

Develop- ment Governance Conflicts in Nepal

About GMC Nepal

Governance Monitoring Centre Nepal (GMC Nepal) is a research initiative launched by the Kathmandu-based non-profit social think-tank Centre for Social Change (CSC). The initiative envisions an enabling environment to foster state-society relationships in young federal Nepal through the accountable transfer of accurate and up-to-date governance-relevant information among all stakeholders. GMC Nepal supports this engagement by shedding light on the Government's policies, laws, and execution of plans within four areas of governance- i.e., Natural resources, Development, Ethnocultural, and Political governance. This document summarizes GMC Nepal's key findings relevant to Natural resource governance conflicts in Nepal and their corresponding policy recommendations, thus establishing the scope for future research in the area.

Background and context

Following the promulgation of the 2015 constitution, Nepal became a Federal Democratic nation. Establishing central, provincial, and local tiers of governance across all functional and sectoral jurisdictions required major restructuring at both policy and institutional levels. However, in the years that followed the enactment, Nepal faced multi-layered challenges in institutional rearrangement, policy materialization, and designation of roles and responsibilities, especially concerning power devolution in a decentralized governance model.

This transformation has influenced the governance of social and infrastructure development by compromising coherence between policy formulation, program design, budget allocation, and administrative reforms, affecting the achievement of annual targets and/or short-term, mid-term, and long-term goals and objectives set for the social and economic development of Nepal.

In relevance to this pertinent issue, GMC Nepal presents its key findings and corresponding recommendations to address Nepal's development governance conflicts.

Methodology

This policy brief is based on information gathered through real-time monitoring of governance conflicts in Nepal, as exhibited by nine periodic reports published by GMC Nepal (1658 news and events throughout October 2022 to April 2024). These reports analyzed the changing dynamics of governance conflicts and associated elements, recognizing the crucial role of media to reflect where the latest developments and interests are focused. Thus, the key methods in the study included desk policy and legal review, real-time governance monitoring, real-time media monitoring, data scraping and analysis, and expert consultations.

Key challenges

1. Lack of fair, transparent and strict regulatory mechanisms, have obstructed efficient utilization of the infrastructural development budget in Nepal, creating opportunities for corruption and policy irregularities. Moreover, such misdeeds occur during large-scale construction projects like road construction, bridge construction, and other public structures.
2. Planning and implementation of urban development strategies is a major issue in the newly elected federal governance system of Nepal. The conflicting interests between the government bodies in three different tiers and various business enterprises and consumer groups, invite challenges and complexities, further instigated by lack of transparency in development governance.
3. Low civic participation in the infrastructural development planning, designing, and implementation widens the gap in ensuring immediate public needs, compensations, alternative livelihood opportunities, and public service delivery.
4. Abuse of power and authority over development budgeting and financing is high at the local levels. In regards, CIAA registered a high volume of complaint cases related to local bodies including Mayor and ward chairperson involved in corruption and misuse of development budget.
5. State's monitoring and regulatory mechanisms under development governance system is inefficient, and inadequate to curb the misuse of development financing in Nepal. Such low-quality assurance of infrastructure development has increased frustrations and dissatisfactions among the public and consumers.

Key recommendations

1. The potential weighted cost of the development projects is significant to avoid under-financing and delayed payments, reducing the chances of conflict over budget and project completion targets. However, the government, with its capital expenditure, must also focus on improving the productive capacities of development projects through both public and private sector investments.
2. Urban development strategies must foster civic engagement and should strengthen the legal and institutional framework to ensure the resettlement, rehabilitation and compensation processes and alternate livelihood opportunities of displaced population by urban development projects.
3. The role of vigilant monitoring authorities like the CIAA needs to be strengthened and resourceful to curb the corruption committed by government authorities and persons in power, in development projects.
4. Nonviolent measures like strategic and meaningful dialogues are necessary to address development governance conflicts. By filling the communication gaps among the conflict actors, such measures can provide opportunities to identify the roots of the governance conflict and their relevant solutions.