at market prices

- **Supply chain registration:** Import VAT exemptions require suppliers to document local sourcing efforts

University Innovation System:

- **Competitive University Innovation Fund (UIF):** Ministry of Education/Investment Board matching grants for university-industry applied R&D projects
- **Technology Transfer Offices** in major universities with IP support, incubation facilities, startup spin-out programs along with proper assessments for all.
- **Tax credits** for firms investing in university R&D or purchasing university-developed technology
- **Researcher mobility programs:** Academic-industry fellowships for knowledge exchange
- **Pilot implementation:** Start with TU, IOE before national rollout
- **Investment and Scholarships:** Investments required in vocational schools and polytechnic institutes aligned with priority sectors along with scholarships provision for disadvantaged youth, especially women and rural communities.
- **Establish an Impact Fund** by pooling a defined percentage of CSR contributions from BFIs and corporates. This would not increase CSR obligations but rather channel a portion of existing funds on a rolling basis. Universities and colleges could apply to the fund with a strong proposal, demonstrating their own contribution (including in-kind support) and a clear commitment to incubate and implement the idea.

Governance and Accountability:

- **Open competitive selection** for all fund investments with published criteria
- **Independent technical assessment** covering financial, environmental, social impacts
- **Quarterly performance reporting** with public scorecards for all supported firms
- **Parliamentary oversight** through Auditor-General annual reviews
- **KPI-based evaluation:** Job creation, export generation, local sourcing increases, technology transfer metrics

Real-World Evidence: Malaysia's resource-based industrial development achieved 7.3% annual GDP growth 1961-2023, with manufacturing reaching 36.8% of GDP through coordinated public investment, tax incentives, and supply chain development.

Chile diversified beyond mining into salmon, fruits, wine, and wood products through upstream/downstream linkages, supporting high-income transition with similar policy combinations.

OECD analysis confirms conditional tax holidays with performance triggers and university-industry linkages significantly outperform unconditional incentives in developing country contexts.

Implementation Timeline:

- **Months 1-6:** IGF establishment, tax incentive framework design, university partnership agreements

- **Year 1:** First IGF investments, raw material aggregation pilots, TTO establishment at major universities
- **Years 2-3:** Scale successful models, performance evaluation, system optimization

Performance Targets:

- 50% increase in local content of manufactured goods within 5 years
- 200 new manufacturing jobs per 10 crore IGF investment
- 30% increase in university-industry collaborative projects
- 25% reduction in key raw material import dependency

Focus Sectors: Agriculture processing, small-scale manufacturing, appropriate technology, renewable energy components (e.g., hydropower, tourism, high-value agriculture, information technology, niche manufacturing).

Why This Works: Combines market-oriented incentives with strategic government coordination, using proven international models adapted to Nepal's institutional capacity and resource constraints.

Key Improvement: This revision provides a comprehensive legal foundation, sophisticated governance mechanisms, performance accountability, and evidence-based design completely absent from the original aspirational version.

13. TRANSFORM STUDENT POLITICS INTO CIVIC EDUCATION

The Problem: Student unions act as extensions of national political parties, leading to intimidation, strikes, and property damage. Young people graduate without meaningful civic education, yet they are Nepal's future leaders.

Legal Foundation: Article 17 (Freedom of Association) protects student organization rights. Education regulations can restrict party affiliation without constitutional amendments. University Acts provide a framework for recognized student councils.

The Solution:

Campus Autonomy and Depoliticization:

- **Ban direct party affiliation** of student unions through Education Regulations amendment
- **Prohibit political party symbols, flags, or financing** inside campuses under university codes of conduct
- **Autonomous campus governance** under independent boards, removing Home Ministry political interference
- **Campus security neutrality** from external political pressure

Independent Student Councils:

- **Replace party-backed unions** with elected councils recognized under University Acts
- **Independent candidate elections** - every student votes, no party tickets allowed
- **Mandatory gender and minority representation** quotas for inclusive governance
- **Focused mandate:** Academic affairs, student welfare, scholarships, housing, health services, campus-community projects
- **Structured policy debates** replace destructive strikes and protests

Graduated Accountability System:

- **First offense** (vandalism/violence): Suspension, fines, mandatory community service
- **Repeat offenses**: Academic expulsion plus legal charges under Public Property Protection Act
- **Prevents criminalization** of legitimate student activism while enforcing consequences
- **Community service** focuses on civic contribution rather than punishment

National Youth Governance Integration:

- **Strengthen National Youth Council** under Ministry of Youth and Sports to channel student energy
- **Student-to-governance pathways:**
    - Local youth representatives observe municipal assemblies
    - Provincial youth budgets for student-led civic projects
    - Biannual Parliamentary Youth Hearings for policy proposals
- **Democratic skill development** through structured participation

Comprehensive Civic Education:

- **Constitutional literacy:** Basic rights, parliamentary functions, separation of powers
- **Public finance education:** Budget processes, taxation, anti-corruption mechanisms
- **Debate and deliberation skills:** Parliamentary-style classroom discussions
- **Practical governance experience:** Student shadowing of mayors, ward chairs, provincial assemblies
- **Integration from secondary through university** levels

Real-World Evidence: Germany's student government system separates student unions from party politics while maintaining civic engagement, contributing to high political knowledge and participation rates among graduates.

Finland's civic education integration produces citizens with among the world's highest levels of political knowledge and democratic participation.

South Korea's post-democratization student council reforms (1987-1990) channeled activist energy into constructive civic engagement, contributing to democratic consolidation.

Implementation Timeline:

- **Months 1-6:** Education regulations amendment, university code adoption, student council transition planning
- **Year 1:** Independent student council elections, civic education curriculum development
- **Years 2-3:** National Youth Council integration, governance pathway establishment, system evaluation

Performance Indicators:

- Reduction in campus violence incidents by 80% within 2 years
- 90% of graduates demonstrate basic constitutional knowledge
- 50 student-led civic projects launched annually at national level
- Zero incidents of party-political interference in campus governance

Why This Approach Works: Channels natural student political energy into constructive civic engagement while removing destructive partisan control. Creates informed democratic citizens rather than suppressing political development.

Key Transformation: This revision replaces punitive political suppression with sophisticated civic education, creating pathways for constructive democratic participation while eliminating partisan capture of student institutions.

14. ENSURE MERIT-BASED APPOINTMENTS IN SECURITY SERVICES AND PROPER HEALTH CHECKS

The Problem:

Security personnel are chosen for loyalty, not capability, which undermines professionalism, weakens operational effectiveness, and breeds corruption as patronage-driven postings and long tenures in one location have undermined accountable service.

Lack of a proper routine health and integrity checks have resulted in many senior officers remaining in office despite various cases of substance abuse, untreated stress disorders, or compromised fitness, risking public safety.

Legal Foundation:

- The Constitution requires that the security organs be "strong, capable, professional, inclusive and accountable." That gives a firm constitutional mandate to professionalize appointments and promotions.
- Police promotions and service conditions are governed by the Police Act and Police Rules, which already set service-period minima and allow administrative reform of promotion procedures. These are the practical levers for near-term change.
- The Army Act sets appointment of the Chief of Army Staff by the President on the recommendation of the Council of Ministers, so any change to who formally appoints the

COAS requires careful legal design - statutory advisory panels or constitutional amendment if we want to alter the final appointing authority.

- The Public Service Commission (PSC/ Lok Sewa Aayog) is an independent constitutional body and already runs recruitment exams for uniformed services; that capacity can be expanded to run promotion/selection exams for senior posts. Use PSC rather than creating a brand new technical-testing shop.

The Solution:

- **Merit-based promotions:** Written tests + performance reviews for all senior positions filled via Public Service Commission-administered exams and structured performance reviews.
- **Transparent scorecards:** The results need to be published online, redacting only narrowly for security-sensitive data.
- **Independent oversight:** Public Service Commission examiners and civil-society observers need to assess the report to the respective boards, not ministers.
- **Rotation & tenure limits:** A maximum of 3 years per post, with no repeat posting in the same city/province within 5 years.
- **Routine examinations:** Annual mental health checks, and quarterly drug/alcohol screening and physical fitness tests for all officers eligible for promotion.
- **Whistleblower protection:** Provide legal safeguards for officers and security personnel reporting political interference.
- **Civilian oversight:** To ensure unbiased fairness and compliance, the Auditor-General, Human Rights Commission, and Parliamentary committees review the data and reports collectively.

Real-World **Evidence:**
Singapore's Public Service Commission independence, established in 1951, created one of the world's most efficient bureaucracies. Their competitive scholarship system with service bonds, combined with private-sector competitive salaries, contributed to 100x GDP per capita increase from 1959-2009 while unemployment dropped from 14% to 1.9%.

Estonia's digital civil service reconstruction achieved 99% online service availability while eliminating corruption in routine government services.

Implementation Timeline:

- **Months 0-12:**
    - Amend Police Rules to require PSC-run exams and provide transparent performance reviews.
    - Get the Ministry of Home Affairs to issue a rotation directive with a tenure of 3-year maximum.
    - Introduce mandatory annual health and fitness checks to evaluate psychological conditions for stress, along with randomized drug, alcohol testing and basic physical fitness tests.
    - Publish all promotion scorecards online to ensure transparency.

- **Years 1-3:**
  - Further expands Public Service Commission mandate to cover all senior promotions across police, army and civil service by statute.
  - For top leadership vetting, a Security & Civil Service Promotions Advisory Panel needs to be established.
  - Health and integrity checks need to be integrated into annual performance reviews, making it mandatory to be eligible for promotion.
  - Enforce whistleblower protections in Police and Civil Service Acts.

- **Years 3-5:**
  - Create a digital HR and health-monitoring platform and expand civilian oversight bodies' reporting to include compliance with health, fitness and integrity standards.

Performance Indicators:

- 100% of senior positions (IGP, DSP, CDO, Army Generals) filled through PSC competitive exams by Year 2
- 95% compliance rate with annual health evaluations and quarterly substance screening
- 100% compliance with 3-year rotation requirements and online scorecard publication
- 40% reduction in public complaints against security services within 3 years
- 60% improvement in public trust ratings for police and military by Year 3
- Zero sustained political interference complaints after investigation
- 90% of officers report fair promotion process in annual anonymous surveys
- 25% reduction in security service operational costs through professional management

Positions covered: IGP, DSP, CDO, army generals, and all senior civil servants.

15. ATTRACT FOREIGN INVESTMENT WITH STRONG SAFEGUARDS

The Problem: Nepal is losing high-value investors due to fragmented rules, bureaucratic rigidity, restrictive sectoral limitations, and weak profitability incentives. The recent destruction of infrastructure and businesses, both local and foreign, has set back economic development by decades, leaving many enterprises unable to resume operations. This further discourages foreign investment, which has already been in decline, and risks higher unemployment and out-migration.

Policies like FITTA impose ownership restrictions in key sectors (aviation, telecommunications, insurance) and maintain negative lists that block investment entirely in some areas. These constraints, combined with rigid, inconsistent, and micromanaged treatment by government officials, undermine investor confidence. Regulatory bodies such as the Office of Company Registrar and the Department of Industries often lack the expertise or capacity to support and facilitate business effectively.

Consequently, past policies have failed to deliver meaningful industrial investment, and smaller high-value investors including diaspora and venture capital, face barriers to entry despite Nepal's untapped potential.

Attracting FDI requires more than policy adjustments; it demands convincing investors that Nepal is profitable and viable. High-level visits abroad must go beyond diplomacy to involve direct engagement with business leaders, ensuring foreign investors perceive tangible opportunities. Without this credibility, even the best reforms or incentives are unlikely to succeed.

Clear Investment Rules & Transparency:

- **Consolidated Investment Manual:** Single public webpage with FITTA/FITTR/automatic rules, negative list, approval timelines, thresholds, exemptions and authority mapping.
- **Department of Industry + Investment Board publication** of streamlined procedures
- **Regular updates** to reduce uncertainty and eliminate ad-hoc approvals that deter quality investors

Investment Screening & Safeguards Unit (ISSU):

- **Embedded within Investment Board** with delegated authority for standardized project vetting
- **National security screening:** Land/border sensitivity, systemic environmental/social risks
- **Investor due diligence:** Ownership verification, cross-jurisdiction performance, blacklist checking
- **Conditional approval authority:** Attach binding local content, technology transfer, employment, and training targets

Resource Protection Framework:

- **Reaffirm Land Act limits:** No foreign land ownership; Nepal-registered entity requirement for long-term leases
- **Strategic resource safeguards:** Hydropower/mining requires local processing priority and domestic-first electricity/refined minerals
- **Community consent requirements:** Public interest screening and Community Benefit Agreements before construction permits
- **Revenue-sharing mandates:** Local government participation in resource extraction benefits

Binding Technology Transfer Requirements:

- **Technology-Transfer & Localisation Plans (TTLP)** mandatory for strategic sectors (hydro, mining, large agro-processing, manufacturing)
- **Milestone-based compliance:** Local assembly percentages by target years, Nepali technician training quotas, university R&D cooperation, supplier development programs

- **Performance-linked incentives:** Tax breaks, subsidized land, concessional finance tied to milestone achievement
- **Clawback mechanisms:** Incentive recovery if technology transfer commitments not met

Sector Priorities & Partnership Requirements:

- **Focus sectors:** Technology development, sustainable agriculture, renewable energy research, value-added manufacturing
- **Mandatory local partnerships** for major investments with genuine technology transfer
- **Prohibit resource extraction** without domestic value addition and community benefit sharing

Real-World Evidence: 37 countries including Singapore, Canada, Germany maintain robust FDI flows while protecting critical sectors through transparent, proportionate screening mechanisms.

Singapore's investment framework combines open markets with strategic screening, achieving among world's highest per-capita FDI while maintaining economic sovereignty.

Canada's Investment Canada Act demonstrates how clear rules and conditional approvals can attract quality investment while protecting national interests.

Implementation Timeline:

- **Months 1-3:** ISSU establishment, investment manual publication, screening procedures development
- **Months 4-6:** Community benefit agreement templates, technology transfer milestone frameworks
- **Year 1:** Full screening system operation, first conditional approvals with binding commitments

Performance Indicators:

- 50% increase in quality FDI (technology + local partnership) within 3 years
- 100% of strategic sector investments include binding technology transfer commitments
- 75% improvement in investment approval timeline transparency
- Zero incidents of exploitative resource extraction without community benefits

Why This Works: Combines investment attraction with strategic protection through existing legal frameworks, transparent processes, and enforceable conditions rather than arbitrary restrictions.

Key Transformation: This revision provides a comprehensive legal foundation, institutional screening mechanisms, enforceable technology transfer requirements, and community protection systems completely absent from the basic original version.

16. REFORM PROPORTIONAL REPRESENTATION FOR DEMOCRATIC ACCOUNTABILITY

The Problem: Party leaders appoint PR representatives without voter input, weakening democratic accountability while maintaining necessary inclusion.

Constitutional Reality: Article 84 mandates a mixed electoral system with 110 PR seats ensuring representation for women, Dalits, indigenous communities, Madhesis, Tharus, Muslims, and backward regions. Complete abolition requires 2/3 constitutional amendment and Presidential endorsement which are politically impossible and constitutionally problematic.

The Solution is a reform PR Process:

Democratic PR Nominations:

- **Mandatory open party primaries** for PR nominations with registered member voting
- **Public disclosure** of selection criteria, candidate qualifications, and voting processes
- **Competitive selection within inclusion categories** maintaining constitutional quotas while improving quality
- **Performance-based party member evaluation** of PR representatives
- Open-list PR system should be introduced

Enhanced Accountability Mechanisms:

- **Regional PR constituencies** instead of single national list - PR members represent specific provinces/regions
- **Public reporting requirements:** Monthly constituency reports for all MPs, regardless of election method
- **Recall provisions** applicable to both FPTP and PR representatives for misconduct at the ward or local levels and once successful, they can be scaled to the provincial and HoR level.
- **Parliamentary performance scorecards** published quarterly for all members
- Strengthening the election commission's authority and reviewing its laws to ensure that these accountability mechanisms are regularly enforced.

Maintain Constitutional Inclusion:

- **Preserve mandatory quotas** for marginalized communities as constitutionally required
- **Strengthen community input** in PR candidate selection processes
- **Ensure diverse representation** while improving democratic legitimacy of selection

Real-World Evidence: Germany's mixed-member system combines constituency accountability with proportional inclusion, achieving both democratic legitimacy and diverse representation.

New Zealand's MMP system reformed party list processes to increase democratic input while maintaining proportional outcomes.

Scotland's additional member system demonstrates how regional PR seats can maintain accountability while ensuring inclusion.

Why This Approach Works: Addresses legitimate concerns about party control while preserving constitutional inclusion requirements and avoiding impossible constitutional amendment processes.

Key Insight: The manifesto's concern about unelected representatives is valid, but the solution is democratizing PR selection processes, not eliminating inclusion mechanisms that protect marginalized communities' constitutional rights.

17. END PERMANENT GOVERNMENT JOBS WITHOUT ACCOUNTABILITY

The Problem: Government employees operate without fear of consequences, leading to complacency, poor service, and misuse of power. Current job security regardless of performance creates a culture where citizens suffer while officials remain comfortable.

The Solution:

Immediate Administrative Actions (No New Laws Required):

National Citizen Complaint Portal:

- **Single web/SMS/mobile platform** with verified complaints, case tracking, automatic escalation
- **Integration with existing hotlines** and local government helpdesks
- **Nepali/English interface** with local dialect options
- **Tracking numbers** and published monthly resolution statistics
- **Public dashboards** showing case status and agency performance

Mandatory Performance Management:

- **Quarterly KPIs** for all frontline roles: permit processing time, attendance, citizen satisfaction
- **Existing HR rules** tie appraisals to salary increments and training eligibility
- **Measurable standards:** % applications processed on time, average processing days, satisfaction scores
- **Public performance scorecards** for all agencies and departments

Modernized Recruitment:

- **Digital recruitment pilots** by Public Service Commission emphasizing practical skills over MCQs
- **Online simulations, coding tasks, problem-solving exercises** for relevant positions
- **Public job advertisements** with clear timelines on government portal and social media
- **Mandatory digital literacy testing** within 6 months for new hires, 12 months for existing staff

Whistleblower Protection Enhancement:

- **Published legal protections** using existing statutes with guaranteed non-retaliation
- **Internal reporting channels** with investigation timelines
- **Anonymous complaint options** with case tracking

Accountability Mechanisms with Due Process:

Civil Liability Framework:

- **Personal lawsuits allowed** for negligence, violation of statutory duty through fast-track small claims courts
- **Court-ordered damages** with salary garnishment after final judgment (maximum 30% net pay)
- **Criminal liability enforcement:** Strengthen CIAA/AG prosecution for corruption, bribery, embezzlement
- **Administrative fines** through existing Civil Service Departmental Tribunal with judicial confirmation

Disciplinary System with Safeguards:

- **Three-strikes rule:** Two criminal convictions = administrative removal; three proven misconduct convictions = lifetime public service ban
- **Due process requirements:** Notice, opportunity to be heard, legal representation, appeals process
- **Judicial oversight:** Final appeal available in administrative or constitutional court
- **Protection against malicious complaints:** Penalties for demonstrably false complaints

Strong Protections Against Abuse:

- **Presumption of innocence** in all disciplinary proceedings
- **Political motivation screening** to prevent complaint misuse
- **Limited summary dismissals:** Only for serious offenses with strong evidence after expedited fair procedures
- **Privacy protection** for salary deductions with subsistence guarantees

Real-World Evidence: New Zealand's 1980s civil service transformation ended jobs-for-life while implementing rigorous due process, dramatically improving government efficiency and citizen satisfaction.

Singapore's performance-based system with competitive compensation and strict accountability consistently ranks among world's most efficient governments with high citizen satisfaction.

Georgia's post-2003 reforms combined merit-based hiring with accountability measures, increasing public satisfaction with government services from 5% to over 70% within five years.

Implementation Timeline:

- **Months 1-3:** Complaint portal launch, performance appraisal rollout, digital literacy testing
- **Months 4-6:** Legal framework completion, fast-track court procedures, whistleblower system launch
- **Year 1:** Full accountability system operation, first performance-based actions, system evaluation

Performance Indicators:

- 80% citizen satisfaction improvement with government services within 3 years
- 90% of service requests processed within published timelines
- 50% reduction in corruption complaints through improved accountability
- 95% of government employees meet digital literacy standards

Why This Works: Combines accountability with rule of law protections, uses existing legal frameworks, and provides modern tools for performance management while preventing system abuse.

Key Improvement: This revision provides comprehensive due process protections, practical implementation mechanisms, and legal safeguards completely absent from the punitive original version, making it constitutionally sound and implementable.

18. BAN POLITICAL APPOINTMENTS IN BUREAUCRACY

The Problem: All top government positions - CDOs, Secretaries, Agency Heads - are filled through political loyalty rather than merit, creating incompetent administration that serves party interests instead of citizens.

Legal Foundation: Civil Service Act 2049 (1993) already requires merit-based recruitment for civil servants. The Constitution mandates the Public Service Commission ensure competent administration and requires provinces to establish the same at provincial level. **Current laws enable merit-based appointments - just need enforcement of existing rules.**

The Solution:

- **Examination-based selection:** All senior positions (CDO, Secretary, Director General) should continue to be filled through rigorous competitive written and practical examinations. This should be complemented by experience requirements to ensure both competency and practical knowledge.
- **Experience requirements:** Candidates must have a minimum of 8 years of relevant experience with a proven performance record, including demonstrated capability in managing teams and delivering results within government systems. Lateral entry from qualified professionals outside the civil service should also be permitted within the next 6–12 months, to bring in expertise and fresh perspectives.
- **Independent selection panels:** Selection panels should consist of technical experts, retired civil servants, and public representatives, with no active politicians involved. This ensures merit-based appointments free from political influence.
- **Public scorecards:** All appointments should be transparent, with candidate qualifications, examination scores, and selection rationale published publicly, allowing accountability and reducing opportunities for favoritism.
- **Performance contracts:** All senior officials should operate under clear KPIs and performance contracts, with annual public evaluation of results, ensuring accountability and linking advancement to demonstrated effectiveness.
- **Fixed tenure protection:** Senior officials should have fixed-term appointments and cannot be transferred or removed arbitrarily; removal should only occur based on

documented performance failure. Staff seconded to a particular level (federal, provincial, or local) should be accountable to that level, not their original federal ministry.

- **Civil service reform and restructuring:** This framework aligns with broader civil service reforms, including:
    - **Amendment of the Civil Service Act 2049** to remove political party-based trade unions, allowing **only one neutral trade union**.
    - **Reallocation of staff** from overstaffed federal ministries to under-resourced provincial and local governments.
    - **Restructuring of ministries and departments** at the federal level as recommended by the Public Expenditure Review Commission Report 2075 to improve efficiency and service delivery at all levels.
    - **Employment on 5-year renewable contracts** based strictly on performance, ensuring dynamism and accountability.

Real-World Evidence: Singapore's merit-based civil service contributed to 100x GDP growth from 1959-2009. Their Public Service Commission independence created world-class bureaucracy serving citizens, not politicians.

South Korea's 1980s civil service reforms eliminated political appointments, contributing to economic miracle and democratic consolidation. Professional bureaucracy enabled consistent policy implementation across political changes.

Botswana maintained merit-based appointments since independence, creating Africa's most effective government with consistent economic growth and low corruption.

Implementation:

- **Immediate administrative order:** Prime Minister directive ending political appointments within 30 days
- **Public Service Commission authority:** Use existing constitutional powers to enforce merit requirements
- **Transition period:** Current appointees face competency evaluation; those failing replaced within 6 months

Performance Targets:

- 100% of senior appointments through competitive examination within 1 year
- 50% improvement in government service delivery within 2 years
- 90% reduction in political interference complaints within 3 years

19. ESTABLISH JUDICIAL INDEPENDENCE

The Problem: Judges appointed through political connections compromise court independence. Lack of transparency in judicial conduct and appointments undermines rule of law and public trust. Judicial appointments must be made on the basis of ability, integrity, and experience, without improper motives.

Constitutional Foundation: Article 126 guarantees judicial independence. Articles 128-138 establish Supreme Court authority and judicial procedures. **Constitutional framework exists - need strengthening through implementation mechanisms.**

The Solution:

Independent Appointment Process:

- **Independent Judicial Appointment Commission (IJAC):** Senior retired judges, non-partisan legal scholars, civil society representatives, youth delegates (under 35)
- **Merit-based selection:** Written examination, case analysis, public interview process for all judicial appointments
- **No political ties:** Lifetime prohibition on judges holding party membership or engaging in political activism, with strict recusal from cases where personal or political connections create conflicts of interest.
- **Conflict of interest prohibitions:** No financial or business or political interests affecting judicial duties
- Constitutional reforms in the current structure of the Judicial Council and Constitutional Council.

Judicial Accountability Framework:

- **Annual asset declarations:** All judges publish audited wealth statements with source documentation
- **Performance transparency:** Case resolution times, judgment quality, and conduct published annually
- **Misconduct investigation:** Independent tribunal with power to recommend removal for proven misconduct
- **Public complaint system:** Citizens can report judicial misconduct with mandatory investigation timeline

Constitutional Protections:

- **Fixed tenure security:** Judges cannot be removed except through impeachment-level process
- **Financial independence:** Judicial budget allocated directly by Parliament, not executive control
- **Administrative autonomy:** Courts manage their own administration without executive interference
- **Decision enforcement mechanisms:** Ad hoc judicial police/institution or mechanisms to implement decisions of the courts in case of non compliance.

Real-World Evidence: Chile's 1990s judicial reforms created independent courts that prosecuted military officials and politicians, establishing rule of law after dictatorship.

South Africa's post-apartheid judicial independence enabled prosecution of corruption across all political parties, maintaining democratic accountability.

Botswana's independent judiciary since 1966 consistently ranks among the world's most trusted, contributing to stable democracy and economic development.

Implementation:

- **IJAC establishment:** Parliamentary legislation within 6 months using existing constitutional authority
- **Gradual transition:** New appointment process for all future vacancies; existing judges evaluated for conduct
- **Public education:** Citizen awareness campaigns on judicial independence importance

Performance Indicators:

- 90% public confidence in judicial independence within 5 years
- 100% asset declaration compliance by all judges
- 50% reduction in case processing times through professional management

20. IMPLEMENT REAL-TIME FINANCIAL ACCOUNTABILITY

The Problem: Citizens have no idea how their tax money is spent. Government financial transactions happen in darkness, enabling massive corruption and waste.

Legal Foundation: Right to Information Act 2007 requires proactive financial disclosure. Auditor General Act establishes audit authority. Local Government Operation Act mandates transparent budgeting. **Existing laws enable real-time financial tracking.**

The Solution:

Real-Time Digital Ledger System:

- **Every transaction online:** All government spending from central allocation to final payment published within 24 hours
- **Complete transaction details:** Amount, purpose, beneficiary, approval authority, procurement process
- **Searchable public database:** Citizens can track specific projects, contractors, or spending categories
- **Mobile-friendly interface:** SMS alerts for major expenditures in citizen's constituency

Comprehensive Reporting Structure:

- **Monthly verified statements:** All ministries and local governments publish audited financial reports
- **Quarterly independent audits:** External auditors examine spending patterns and compliance
- **Semi-annual performance reviews:** Public assessment of budget execution and outcomes
- **Annual comprehensive reports:** Auditor General's detailed analysis accessible to all citizens

Mandatory Asset Declarations:

- **All senior officials:** Ministers, judges, secretaries, commissioners file annual audited wealth statements
- **Public accessibility:** Asset declarations published on central transparency portal within 30 days
- **Change tracking:** Automatic red-flag system for unexplained wealth increases above salary
- **Family member inclusion:** Spouse and dependent children assets included in declarations

Real-World Evidence: Estonia's digital government publishes all transactions in real-time, achieving 95% citizen trust in government financial management and virtually eliminating corruption.

Brazil's Transparency Portal allows citizens to track every government expenditure, leading to discovery of major corruption schemes and 40% reduction in waste.

South Korea's digital budget tracking enabled citizen oversight that exposed massive corruption, contributing to democratic accountability and economic development.

Implementation:

- **Digital platform launch:** Integrate existing government financial systems within 12 months
- **Training program:** All financial officers trained on transparent reporting requirements
- **Audit capacity building:** Strengthen Auditor General and provincial audit offices

Performance Targets:

- 100% government transactions online within 18 months
- 90% citizen awareness of spending in their area within 2 years
- 50% reduction in financial irregularities through transparency pressure

21. MANDATE TRANSPARENCY OF GOVERNANCE

The Problem: Government decisions made behind closed doors without public input or oversight. Citizens have no idea what their representatives discuss or decide.

Legal Foundation: Article 27 guarantees Right to Information. Preamble and Article 51 mandates transparency and good governance. The Right to Information Act 2007 requires proactive disclosure. Constitutional and legal framework supports mandatory transparency. There also exists the Good Governance Act.

The Solution:

A stronger solution would be to design the transparency framework as a triangular model that holds the legislature, judiciary, and executive accountable through distinct but complementary mechanisms, rather than focusing solely on the executive. This will ensure balanced oversight

across all three branches of government, and while it may be phased in later, it should remain the long-term goal.

Live Democratic Process:

- **Broadcast all official meetings:** Cabinet, Parliament, provincial assemblies, municipal councils live-streamed except national security matters
- **48-hour decision summaries:** Bullet-point summaries of key discussions and decisions published within 2 days
- **Digital Transparency Portal:** Permanent public access to all meeting records, voting patterns, and decision rationales
- **Real-time updates:** Social media and SMS notifications for major decisions affecting citizens

Enhanced Information Access:

- **15-day information guarantee:** All citizens receive requested government information within 15 working days
- **Written denial justification:** Any information denial must include detailed legal reasoning subject to review
- **Proactive disclosure requirements:** Budgets, contracts, appointments, policies published automatically. Plus disclosures on conflict of interests
- **Multiple language access:** Nepali, English, and major local languages for key documents

Public Participation Mechanisms:

- **Citizen input periods:** 30-day public comment requirement for major policy changes
- **Town hall requirements:** Monthly public meetings in every constituency for direct citizen engagement
- **Online feedback systems:** Digital platforms for continuous citizen input on government performance
- **Regular satisfaction surveys:** Quarterly public polling on government transparency and responsiveness

Other considerations:

- Penalties for non-transparency. All officials should have clear KPIs and job descriptions, with promotions and benefits tied strictly to performance evaluations. Those who fail to meet their KPIs are not promoted, creating direct accountability and incentivizing transparency and effective governance.
- Strong oversight mechanisms for accountability and oversight (e.g: Ombudsperson, Transparency Audit Offices, Transparency Monitors, Whistleblower Protections etc)
- Monthly auditing and a portion of the unused budget should be redirected back to the public as a tax cut or other benefit.
- Review and reform in Right to Information Act and Good Governance Act introducing sanctions in case of non application of good governance practices among others.

Real-World Evidence: Finland's open government initiative publishes all non-classified information online, achieving world's highest government trust ratings and citizen satisfaction.

Estonia's digital transparency platform allows citizens to access all government processes in real-time, contributing to 85% citizen satisfaction with government services.

Uruguay's mandatory meeting broadcasts and decision transparency led to significant reduction in corruption and increased democratic participation.

Implementation:

- **Broadcasting infrastructure:** Upgrade existing facilities for live streaming within 6 months
- **Digital platform development:** Integrate existing systems into comprehensive transparency portal
- **Training programs:** All officials trained on transparency requirements and citizen engagement

Performance Indicators:

- 80% of official meetings broadcast live within 1 year
- 95% information requests fulfilled within 15 days
- 60% increase in citizen engagement with government processes

22. INTRODUCE "NONE OF THE ABOVE" VOTING OPTION

The Problem: Citizens forced to choose between inadequate candidates have no way to reject all options, reducing democratic legitimacy and voter satisfaction.

Legal Foundation: Article 17 protects freedom of expression including the right to reject. The Election Act provides Election Commission authority to design ballot systems. No constitutional amendment needed, Election Commission regulation sufficient. The Supreme Court has also mandated Nepal Government and Election Commission to guarantee None of the Above in ballot paper.

The Solution:

- **NOTA on all ballots:** "None of the Above" option included in every election for every position
- **Mandatory re-election trigger:** If NOTA wins plurality, fresh election held with entirely new candidates
- **Candidate disqualification:** All original candidates banned from re-election, forcing parties to field better options
- **Transparent counting:** NOTA votes counted and published like any other candidate
- **Voter education:** Public campaigns explaining NOTA option and its democratic purpose

Real-World Evidence: India's NOTA option, introduced in 2013, provides voters democratic choice to reject inadequate candidates, improving candidate quality in subsequent elections.

Nevada (USA) has used NOTA since 1975, giving voters meaningful choice and occasionally forcing political parties to reconsider candidate selection.

Colombia's blank vote option serves a similar function, empowering citizens to express dissatisfaction with political options while maintaining democratic participation.

Implementation:

- **Election Commission regulation:** Issue ballot design requirements including NOTA within 3 months
- **Voter education campaign:** Public awareness program on NOTA option and democratic significance
- **Training for election officials:** Ensure proper counting and reporting of NOTA votes

Performance Indicators:

- NOTA option available in all elections within 6 months
- 90% voter awareness of NOTA option within 1 year
- Measurable improvement in candidate quality as parties respond to NOTA pressure

23. ESTABLISH PRIME MINISTER TERM LIMITS

The Problem: Concentration of power in a single leader for extended periods undermines democratic renewal and creates opportunities for institutional capture and corruption.

Constitutional Foundation: Article 76 governs Prime Minister appointment. Requires constitutional amendment but follows international democratic practice.

The Solution:

- **Two-term maximum:** No individual may serve as Prime Minister for more than two full terms (10 years total)
- **Non-consecutive terms counted:** Term limits apply whether terms served consecutively or separately
- **Mid-term calculation:** Serving more than half a parliamentary term counts as full term; less than half doesn't count
- **Transitional provision:** Term limits apply from amendment enactment, not retroactively

Democratic Benefits:

- **Leadership renewal:** Encourages fresh ideas and prevents political stagnation
- **Institutional strengthening:** Builds stronger party structures beyond individual personalities
- **Generational opportunity:** Creates space for younger and emerging political leaders
- **Power distribution:** Prevents excessive concentration of executive authority

Real-World Evidence: United States two-term limit (since 1951) ensures regular executive renewal while maintaining policy continuity through institutions.

South Korea's single five-year term creates a clear leadership transition and prevents power entrenchment while enabling effective governance.

Mexico's six-year single term (since 1917) contributed to political stability and prevented authoritarian consolidation of power.

Implementation:

- **Constitutional amendment process:** Article 274 procedure requiring 2/3 Parliamentary majority
- **Provincial assembly consultation:** Build consensus across federal structure
- **Transitional timeline:** 2-year process for full constitutional amendment completion

Why This Matters: Term limits strengthen democracy by ensuring power rotation, encouraging institutional development, and preventing authoritarian tendencies that emerge from prolonged individual control.

24. REFORM PUBLIC PROPERTY MANAGEMENT

The Problem: Thousands of seized vehicles rot in police stations while students lack practical learning materials. Government property management creates corruption opportunities and wastes public resources.

Legal Foundation: Public Property Protection Act provides disposal authority. The Education Act supports institutional development. Police Act governs seized property management. **Existing laws enable transparent disposal and educational use.**

The Solution:

Transparent Vehicle Disposal System:

- **6-month reclaim deadline:** Unclaimed seized vehicles automatically enter public disposal after 6 months or final court decision
- **Digital registry:** Online portal with photos, VIN numbers, case status, and reclaim deadlines for all seized vehicles
- **Owner protection:** Genuine owners can reclaim anytime before disposal by paying fines and presenting valid documents

Educational Resource Program:

- **Technical school priority:** Non-roadworthy vehicles first offered to engineering colleges and vocational schools
- **Student training projects:** Vehicle donation for mechanical training, EV retrofitting, and innovation laboratories
- **Research institution access:** Universities receive vehicles for automotive research and design projects

Revenue Generation System:

- **Public online auctions:** Roadworthy vehicles sold through transparent bidding process
- **Certified recycling:** Unrepairable vehicles sent to licensed dismantlers with transparent proceeds recording
- **Treasury deposit:** All auction and recycling proceeds go to national road safety fund or general treasury

Real-World Evidence: Germany and Japan donate seized vehicles to technical universities for research, improving student practical skills while solving storage problems.

India's IIT and technical universities receive impounded vehicles for EV conversion projects, combining waste reduction with innovation.

Philippines' transparent vehicle auction system eliminated corruption in disposal while generating significant public revenue.

Implementation:

- **Digital registry launch:** Online platform operational within 6 months
- **Educational partnerships:** Formal agreements with technical institutions for vehicle donation programs
- **Auction system establishment:** Transparent bidding platform integrated with existing government systems

Performance Targets:

- 90% reduction in police station vehicle storage within 18 months
- 100 vehicles donated to educational institutions annually
- 50% increase in transparency of public property disposal

Why This Matters: Transforms government waste into educational resources while eliminating corruption opportunities and freeing public resources for better use.

25. HEALTH

The Problem: Rural and marginalized communities in Nepal face severe healthcare access gaps due to underfunded primary care, lack of qualified professionals, poor health infrastructure, and logistical challenges. Urban-rural disparities contribute to preventable deaths, untreated chronic illnesses, and broadening public health inequality.

Legal Foundation

- Article 35 (Constitution of Nepal, 2072): Guarantees every citizen the right to free basic health services and equal access to quality care.
- Article 51 (Directive Principles): Mandates universal health coverage, strong public health systems, and regulation of private providers.
- Public Health Service Act 2018: Provides comprehensive authority for health service delivery, standards, and accountability.

- Local Government Operation Act 2017: Empowers local governments to manage primary health care and public health interventions.
- Sixteenth Five-Year Plan: Envisions universal health coverage, digital health expansion, and strengthened primary health care.
- Nepal Health Sector Strategy (2023-2030): Prioritizes equity, access, and quality health services.
- Health Insurance Act 2017: Expands access to health financing through insurance schemes.
- Procurement Reform – Strengthen the Public Procurement Act (2007) with e-procurement, open contract data, and independent audits to curb leakages

HEALTH TRANSFORMATION SOLUTION: HEALTH FOR ALL - NEW NEPAL

1. Strengthen Rural Healthcare Infrastructure

- Map underserved rural and mountainous regions for primary healthcare expansion and provide FREE care services to most underserved populations as per region of Nepal.
- Construct and upgrade Primary Health Centers (PHCs) with essential medicines, labs, maternity care units,telemedicine rooms, clean water, sanitation, emergency transport and solar back up system.
- Provide essential door-to-door health services in rural Nepal by recruiting community health workers (CHWs), improving access for vulnerable populations and bridging gaps between communities and the healthcare system. With proper training and support, they play a critical role in delivering equitable care and advancing Nepal's goal of Universal Health Coverage.
- Solar power and internet connectivity in remote posts.
- Leverage Local Government Operation Act for planning and accountability.

2. Human Resource for Health (HRH) Strategy

- Rural doctor and nurse quotas with:
  - Service bonds, hardship allowances, housing incentives.
  - Recruit and deploy specialist doctors, nurses, midwives, and paramedics through central conditional grants to provinces/local governments.
- Mid-level healthcare workers (ANMs, CMAs, public health nurses, community health nurses and workers) trained and deployed locally.
- Partner with medical universities for rural health residency tracks,in-service training and e-learning training delivery.
- Ensure transparency and fairness in licensing and accreditation exams (e.g., Nepal Medical Council licensing exam) by introducing independent oversight, external auditing, and public reporting to address long-standing concerns about corruption, immediate result publication, and perceived lack of fairness.

3. Gen Z-Led Community Health Mobilization

- Train youth in public health leadership, mental health first aid, and digital health tools.
- Mobilize through school, health clubs, youth centers.
- Youth-led health education campaigns: sanitation, nutrition, SRHR (Sexual and Reproductive Health Rights) and substance use prevention

4. Digital Health & Telemedicine

- Implementing an Electronic Health Record (EHR) system, to improve patient care by enabling accurate, real-time data collection, continuity of care, and better decision-making across all levels of the health system.
- Develop an Integrated National Digital Health Platform (NDHP) for electronic health records, telemedicine, e-prescriptions, referrals, inventory management, and personal health information. Developing standardized SOPs and ensuring interoperability across facilities allows patient records to be securely accessed and shared, reducing duplication, improving referrals, and building a stronger, data-driven public health infrastructure in Nepal.
- Expanding national platform: video consultations, AI-enabled triage, referrals (vis telemedicine services built in EHR system)
- Providing telemedicine kits to health posts, training community health care staff in remote diagnosis.
- Create offline-capable mHealth tools for frontline workers and community-level digital information systems for areas with weak connectivity.

5. Universal Health Coverage & Health Insurance

- Expand government-subsidized health insurance to all low-income and rural households.
- Targeted maternal, child, elderly care coverage in high-need areas.
- Provide mental healthcare services

6. Public Health & Preventive Services
- Localized vaccination drives, infection diseases and anemia control, and safe water access.
- Strengthen epidemiological surveillance at municipal levels.
- Integrate mental health services into PHCs with tele-counseling.
- Promote nutrition, school feeding programs, and WASH (Water, Sanitation, Hygiene) initiatives at household and school levels.
- Strengthen Maternal & Child Health services: universal antenatal visits, safe deliveries, immunization, nutrition programs, and family planning.
- Expand non-communicable disease (NCD) services: screening and treatment for diabetes, hypertension, cancer.
- Integrated health and education system at school level.

7. Medicines & Supply Chain

- Strengthen drug procurement and logistics with real-time stock monitoring to prevent shortages.
- Promote local production of essential medicines and vaccines.
- Expand solar-powered cold chains for vaccines and temperature-sensitive medicines.

8. Emergency Preparedness & Climate-Resilient Health

- Establish a national disaster health response system with mobile teams and emergency stockpiles and inter-district referral coordination.
- Build climate-resilient infrastructure (earthquake, flood, and landslide resistant PHCs).
- Introduce early warning systems for heat, air pollution, and vector-borne diseases.

9. Quality Assurance System

- Establish an Independent Health Regulatory Authority for annual audits covering facility safety, staffing, service coverage, treatment outcomes, financial transparency, and supply chain integrity
- Empower Health Facility Operation & Management Committees with citizen and parental involvement for daily oversight.

10. Private Health Sector Accountability

- Mandate fee transparency with published breakdowns.Cap annual fee increases to inflation-adjusted government-approved rates.
- Require up to 50% free beds/services for marginalized populations.
- Enforce strict tax audits, channeling private hospital revenues to improve public facilities.

11. Research, Innovation & Partnerships

- Establish a Nepal Health Observatory for data, research, and innovation.
- Build partnerships with universities and the private sector for digital solutions, training and real-world evidence–based policymaking. .
- Promote South-South learning with countries like Thailand, Sri Lanka, Bangladesh, and Rwanda.

REAL-WORLD EVIDENCE:

1. Thailand: Universal Coverage Scheme expanded rural access, reduced catastrophic health spending by 30%, and achieved high citizen satisfaction — driven by rural health investment and insurance expansion.
2. Sri Lanka: Achieved strong maternal/child health outcomes despite low per-capita spending, by focusing on equity, preventive care, and rural health investment.
3. Bangladesh: Demonstrated success with community health workers, showing scalable models of grassroots health delivery.
4. Ethiopia: Health Extension Program trained 40,000 female health workers, improving immunization and maternal survival.
5. Rwanda: Integrated digital health and community health workers to expand access, reducing child mortality by over 60% in a decade, and pioneered community-based insurance and accountability systems.

IMPLEMENTATION TIMELINE

- Year 1: School & health facility mapping, teacher requalification begins, health worker relicensing launch, Independent Education Regulatory Authority (IERA) and Independent Health Regulatory Authority (IHRA) setup, National Digital Health Platform (NDHP) initiation, and community mobilisation.
- Years 2–3: School & health post construction, model hospitals built, Non-Communicable Disease (NCD) and Maternal & Child Health (MCH) service expansion, curriculum reform & health insurance rollout, private school & hospital regulation enforcement, supply chain strengthening, disaster-resilient facilities piloted, digital systems training, and community scorecards introduced.

- Years 4–5: Full system operation, nationwide digital health record coverage, quality audits, telemedicine & Water, Sanitation, and Hygiene (WASH) program expansion, mid-term evaluation and policy corrections, performance monitoring, optimization, and universal rural coverage of targeted skills.

Performance Targets:

- 95% population within 30 minutes of a primary health facility within 5 years.
- 100% health workers certified under new standards by Year 5.
- 50% reduction in catastrophic out-of-pocket health expenditure.
- 25% improvement in service quality scores and patient satisfaction by Year 5.
- 90% health insurance enrollment among low-income and rural households by Year 5.
- 80% of health facilities using NDHP/EHR by Year 5.
- 90% full immunization coverage nationally, >80% in all provinces.
- 50% of PHCs integrating basic mental health services by Year 5.
- 100% of new facilities built to disaster- and climate-resilient standards.
- 70% of rural health posts staffed with doctors or mid-level providers by Year 5.

Why This Works:

Builds on Nepal's constitutional guarantees (Article 35), existing legal frameworks (Public Health Service Act 2018, Health Insurance Act 2017), and institutional mechanisms while aligning directly with SDG 3 (Good Health and Well-being) and Nepal's commitment to achieve Universal Health Coverage (UHC) by 2030. By embedding enforceable accountability, expanding digital health systems, and prioritizing rural-focused investment, this approach addresses inequity, financial hardship, and service quality gaps. It transforms Nepal's health sector from a fragmented and urban-centered system into an inclusive, resilient, and equitable health system where all citizens can access quality care without financial burden, delivering on both the SDG targets and the national UHC roadmap.

26. SOCIAL PROTECTION

The Problem: Our social protection system, though backed by constitutional guarantees, remains fragmented, underfunded, and inadequate in reaching much of the population. Coverage is uneven, with children, working-age people, and informal workers; the majority of the population largely underprotected, creating a substantial "missing middle." Existing benefits are often too small to meet basic needs, while critical protections like maternity, unemployment, and work-related risk coverage are minimal. Spending is heavily skewed toward public pensions, leaving vulnerable groups with limited support. Fragmentation of the schemes, documentation barriers, and weak coordination further undermine effectiveness, while limited shock-responsiveness leaves people exposed.

Legal Foundation:

The Constitution of Nepal enshrines social protection and social security as fundamental rights (Arts. 18, 38, 40–43), reinforces them under directive principles and state policies (Arts. 50–51), and allocates responsibilities across federal, provincial and local governments (Schedules 5, 7, 9). However, many operational details (eligibility, benefit levels, entitlements) remain under-defined or unevenly anchored in law.

The recently approved Integrated National Social Protection Framework is an important step toward consolidating Nepal's fragmented social protection programs, but it must be operationalized in a concrete and comprehensive manner. Currently, multiple legal instruments, the Social Security Act, Contribution-based Social Security Act, Health Insurance Act, and SSA guidelines create essential pillars, yet most programs are not fully translated into enforceable, universal rights. Moreover, these laws and rules often lack alignment, resulting in overlaps, gaps, and contradictions. Without a single, overarching framework, there is no consistent standard defining who is covered, what benefits they are entitled to, or how different programs interact, limiting the framework's ability to provide coherent and equitable social protection for all.

Current Issues

- Coverage: Effective implementation of contribution-based social security programs that aim to cover workers in the informal sector and migrant workers. Low coverage and low investment of social protection programs for children
- Adequacy: Benefits often remain too small, as there's no legal standard that ties benefit levels to needs or costs of living.
- Portability: People moving between provinces or jobs struggle to transfer benefits, because rules are fragmented and not legally harmonized.
- Sustainability: Since most social protection programs in Nepal already have a strong legal basis, a direct cut is unlikely; however, fiscal sustainability remains a pressing concern. The system is weighed down by more than 70 fragmented programs spread across multiple ministries, creating duplication, inefficiency, and weak coordination. At the same time, demographic shifts and the disproportionate allocation of resources toward pensions place immense pressure on fiscal space. While some programs may survive, others risk being cut, downsized, or chronically underfunded during periods of fiscal stress—particularly those without clear legal mandates. This not only undermines long-term planning and program continuity but also erodes public trust in the state's ability to guarantee reliable social protection.
- Fragmentation: With more than 70 social security programmes implemented across several ministries, fragmentation has been a major challenge.
- Fiscal sustainability: The overall system faces significant pressures from demographic shifts and a high concentration of resources on pensions.

The Solution:

- **Expand Coverage –** Universalize child grants, extend support to school-aged children, include informal workers in contributory schemes, introduce unemployment insurance, and strengthen maternity and disability protection.
- **Improve Adequacy & Equity –** Raise benefit levels of cash transfers and rebalance spending to better support children, women, vulnerable groups and working-age groups alongside pensions.
- **Integrate Shock-Responsive Systems –** Make schemes adaptable to crises and integrate the already defined SRSP guidelines thoroughly into existing programmes to deliver protection or services during disasters and economic shocks. Preposition shock-scalable delivery protocols (pre-identified beneficiary lists, rapid payments).

- **Strengthen Legal & Institutional Frameworks –** Guarantee universal programmes in law, fully implement the Social Security Act, and improve coordination across agencies to reduce fragmentation.
- **Address Barriers to Inclusion –** Remove documentation requirements that exclude vulnerable groups and expand access through nationwide vital registration drives, link this with digitization and current NID system.
- **Ensure Sustainable Financing –** Conduct costing and fiscal space analysis, and promote a balanced mix of contributory and non-contributory schemes to ensure long-term affordability.
- **Ensure life-cycle based social security**, covering risks in health, education, employment, housing and caregiving.
- **Enhance inclusion**: prioritize disadvantaged, indigent, unemployed, women, Dalits, senior citizens and communities on the verge of extinction.
- **Develop a long-term financing strategy** for social protection to improve effectiveness and sustainability of the program.
- **Operationalizing the Integrated National Social Protection Framework (INSPF)** to establish a coordination structure for the sector
- **Data integration and interoperability** across several agencies implementing social security programs.

Real-World Evidence:

- **Brazil (Bolsa Família / Cadastro Único):** Large-scale child cash transfers with strong registry use; lesson for Nepal: legalize and scale child grants, link to complementary services.
- **Ethiopia (PSNP):** Multi-year transfers with shock-responsive design; lesson: scale existing programmes to deliver anticipatory disaster support.
- **India (MGNREGA):** Legally guaranteed employment as counter-cyclical protection; lesson: consider public works to protect rural informal workers.
- **Indonesia BPJS & Thailand UHC:** Extended health/social insurance to informal workers via subsidies and pooled financing; lesson: adopt subsidy tiers and simplified enrolment for informal/self-employed workers.
- **South Africa (Child Support Grant):** Predictable child transfers with proven poverty-reduction impact; lesson: increase adequacy and prioritize child benefits.
- **Colombia / OECD:** Fiscal and institutional reforms to balance contributory and non-contributory schemes; lesson: plan phased reforms and rebalance spending sustainably.

Implementation:

- **Policy & Legal Steps:** The Social Protection Framework already exists but the key challenge now is to fully operationalize it and establish a clear coordination structure for the sector as a whole. This means enacting the framework in practice so that it anchors universal entitlements such as child grants and health coverage, clarifies the division of roles and responsibilities across government tiers, and mandates shock-responsive protocols to ensure resilience. At the same time, the Contribution-Based Social Security Act must be fully implemented, with concrete rules for informal sector inclusion and

strengthened subnational capacity, so that coverage is both comprehensive and enforceable.

- **Operational Systems:** Upgrade to a unified beneficiary registry linked with NID or a digital registry that does not exclude vulnerable groups; standardize eligibility and portability; establish modular delivery channels (mobile, bank, local agents) and a pre-approved shock roster.
- **Programme Design:** Nepal's social protection system already provides maternity protection and work-related disability coverage through the Social Security Fund (SSF), while non-work-related disability is supported under the Social Security Allowance cash transfer scheme. Unemployment protection is nominally addressed through gratuity under SSF. However, coverage remains very low, leaving the majority of workers and vulnerable groups without adequate security. To address these gaps, the system should phase in the expansion of child grants, extend support to school-age children, and introduce contributory options for informal workers with subsidy tiers to ensure inclusion. At the same time, maternity, disability, and unemployment insurance should be strengthened and scaled up through the SSF, creating a more comprehensive and sustainable protection floor.
- **Coordination & Capacity:** Create an inter-agency Social Protection Council to align policy, budgets, MIS, and shock responses; strengthen staff capacity at SSF, HIB, and local governments.
- **Finance & Safeguards:** Conduct detailed costing and fiscal-space analysis; identify financing sources through reprioritization and earmarks; and strengthen anti-fraud, data protection, and grievance mechanisms.
- **Implement Contribution-Based Social Security for the Informal Economy:** Prioritize effective rollout of the contribution-based social security program to cover informal sector workers, addressing the "missing middle" gap in Nepal's social protection system.

Performance Targets:

- Fully implement the Integrated National Framework on Social Protection to harmonize fragmented laws and entitlements.
- Raise overall population coverage to 50% by 2027 and move towards the national goal of 60% by 2030.
- Universalize the Child Grant nationwide, reaching all children under five, and progressively extend to all children by 2030.
- Extend contributory health/social insurance to at least X% of informal workers by 2030, using subsidies for low-income groups.
- Increase cash transfer levels (e.g., Child Grant) to cover at least 15% of the Minimum Expenditure Basket by 2028.
- Increase the number of active contributors to the Social Security Fund as per existing targets in the 16th Plan (2,500,000 by 2028/29). Protection under SSF would include access to maternity protection, work-related disability, and health insurance.
- Improve access to non-work-related disability protection under the Social Security Allowance or consolidate both work- and non-work-related disability protection under the SSF.
- Operationalize scalable delivery systems so that at least 90% of households in disaster-affected areas receive support within 14 days.

- Integrate shock-responsive protocols into all major transfer programmes.
- Establish a unified social protection registry covering 80% of eligible households by 2029, linked to the NID system or some other digital registry that does not exclude vulnerable groups.
- Rebalance spending so that at least 40% of the social protection budget benefits children, women, vulnerable and working-age people (currently skewed to pensions).
- Secure sustainable financing equivalent to at least 10% of the national budget, building on the 13.7% allocation target set in the 15th Plan.

Why This Matters:

- An increase of 1 Nepalese rupee in social protection expenditures leads to a Gross Domestic Product (GDP) increase of 2.56 Nepalese rupee. This impact is materialized within 1.5 years.
- Protects human capital: Higher and more reliable support for children improves nutrition, school retention and lifetime earnings maximizing returns on public investment.
- Reduces poverty and inequality: Expanded income protection for children, women, and working-age people targets groups most likely to fall into or remain in poverty.
- Builds economic resilience: Broader coverage for informal workers and shock-responsive delivery reduces the depth and duration of income loss during crises, stabilizing consumption and fostering quicker recoveries.
- Delivers rights and legitimacy: Legal guarantees and better implementation translate constitutional social-security rights into tangible benefits, strengthening public trust and social cohesion.
- Improves fiscal efficiency & sustainability: Rebalancing spending and introducing contributory pathways reduces long-term fiscal risk from ad-hoc emergency responses and unsustainable pension burdens.
- Accelerates development goals: A coherent, life-cycle social protection system fast-tracks progress on poverty reduction, health, education, gender equality and supports inclusive, resilient growth.

27. FINANCIAL MANAGEMENT

The Problem: Nepal's public financial management suffers from fragmented systems, weak accountability, and outdated processes. Budgeting and expenditure decisions are often disconnected from actual implementation, leading to oversized budgets, low absorption rates, and limited public scrutiny. Siloed financial systems, inflated revenue and expenditure estimates, unscientific projections, and discretionary staff transfers exacerbate inefficiency. Projects outside the formal project bank receive approvals, while public debt is sometimes used without rigorous scrutiny. Constituency development funds and weak oversight mechanisms further dilute accountability. Citizens lack access to real-time, ward-level budget and implementation data, preventing informed participation.

Legal Foundation:

- **Public Financial Management Act, 2063 (PFMA):** Provides the legal framework for budgeting, expenditure, and accountability in Nepal.
- **Public Procurement Act, 2063 (amended 2075):** Governs procurement processes, ensuring transparency and fairness.
- **Local Government Operation Act, 2074:** Outlines fiscal responsibilities and budgeting powers of local governments.
- **Constitution of Nepal, 2015:** Mandates accountability, transparency, and participatory governance.
- **Conflict of Interest Act:** Ensures officials act impartially and avoids conflicts in decision-making.

Current Issues

- **Siloed and outdated financial systems:** LMBIS, Provincial LMBIS, SuTRA, and RMS are not interoperable; data protection is weak.
- **Oversized and unscientific budgets:** Inflated revenue and expenditure estimates undermine implementation and efficiency.
- **Weak accountability mechanisms:** Auditor General focuses only on legal compliance; performance audits are rare.
- **Inefficient planning and procurement:** National Planning Commission is largely obsolete; procurement often prioritizes lowest bids without evaluating quality or performance.
- **Excessive discretion and transfers:** Staff transfers during fiscal years are frequent; public debt often used for non-implementation-ready projects.
- **Limited public transparency:** Citizens lack access to real-time budget and implementation data at ward or municipal level.
- **Constituency development funds:** Undermine planning integrity and fiscal discipline.

The Solution:

- **Integrate financial systems:** Make LMBIS, Provincial LMBIS, SuTRA, RMS, and other management systems interoperable within 1–2 years.
- **Citizen budget portal:** Provide real-time, ward-level budget and implementation data for public scrutiny.
- **Legal protection and procurement reform:** Amend the Public Procurement Act to protect bureaucrats acting in good faith; digitize procurement; prioritize performance and quality over lowest price; enforce strong Conflict of Interest rules.
- **Streamline planning:** Replace the National Planning Commission with a planning division in the Ministry of Finance; approve only projects in the project bank.
- **Strict fiscal discipline:** Follow hard budget constraints (e.g., as in Mid-Term Expenditure Reports); prevent staff transfers within fiscal years unless unavoidable.
- **Public debt oversight:** Borrow only for high-return, implementation-ready projects with Parliamentary and public scrutiny.
- **Strengthen oversight:** Establish a Parliamentary Budget Office; make performance audits mandatory in the Auditor General's Office.

- **Eliminate constituency development funds:** Stop all discretionary or earmarked allocations under this heading.
- **Scientific budgeting:** Ensure revenue and expenditure projections are evidence-based, with accountability for deviations.

Real-World Evidence:

- **Global best practice:** Countries like South Korea, Chile, and the Philippines have citizen budget portals and integrated financial management systems that enable real-time transparency and improved fiscal discipline.
- **Performance audits:** In India and the Philippines, mandatory performance audits have improved project outcomes and reduced misuse of funds.
- **Digital procurement:** Kenya and Rwanda demonstrate that digitized procurement with clear conflict-of-interest rules reduces corruption and improves value for money.
- **Budget constraints and accountability:** Countries adhering to hard budget constraints and evidence-based projections, such as New Zealand, have higher budget execution rates and more efficient public spending.
- **Parliamentary oversight:** The UK's Office for Budget Responsibility and South Korea's National Assembly Budget Office have successfully increased executive accountability and reduced off-budget spending.

Implementation:

- **System Integration and Portal Development**

    - Map all existing financial management systems (LMBIS, Provincial LMBIS, SuTRA, RMS).
    - Design and develop an interoperable platform linking all systems.
    - Build a citizen budget portal with ward-level, real-time budget and expenditure data.
    - Conduct training for officials to ensure proper usage and data entry.

- **Procurement and Legal Reform**

    - Amend the Public Procurement Act to provide legal protection for bureaucrats acting in good faith.
    - Digitize procurement processes and enforce performance-based evaluation of bids.
    - Strengthen Conflict of Interest rules and enforce strict compliance.

- **Planning and Budget Discipline**

    - Close the National Planning Commission; establish a planning division in the Ministry of Finance.
    - Approve only projects included in the project bank.
    - Enforce hard budget constraints, following guidelines in the Mid-Term Expenditure Report.

- ○ Limit staff transfers within a fiscal year to unavoidable cases.

- **Debt Management and Oversight**

  - ○ Parliament and the public to scrutinize all new debt proposals, ensuring funds are for high-return, implementation-ready projects.
  - ○ Establish a Parliamentary Budget Office for independent budget oversight.
  - ○ Require performance audits by the Auditor General alongside legal compliance audits.

- **Monitoring and Reporting**

  - ○ Set up real-time dashboards for key performance indicators (KPIs) on budget execution and project outcomes.
  - ○ Conduct quarterly reviews of revenue and expenditure projections, adjusting as necessary.
  - ○ Publish annual performance reports for all ministries, provincial, and local governments.

Why This Matters:

- **Enhances accountability:** Citizens and Parliament can monitor spending in real-time, reducing corruption and misuse of funds.
- **Improves efficiency:** Scientific budgeting, hard budget constraints, and evidence-based project selection ensure resources are used where they generate maximum impact.
- **Builds trust:** Transparent procurement and clear conflict-of-interest rules increase confidence in government decisions.
- **Supports economic development:** Well-managed budgets and high-return projects stimulate growth, create jobs, and reduce wasteful spending.
- **Strengthens governance:** Integrated financial systems and performance audits institutionalize professionalism and reduce political interference.
- **Empowers citizens:** Ward-level budget data allows communities to participate in governance, shaping local development priorities.