

Twenty-Fifth Annual Report

(Summary)



Commission for the Investigation of Abuse of Authority
Kathmandu
2072 Magh



Lok Maan Singh Karki
Chief Commissioner



Deep Basnyat
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Commissioner

Foreword


It is expected that this Summary of 25th Annual Report brings some synopsis about the performance of the Commission and provides some factual information on anti-corruption initiatives. I think, the concerned stakeholders would come to know about the activities undertaken by the Commission for controlling corruption in particular fiscal year. Moreover, I believe that it would help to make objective assessment of the roles played by the Commission towards ensuring transparency, responsibility and accountability of public institutions and public servants.

Corruption, expanding in the form of a transborder crime, has become a matter of concern and challenge not only for particular countries but for every country around the world. Serious problems such as illegal arms smuggling, drug trafficking, financing on terrorism and money laundering have been on the rise due to corruption. Poverty, backwardness and economic disparity are widening in society due to harmful effects of this social malady. With advancement in information networks and adoption of modern technologies, the forms and dimensions of corruption have also witnessed big changes.

I think, it is difficult to justify why our policy designers are absorbed in the quest of our fate elsewhere whereas a number of opportunities and prospects in front of us have remained unutilized for many years. We need to solidify our efforts to materialize our potentials. It is the urge of the time to move forward for mutual interest rather than only grumbling for our ill-destiny. As people have eagerly been waiting for the tangible dividend which they deserve, every state agency should not make any delay to have incessant drive for common goal.

We have spent plentiful time for carving political pathways and shaping political system. In this course of time, citizens have only been distributed with expectations and hopes. Now they have impatiently been longing for their dreams come true. This is the time to look for the ways to deliver what people deserve and what they expect to be delivered. Now is the time to be focused on economic agendas for uplifting the status of the citizens and the Nation. This should not only be reflected in the political manifesto and policy front but should relentlessly be executed in action. Mere slogan may temporarily attract public sentiments but it may repel when they remain completely undone.

Good governance is the foremost responsibility of the government for which controlling corruption is a prerequisite. Though the government has



formulated necessary policies and created institutions to achieve this goal, the expected results have been far from realized in the absence of sound implementation. Besides, government's interventions to control corruption have often been questioned because anti-corruption agenda hardly remains a priority agenda of the government. Moreover, curtail of the mandates of the Commission in the new constitution may exemplify the level of seriousness of the policy makers to anti-corruption drives.

It is the priority of the Commission to ensure that no one is deprived of the services provided by the state and every penny allocated in people's name is utilized properly. CIAA is always with people and driven by optimizing people's hopes and aspirations. The Commission has been trying its best to assure the fundamental rights of the citizens and facilitate path to development. Amidst infinite challenges, the Commission is committed to be people-centric and result-focused.

Though the Commission has provided reformative suggestions on improving good governance and controlling corruption to the Government of Nepal, it seems mere a continuity of the tradition. With a hope that the suggestions forwarded this time would be taken seriously to implement effectively.

I extend my thanks to my colleagues who are involved in the preparation of this summary.

Thank You.

Lok Maan Singh Karki
Chief Commissioner

Twenty-fifth Annual Report (Fiscal Year 2071/72) Summary

Commission for the Investigation of Abuse of Authority (CIAA), as a constitutional body, has been mandated for the investigation and prosecution of corruption. Section 11 of the Interim Constitution of Nepal 2007 has made provisions for the establishment of the Commission and its functions, duties and responsibilities as well. Based on these provisions, the Commission is conferred with the responsibilities of tracing, tracking and controlling corruption in order to strengthen good governance. With an aim of establishing corruption-free society, the Commission undertakes preventive, promotional and punitive measures. In this respect, the Commission has initiated a number of approaches and strategies for identifying corrupt practices of the public sector and getting into them in the process of investigation and prosecution. In the efforts towards implementing its responsibilities for controlling corruption, the Commission has basically been conferred its authority and conceived its activities on the Constitution of Nepal Commission for the Investigation of Abuse of Authority Act and Rules, Corruption Prevention Act and other relevant laws. Moreover, the Codes of Conduct of the staffs has also been implemented with an objective of promoting integrity, probity and fairness of the staffs while discharging their duties. Besides, a number of efforts have been initiated in order to make its performance scientific, objective and result-oriented.

The sub-section (3) of the Article 121 of the Interim Constitution has made a provision which requires the CIAA to submit the Annual Report to the Rt. Hon'ble President covering its year round activities. The provision further requires the report to be presented to the Parliament through the Prime Minister and discussed in the legislature parliament. As per this provision, the Twenty-fifth Annual Report has been submitted covering the Commission's activities in the fiscal year 2071/72. This Executive Summary, however, presents the synopsis of the contents of the Report including some comparative figures and some recommendations provided to the Government as well.

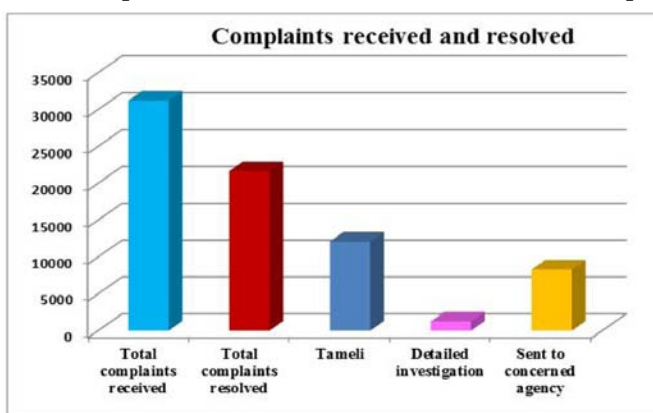
This Twenty-fifth Annual Report prepared by covering the Commission's activities in the fiscal year 2071/72 under preventive, promotional and punitive strategies, presents the summary of most of those activities carried

Note: Usually Fiscal Year in Nepal begins in July.

out in the specific year. Statistical description of the complaints received by the Commission through different channels and the status of actions taken on those complaints are presented in this report. Under the actions taken by the Commission, the report has included the descriptions of the cases kept in *multabi or pending* following the preliminary and detailed investigations, cases registered in the Special Court, cases recommended to other agencies for departmental actions or other actions deemed necessary; and the cases recommending cautionary action against the guilty one. Moreover, some activities conducted under the preventive and promotional strategies along with corrective measures to be taken in the future for controlling corruption have also been presented in the report.

Out of the total complaints 22,602 received by the Central and Regional Offices in the fiscal year 2070/71; 4,626 complaints had been carried forward from the previous fiscal year 2069/70 while 17,876 new complaints had been registered in the fiscal year 2070/71. In the fiscal year 2071/72, the Central and Regional Offices of the CIAA and the District Administration Offices vested with the delegated authority of the CIAA received a total of 31,213 complaints, out of which 9,710 complaints have been carried forward from the previous fiscal year 2070/71 whereas 21,503 new complaints have been registered in the fiscal year 2071/72. Preliminary investigation has been completed on all the complaints received in the fiscal year 2071/72. Therefore, the fiscal year 2071/72 has seen an increase of 3,527 complaints over the complaints registered in the previous fiscal year.

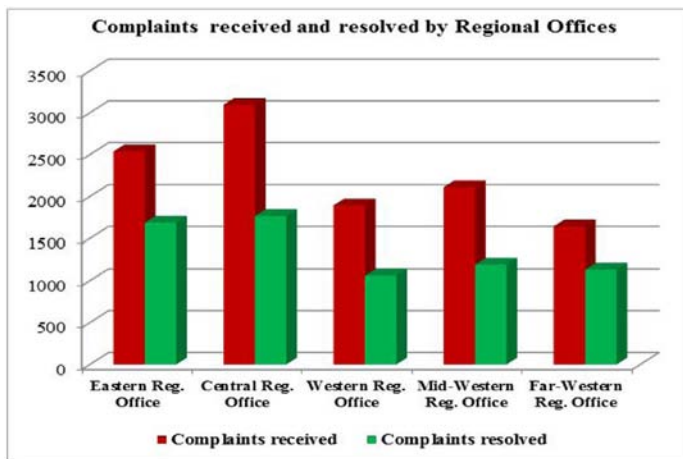
In the fiscal year 2071/72; 21,648 complaints have been resolved out of the total complaints 31,213 received. Out of the complaints resolved, decision



to conduct detailed investigation has been made on 1,244 complaints whereas rest of the complaints has been resolved by applying other multiple provisions. In view of the complaints resolved, overall performance

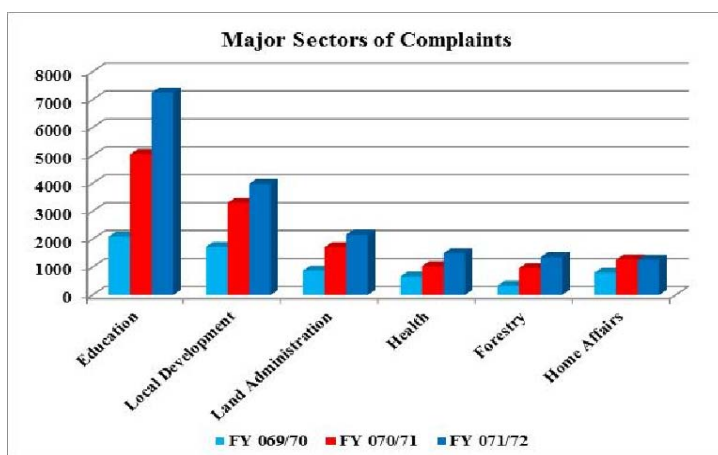
achievement of the Commission in this fiscal year has been around 70 percent.

Out of the total complaints received by the Commission, 14,784 complaints have been resolved from the Central Office whereas a total of 6,843 complaints have been resolved from the Regional Offices. Assessing the complaints resolution status of the Regional Offices in the fiscal year 2071/72, the Eastern Regional Office has resolved 1,687 complaints out of 2,538 complaints received by it. Similarly, out of 3,095 complaints received by the Central Regional Office, 1,767 complaints have been resolved. In the Western Regional Office, out of 1,893 complaints received, 1,062 complaints have



been resolved. In the Mid-western Regional Office, 1,193 complaints have been resolved out of 2,111 complaints received and, in the Far-western Regional Office, out of 1,643 complaints received, 1,134 complaints have been resolved. Likewise, in regards to the delegated authority of the Commission, out of 121 complaints received by 32 District Administration Offices, 21 complaints have been resolved.

On the sector wise distribution of the complaints registered in the Commission, the highest numbers of complaints 7,264 (about 23%) were related to education sector. Following the education sector, the complaints relating to the Ministry of Federal Affairs and Local Development covered 3,982 (about 13%), Ministry of Land Reform and Management 2,165 (about 7%) and the Ministry of Health 1,493



(about 5%). Likewise, 1,358 (about 4%) were related to the Ministry of Forest whereas complaints relating to the Ministry of Home occupied 1,263 (about 4 %) out of the total complaints received. Besides, 4,018 (about 13%) complaints were received in connection to Property Valuations and Special Investigations and 3,465 (about 11%) complaints were received in fake Academic Certificates.

Out of the total complaints lodged in the Commission, 4% have been brought into detailed investigation. Among complaints proceeded for detailed investigation in the current fiscal year; around 34% have been kept in *tameli* (disposition) whereas 35 % have been established as cases and filed in the Special Court. Similarly, departmental actions have been taken against 9% of complaints whereas 10% complaints have been forwarded to relevant agencies to take necessary actions.

In the current fiscal year, a total of 303 cases have been filed at the Special Court comprising 284 complaints decided by the Commission to register in the court in the specific fiscal year and 19 complaints carried forward from the previous fiscal year. Subject-wise, the cases filed in the court included: fake academic certificates 96, damage or loss to public property 105, outright bribery and corruption 68 and securing illegal benefits or resulting loss 18. Similarly, illicit earning of property constituted 2; embezzlement of government revenue 4 and miscellaneous constituted 10 cases. In 303 cases registered in the court, a total of 903 suspects have been made defendants. Gender wise, 828 defendants were males whereas 75 defendants were females. In the cases decided by the Commission for prosecution in fiscal year 2071/72, a total of Rs. 1,394,016,071 (one billion three hundred ninety four million sixteen thousand seventy-one Rupees) was claimed to be recovered from the defendants.

In the current fiscal year, from the decisions taken by the Commission, a total of 1.4 Billion Rupees was recovered from the public officials for the damage made against the public property or public institutions from their improper conducts.

The Commission has decided that ownership title of the public land totaling 658-6-3-0 Ropani to be transferred back to the Government of Nepal; and has recommended to the concerned agencies accordingly. Total of 212-15-01-0 Ropani of land was brought into public ownership in the previous fiscal year.

In the fiscal year 2071/72, out of the total cases filed in the Special Court by the Commission, verdicts have been pronounced in a total of 108 cases in which the success in the conviction rate has been 82 percent.

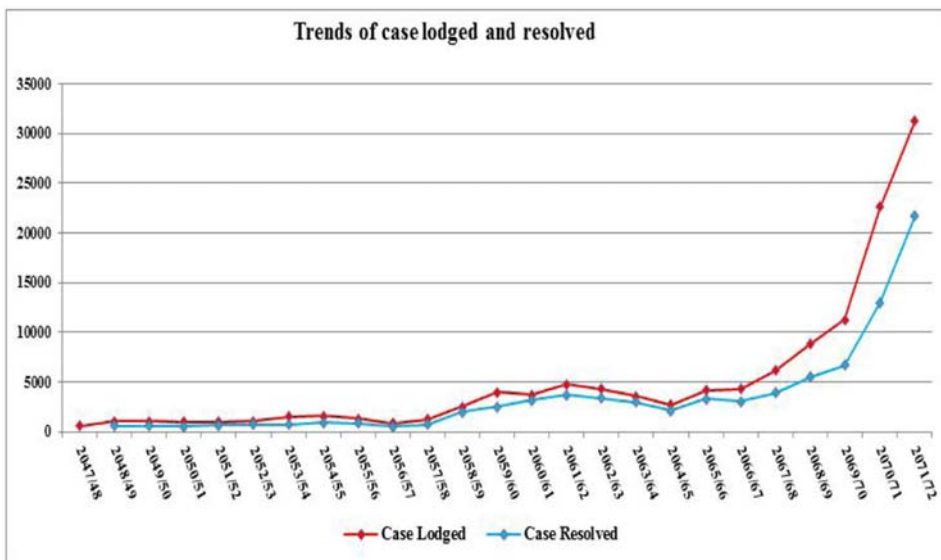
Comparative Performance Analysis of the Commission

In this section, some facts, statistics and information relating to the roles and activities performed by the Commission in the areas of promoting good governance by controlling corruption offenses and improper conducts of the public authorities are presented. The objective analysis and evaluation of these facts and statistics would shed light on the impacts of the Commission's activities as well as the corrective measures to be taken in coming days.

Trend on Registration and Resolution of Complaints

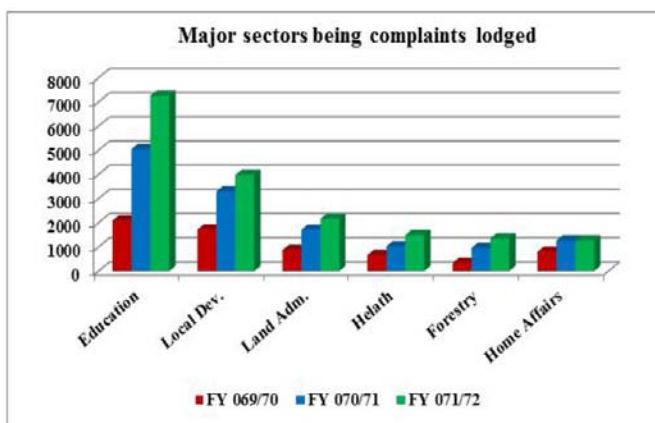
The Commission has been performing amid varied political contexts and situations from its inception. Several ups and downs have been observed in its performance ever since it came into being in the year 2048 B.S. With variation in time and contexts, significant differences can be observed in the number of complaints received and the trend of resolution of such complaints. The following diagram presents the statistical account and resolution status of the complaints after the erstwhile Commission for the Prevention of Abuse of Authority was converted into the Commission for the Investigation of Abuse of Authority in 2048 B.S.

No significant ups and downs are noticed in the number of complaints received from fiscal year 2048/49 to 2057/58. The number of complaints received is on slight rise from the fiscal year 2058/59 to 2064/65. Expansion of economic activities during this period on the one hand and vacuum of elected representatives in the local bodies on the other might have been resulted a surge in the number of complaints. Also the volume of complaints



received has seen slightly risen after the fiscal year 2066/67. The Commission remained without the Chief Commissioner and Commissioner for quite a long time after 2065. The volume of complaints upsurged dramatically when the Government appointed the Chief Commissioner in June 2014. The rise in the number of complaints received can also be largely attributed to an increase in people's access to the Commission by establishing its Regional and Liaison offices across the country.

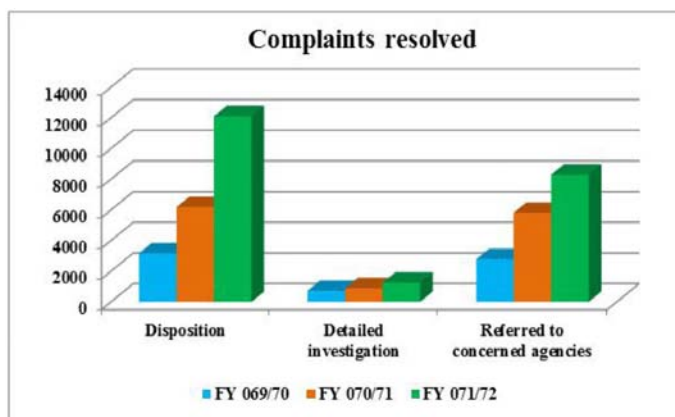
Looking at sector-wise distribution of complaints received by Commission in the last three years, education is major sector having increasing trends of



receiving complaints. In comparison, the highest number of complaints received in the last three years is related to education sector. Following the education sector, the complaints relating to local bodies, land administration, health, forestry and home administration

respectively have the number of complaints in the descending order.

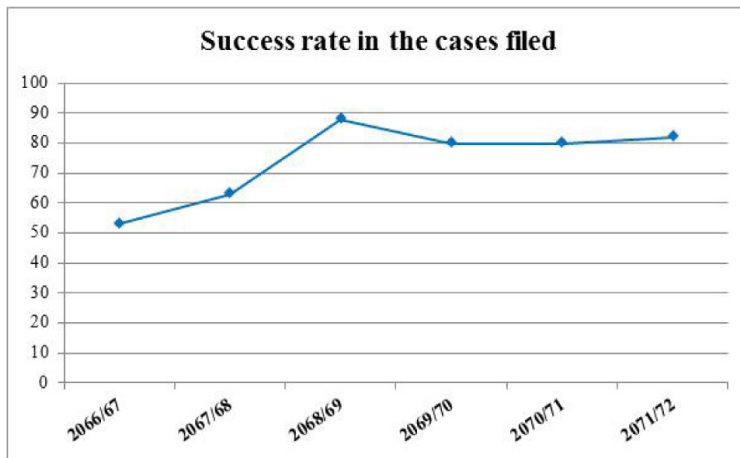
The Commission has carried out screening of all the complaints received by it in the last three fiscal years. The diagram below presents the status of those complaints showing various actions taken by the Commission based on the preliminary investigation carried out after the screening. Out of the total complaints received in the fiscal year 2069/70, around 28% complaints were disposed, 6% were subjected to detailed investigation and 25% complaints were referred to the concerned agencies for necessary actions. Out of the total complaints received in the



fiscal year 2070/71, the status of the complaints included: disposed 27%, brought for detailed investigation 4% and referred to concerned agencies for necessary actions 26%. Similarly, 39% were disposed, 4% were brought into detailed investigation and about 27% were referred to concerned agencies for necessary actions in the fiscal year 2071/72.

Success Rate in the Cases Filed in the Special Court

Assessment of average success rate in the last five years in view of the cases filed in the Special Court reflects that success rate in the fiscal year 2067/68 was around 53 percent which has been rising up to an average of more than 80 percent in the following years. The success rate in the fiscal year 2071/72 is more than 82 percent.




Activities under Preventive and Promotional Strategies

The CIAA Act 1992 section 35 (b) sub-sections (2) has empowered the Commission to engage in promotional activities, carry out research and system development and look for preventive measures for controlling corruption and abuse of authority. The Commission has been performing various activities in line with this provision.

Preventive Strategy

Under preventive strategy, the Commission undertakes various activities including identifying areas and sectors vulnerable to corruption and major causes of corruption in the existing systems, providing policy advice to the Government on the measures to be adopted for reducing and preventing corruption. Besides, the Commission initiates for coordinating, monitoring and assessing the efforts of various agencies geared towards controlling corruption. Efforts have also been made to develop and enforce the Codes



of Conduct in the professional and organized sector. Focal points have been formed in various Ministries and Central Offices for monitoring Codes of Conduct; and regular monitoring of the code of conduct through focal points has been initiated. Moreover, regular monitoring system has been initiated in order to ensure an effective implementation of the development projects of National Pride.

The Commission has been highly active in making the monitoring works result-oriented by deploying several surveillance teams in the field. The Regional and Liaison Offices have been mobilized specially towards this end. The Commission has also been emphasizing on requiring the public institutions to develop Standard Operating Procedure (SOP). Similarly, the focus is also given to develop the Manuals, Procedures or Directives for public institutions with a view to guiding their performance and simplifying their service delivery operations.

In order to ensure effectiveness in the performance of public institutions and officials for the delivery of services to the people, coordination meetings have been organized with the responsible officials from the concerned institutions. Discussions have been conducted on issues pertaining to quality of services provided by various institutions, problems, challenges and remedies in the presence of Hon'ble Chief Commissioner and Commissioners of the Commission. These discussion programs have been proved to be fruitful for improving coordination and facilitation among various related institutions there by enhancing effectiveness in service delivery. Information on some of coordination meetings conducted in the chairmanship of the Commission's Officials and in presence of responsible Officials of the concerned agencies in the fiscal year 2071/72 is presented as follow:

- A meeting was organized at the Commission on 10 September 2014 in presence of the Secretaries of Ministries of Home and Finance and Inspector General of Nepal Police and Armed Police Force including other officials in order to discuss about the distribution and management of ration for the staffs of Nepal Police and Armed Police Force. The discussion came to the conclusion for recommending to the concerned agencies for releasing equivalent amount according to the rate determined by the Committee pursuant to the Rule 88 of the Public Procurement Rules, 2007; and in case of others to manage for monthly cash payment according to the rate prescribed by the concerning Committee.

- A discussion meeting was organized in the Commission on 12 September 2014 in presence of the Officials of the Ministry of Forest and Soil Conservation, and Federation of Entrepreneur of Forest Product Industries Nepal and discussed to comply prevailing laws proper while providing licenses and to follow due legal processes for the approval of entrepreneurship on forest products.
- On 20 April 2015, a meeting was held at the Commission in the presence of Secretary of Ministry of Commerce and other Senior Officials regarding market monitoring and effectiveness of service delivery. The discussion was concluded to recommend concerned agencies to take necessary actions to control artificial shortages of basic goods, unnatural price hike and monopoly.
- A meeting was organized in presence of the Senior Officials from the Ministry of Irrigation its Departments on 21 April 2015 regarding the matter of quality of irrigation projects which are under construction and timely completion as stipulated in project document. Besides, discussion was also made for proper handling of the complaints received by concerned projects and timely response for enquiries by the Commission.
- On 7 May 2015, a meeting was organized at CIAA in the presence of the responsible Officials from Ministry of Forest and Soil Conservation and Department under it to discuss about assessing the loss occurred by the Earthquake in the forest area as well as clearance of the fallen trees and timber.
- On 8 May 2015, a meeting was held in the presence of the Senior Officials from Ministry of Urban Development and its Departments; discussing the loss due to earthquake to the apartment business. The meeting also discussed on hazards and risks to the surrounding inhabitants and business; and recommended to identify appropriate strategy to fix those problems.
- A meeting was organized at CIAA on 1 June 2015 in presence of the responsible Officials from the Ministry of Agriculture Development including the Departments under it. The meeting discussed on the issues frequently rose in the complaints submitted to the Commission against these authorities; and concluded for recommending to the concerned agencies to take necessary action to improve service delivery.

- A meeting was organized at CIAA on 15 June 2015 in presence of senior Officials from the Ministry of Science, Technology and Environment to discuss about the effectiveness of delivery of services and strengthening monitoring and supervision.
- On 5 July 2015, a meeting was organized in presence of the responsible Senior Officials from the Ministry of Agriculture which discussed about the procurement processes of chemical fertilizers which is supposed to be provided to the farmers. The meeting concluded with a recommendation to the concerned authorities to make the procurement process transparent and timely.

Promotional Strategy

Under promotional strategy, several interactions, discussions and seminars have been conducted on issues of controlling corruption. Similarly, programs have also been carried out on the issue of Community Education. The Commission has been performing multitude of works on the awareness front. It has undertaken the works such as preparing documentary on the role of the Commission on controlling corruption, disseminating awareness information through newspapers and FM Radios, preparing and circulating the brochures, posters and pamphlets and regularly publishing the booklets containing informational articles on corruption issues.

The Commission has been implementing the policy of felicitating and rewarding the media disseminating impartial and important news against corruption; and also the distinguished personalities having greatly contributed towards controlling corruption. In addition, the Commission has started the practice of celebrating the National and International day against corruption by organizing a number of programs.

(A) Interactions and Discussions

Under promotional front, various interaction and discussion programs have been organized by Commission's Regional Offices in which In-charge of various District Offices, members of civil society, media persons, NGOs, representatives of Chamber of Commerce and Industries, legal practitioners and the noted personalities of society had participated. The statistics of programs carried out in the fiscal year 2071/72 are presented in the following table:

S.N.	Program Conducting Agency	Districts	No. of Programs	Total no. of Participants
1	Eastern Regional Office, Dhankuta	Ilam, Panchthar, Taplejung, Morang, Dhankuta, Bhojpur, Sankhuwasabha, Saptari, Jhapa & Tehrathum	6	652
2	Western Regional Office, Pokhara	Lamjung, Gorkha, Tanahun, Myagdi, Parbat, Syangja, Palpa, Gulmi, Baglung, Arghakhanchi, Mustang, Kaski, Rupandehi	15	1060
3	Central Regional Office, Hetauda	Kavrepalanchok, Sarlahi, Mahotari, Sindhuli, Ramechhap, Rautahat, Dhading, Dhanusha, Chitawan, Nuwakot, Rasuwa, Parsa, Bara	10	733
4	Mid-western Regional Office, Surkhet	Surkhet, Dailekh, Bardiya, Dang, Jumla, Kalikot, Rolpa, Pyuthan, Jajarkot, Rukum, Mugu, Dolpa, Humla	19	1877
5	Far-western Regional Office, Dipayal	Kalilai, Baitadi, Kanchanpur, Achham, Bajura, Darchula, Dadeldhura, Doti, Bajhang	13	807

(B) Community Education

The Commission has been carrying out awareness raising Community Education Programs against corruption since fiscal year 2064/65. The programs have been customized targeting the students of Higher Secondary Education and Colleges and teachers serving in those academic institutions. The statistics of some major programs conducted in the fiscal year 2071/72 are presented in the following table:

S.N.	Program Conducting Agency	Program Location	Total no. of Participants
1	Eastern Regional Office, Dhankuta	<ul style="list-style-type: none">- Himalaya HSS (HSS), Jhapa- Sukuna HSS, Morang- Bha. Si. HSS, Sunsari- Shankar HSS, Saptari- Jalpadevi HSS, Dhankuta- Basanta HSS, Terhathum	654
2	Western Regional Office, Pokhara	<ul style="list-style-type: none">- Bhakti Namuna HSS, Lamjung- Saraswati HSS, Gorkha- ShivalayaNamuna HSS, Parbat- Janabod HSS, Palpa- Janbod HSS, Gulmi- VidyaMandir HSS, Bajlung	1000
3	Mid-Western Regional Office, Surkhet	<ul style="list-style-type: none">- Narayan Campus, Dailekh- Babai Multiple Campus, Bardiya- Shital Campus, Rukum- Vijaya HSS, Dailekh- Chandannath HSS, Jumla	592
4	Central Regional Office, Hetauda	<ul style="list-style-type: none">- Several students of schools from Kalaiya, Janakpurdham, Jaleswor and Gaur- 140 VDC secretaries of Bharatpur and Hetauda	324
5	Far-West Regional Office, Dipayal	<ul style="list-style-type: none">- Janta Secondary School, BaitadiKrishna HSS, Kanchanpur	250

(C) Focal Point Meeting

Meetings were organized regularly to review the implementation of decisions taken by the Commission and to discuss on reducing corruption in several contemporary issues. These meetings were being attended by Focal Persons from various Ministries and Central agencies. A total of eight such meetings had been organized in the fiscal year 2071/72.

(D) Publication and Circulation of Informative Materials Against Corruption


With a view to creating mass support against corruption, the Commission has been involved in disseminating informative messages against corruption through its web page and social media such as face book and twitter. Besides, the Regional and Liaison Offices have also been broadcasting awareness messages against corruption through Local FM Radios and newspapers in their territory. Similarly, bulletins and brochures presenting the activities of the Commission are prepared and circulated. Furthermore, the Commission produces and circulates several other materials relating to civic awareness against corruption every year.

Current Key Initiatives for Result-oriented Performance

Development and expansion of modern and sophisticated technologies including the information networks have added severe challenges in identifying the forms of corruption, understanding its complexity; and investigating and prosecuting the corruption offenses. There lies a pressing need on the part of the Commission to perform with more vigor and strengths especially due to an enhanced expectation of the people towards good governance. It has become relevant for the Commission to determine its future course of action by evaluating the policies, strategies and efforts made in the past in view of controlling corruption and abuse of authority. Learning from its past performances, in order to turn its challenges into opportunities and make its existing working system more effective, the Commission has been trying to march ahead towards accomplishing the following activities in the coming days.

(A) Emphasis on Utilization of IT for Investigation and Record Management

It has been realized that greater attention must be paid towards effective utilization of modern technologies including the information technology in



order to make the investigation scientific and evidence-based and ensure updated record management. Efforts are geared towards making the working system efficient, credible, systematic and transparent. Efforts have also been made towards making the monitoring works effective by enhancing an easy access to the supervisor, reviewer and decision maker and achieving optimum results from minimum human resources. Concept paper has been developed for reducing the use of paper in office works and gradually switching to the paperless system.

(B) Encouraging Intelligence-based Investigation System

Evidence-based and objective investigation demands the collection, analysis and transmission of information to be scientific and credible. To make the investigation and prosecution result oriented, the investigation works must be effortful in gathering factual information and making the best utilization of those collected information. Mobilization of informants for information collection, and processing and analysis of the collected information would help in assessing the possibility of indulging in corruption offenses or abuse of authority by public officials. The success in achieving the positive results from investigation requires utilization of advanced and modern technologies together with expertise and specialization on the part of the human resource involved. Use of this scientific investigation method would enable collection of credible information on the one hand and minimize the investigation time on the other.

To formulate effective policies, plans and strategies to combat corruption in future, the research and development works have to be conducted regularly focusing on various dimensions and evolving trends of corruption. Realizing the grave challenges posed by the complex modus operandi and the increased use of sophisticated technologies in perpetrating the crime, the Commission has laid emphasis on the use of innovative tools, techniques and modern technologies in the investigation process.

(C) Identification of Corruption-prone zones and intervening as required

It is desirable that effective intervention can be made after identifying corruption-prone areas. Need has been strongly felt to conduct systematic studies for identifying the vulnerable areas in view of corruption. The Commission has been making considerable efforts to devise strategic programs so as to prevent and control corruption.

(D) Reviewing Codes of Conduct of the Staffs

The Commission has been initiating efforts to review and revise the present code of conduct for the staff members with an objective towards making the CIAA personnel more disciplined, ethical and accountable. With an aim of enhancing discipline and ethics among the staff of the Commission, the Codes of Conduct will be reviewed and enforced in line with the changed context.

(E) Restructuring of the Organization

There is a need to review the existing organizational structure of the Commission in order to discharge its responsibilities effectively in the future. Taking into consideration the upcoming constitutional provision on the jurisdiction of the Commission and federal set-up, efforts are underway to conduct organization and management survey in view of restructuring the organization. The findings of the report will be implemented in the new set up.

(F) Assessment of the Human Resource

Optimum utilization of the capacity of the human resource and upgrading their capacity has become necessary for making Commission's performance effective and result-oriented. For achieving the result-oriented performance, there lies a need to conduct capacity assessment of its employees which requires carrying out need assessment of the employees. Based on the need assessment of its personnel, the Commission has been considering the need to prepare and implement Human Resource Development Action Plan.

(G) Expanding Preventive and Promotional Activities

In view of expanding and effectively conducting the promotional and preventive strategies, the Commission has been trying to make the coordinated efforts. Studying the practices of other countries, the Commission has made efforts to identify and apply the activities which are best-fit in our context.

(H) Developing prosecution policy

There is a need to develop and apply a prosecution policy with a view to guiding the tasks of investigation and prosecution. The prosecution policy has become indispensable to maintain uniformity in the decisions made by the Commission, eliminate ambiguities and achieve a balance between gravity of the offense and the degree of proposed punishment. In this backdrop, the efforts are underway to prepare and enforce the policy by assessing the systems and practices adopted by other countries; and taking into account the existing laws, practices and principles developed within the country.

(I) Compilation and Analysis of the Courts' Verdict on Corruption Cases

It has become essential to study and scrutinize the verdicts given by the court, identify our own strengths and weaknesses and understand the areas where improvements can be made for better performance and better results. Study and analysis of the court's verdicts has become imperative to systematize and improve the task of investigation, case preparation and pleading. The Commission has been effortful towards collecting and publishing important verdicts made by the Special Court and Supreme Court. Similarly, efforts are ongoing to analyze the strengths of the Commission in terms of the verdict provided by the court.

(J) Preparing CIAA Manual

Developing a CIAA Manual as an integrated and holistic document has appeared essential to provide useful guidance to the investigation officers and help make the Commission's decision process simplified and coordinated. The Commission has made a plan to develop a manual by incorporating all relevant laws, working procedures, directives, policy circulars from the Commission and the precedents developed by the Supreme Court.

(K) Strengthening Monitoring of the Projects of National Pride

The Commission has made efforts towards facilitating the construction and operation of the Projects of National Pride. It has made coordination efforts with an objective of maintaining quality in the delivery of the projects. In this way, the Commission has been striving to help settle the problems encountered in course of implementing the projects and promoting coordination among the concerned agencies.


Reformative Suggestions for Controlling Corruption, Promoting Good Governance and Economic Prosperity

Based on the experiences gained in course of identifying, investigating and prosecuting of the corruption offenses and abuse of authority, the following suggestions have been forwarded to the Government of Nepal with a purpose of curbing the corruption offenses and abuse of authority and improving good governance:

- (1) Upon ratifying the United Nations Convention against Corruption (UNCAC), Nepal has become a signatory of the Convention. As a member of the UNCAC, Nepal has to fulfill the obligations created by the Convention and also has to implement the Convention effectively. Nepal needs to make timely amendments and improvements in the existing

anti-corruption laws in order to fulfill the objective of the Convention; and ease for its effective implementation. Besides, necessary policy, structural and procedural arrangement needs to be initiated so as to ease for effective implementation of the Convention.


- (2) With a view to controlling corruption, improper conducts and administrative irregularities in the country, CIAA has been working as a constitutional body. Similarly, various government agencies have been established under Executive Body; and have been working for the similar objective. At the government level, National Vigilance Centre, Money Laundering Investigation Department and Central Investigation Bureau (CIB), Department of Revenue Investigation are also investigating corruption related offenses. Due to the presence of multiple agencies for similar tasks, duplication arises in the work and the service recipients are also pushed into dilemma. Department of Anti- Money Laundering, which is under Ministry of Finance, has hardly been thriving its mandates. Therefore, it can be productive if DMLI is brought under CIAA by revising current legal frameworks. Besides, appropriate policy needs to be made to improve professional capacities of National Vigilance Centre, Central Investigation Bureau and Department of Revenue Investigation.
- (3) Though contribution of agriculture sector in the Gross National Product (GDP) has been around 35 percent; and it has been a major occupational source which provides employment to more than 80 percent of people. However, agriculture sector has been merely limiting to subsistence level even today. It has just been limited to livelihoods due to the absence of required infrastructure for agriculture development. In later years, the trend of converting fertile agricultural land into small plots for housing purpose has been raising alarmingly, thereby reducing productivity which has resulted for increasing food dependence to other countries. Besides, the trend of holding land without cultivation and barren for long time has also been a major cause of losing agricultural productivity. It is evident that Nepal used to be an exporting country of food grains in a few years back whereas it is now heavily reliant on food imports. This contrastive situation is highly noteworthy. Therefore, visionary actions should be taken in order to be self-reliant on agricultural products; both food crops and cash crops. Due priority should be concentrated towards commercialization and modernization of agriculture sector and



product diversification should be emphasized. Moreover, long-term policy on expanding irrigation facilities, production and distribution of seeds and chemical fertilizers has to be devised and implemented. Year round irrigation facility has to be made a reality by completing the irrigation projects such as Bheri-Babai, Sikta, Ranijamara and the like on time. Likewise, modernization of agriculture has to be achieved and value-addition for the agricultural products has to be emphasized by promoting research studies on agriculture and the adoption of appropriate technologies. Moreover, focused strategy should be carried out to utilize medicinal herbs. In addition, importance should be given on providing agricultural credit facility to farmers and promoting an easy availability of high-yield quality seeds, chemical fertilizers and agricultural equipment. Development and expansion of market for agricultural products should also be emphasized.

- (4) Nepal is the second-richest country in the world in water resource with a potential of producing 83,000 megawatt hydroelectricity in which 42,000 megawatt is said to be technically and financially feasible. Nonetheless, in this over hundred years of electricity production, meager 700 megawatt electricity has been produced. In the absence of a long-term vision to utilize hydroelectricity development as the harbinger of the country's prosperity, the ordinary people have suffocated from over 12 hours power outage every day and the industries have also been suffered severely. In this context, it is imperative to put hydroelectricity generation in the national development priority and then, devise and implement a concrete action plan towards that end with a short-term, medium-term and long-term perspective. For effective mobilization of domestic and foreign investment, it is important to bring simplification in the policy, institutional and operational procedures. In this light, emphasis should be given on completing the construction of Upper Tamakoshi Hydroelectricity Project on time. Moreover, construction of Arun Third, Upper Karnali, Paschim Seti, Budhigandaki and Tanahun hydroelectricity Projects has to be expedited so as to accomplish their construction on time. Along with power generation, concrete action plan should be developed and executed for expanding the high capacity transmission lines. In addition, institutional capacity of Nepal Electricity Authority (NEA) should be improved and a provision has to be made for unbundling the mandate relating to production and distribution of electricity and expansion of transmission line by separate agencies.

- (5) Usually, mega hydroelectricity projects need massive investments and relatively longer production time. Therefore, a campaign on production and expansion of alternative energy such as micro-hydroelectricity, solar energy and wind energy among others has to be conducted as a short-term solution. Specifically, it is suitable to install solar energy in major administrative buildings, government offices and government residences in order to promote the use of alternative energy in such premises. An arrangement has to be made for mobilizing the domestic source for relatively inexpensive alternative energies. For short-run, an action plan should be developed and implemented requiring the Metropolis to produce 5 megawatt, Sub-metropolis 3 megawatt and Municipalities 1 megawatt alternative energy.
- (6) Despite immense potential of tourism sector in view of competitive advantage, contribution of this sector in the Gross National Product of the country has not increased as expected due to the absence of a long-term vision and concrete action plan. Therefore, a solid strategy and a robust action plan have to be designed and implemented so as to unleash unlimited potentials in areas such as mountaineering, trekking, adventure tourism, eco-tourism, religious tourism and cultural tourism. In designing and executing such strategy and action plan, the prospects of promoting medical tourism in the country must not be overlooked. A myriad of initiatives have to be taken aimed at standard tourism branding and extensive and aggressive tourism marketing in countries that have immense potential of tourist inflow. Similarly, rigorous interventions have to be made for promoting domestic tourism. A majority of foreign tourists are compelled to pay exorbitant fares for air transportation due to monopoly of private airlines companies in air service. Therefore, air connectivity has to be expanded massively by upgrading the institutional and competitive capacity of the National Airlines -Nepal Airlines Corporation (NAC).
- (7) Basic health care is one of the primary humanitarian services and it is a fundamental right. Though some improvements have been noted in health indicators, there are not much tangible improvements in basic health status of the people living in remote areas. Specifically, the life expectancy of the people of remote areas, underprivileged and marginalized community has remained low. Child death rate and maternal mortality rate have still been high. Despite presence of both




the government and private sector in the delivery of health services, the private health services, being highly expensive, have been largely unaffordable and thus, out-of-reach for the poor and disadvantaged. In addition, the people of remote areas have been denied basic health services, as private health service providers prefer to stay in accessible and city areas and the government health workers also do not want to go and serve in those remote areas. Therefore, availability of health workers in the government health centers of remote areas has to be ensured. Besides, priority should be given to those promising to provide services in remote areas while providing permission to the establishment and operation of private health institutions. Further, monitoring of availability of quality health services has to be made regular, vigorous and result-oriented.


- (8) The medical human resources produced from the medical colleges of Nepal are considered relatively competent in terms of knowledge and competitive strength. However, the health sector is seemed to be driven by commercial interests rather than service orientation. This sector has been mired in multiple flaws and its reach has also been limited to a handful of individuals and groups from the elite class. In this backdrop, a concrete policy on establishment and operation of medical colleges should be developed and enforced. In devising such policy, timely amendment in criteria governing the establishment and operation of medical colleges has to be brought. Besides, balanced regional development perspective should also be considered while granting permission to the establishment and operation of such medical colleges. In addition, monitoring and supervision of health institutions should be made objective, regular and result-oriented by enhancing the capacity of concerned monitoring agencies.
- (9) With the involvement of government and private sector, some improvements have been observed in overall education indicators of the country. However, children from remote and highly inaccessible areas have been deprived of primary education due to various problems. Because of heavy fees charged by private schools, access to private school education for the students from the lower and middle class is beyond reach whereas the quality of public schools has not been improved as expected. Therefore, it is imperative to ensure availability of fundamental educational infrastructures for uplifting the education

standard of community schools, Private schools have to consider clear objective criteria in determining their fee structures among other issues and such fee structures have to be made public. Moreover, the provision of barring the private schools to charge admission fee annually for students must strictly be implemented. Transparent and objective guiding norms for the establishment and operation of universities and engineering colleges have to be set and enforced. The need of the country and regional balance must be well considered while providing affiliation to the universities.

- (10) Hundreds of thousands of energetic and productive youths are compelled to go on foreign employment in the absence of employment opportunities in the country. However, the foreign employment has been so disorganized that the employment-seekers are cheated even during preapproval processes within country. Besides, they have to face a number of problems during departure; and are further denied salary and perks as stipulated in their employment contracts. Sometimes they are compelled to work underpaid or unpaid due to contractual failure. As the employment services provided by the government are concentrated in the capital city, the service seekers from outside the valley have been deprived of getting timely service in an easy way. Therefore, foreign employment services must be decentralized and the grievance handling and compensation distribution processes have to be simplified. An arrangement has to be made to provide service from 'Single Point'. Further, the amount collected in Foreign Employment Fund has to be utilized for the rescue of the workers stranded abroad and in welfare activities of the workers rather than using for administrative expenses. The real picture of the migrant workers working in different countries is not available as the number and details of the workers working abroad have not been updated regularly. Therefore, a Migrant Workers Database has to be developed and the details of the workers have to be fed regularly into the database. Furthermore, networking has to be done among the concerned agencies so as to facilitate systematic data sharing among them. Predeparture orientations should be made more practical and effective so that the migrant workers will be familiarized with potential risks and precautionary measures for safe employment. The provision of medical check-up and certification should strictly be enforced.

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- (11) Despite immense development potentials and investment avenues in the country, internal capital mobilization has been very limited and the foreign direct investment has been negligible. On the one hand, we have not succeeded in illustrating the foreign investors about investment opportunities and the expected returns; and on the other, we have failed to make conducive environment to promote FDI and assure the protection of their investment. Though Investment Board has recently been constituted with an objective to identify bigger investment sectors for the overall development of the country and bringing in foreign investments in those areas, no noticeable effects have been observed in this arena. Therefore, Investment Board and other concerned agencies have to be effectively mobilized to attract ample foreign investment and to strengthen business security in the country. And, especially in the infrastructure projects, the investors and the service-seekers are facing a number of problems due to multiple contact points in the process of project designing and approval. It has even caused delay in decision making process. Therefore, a fast track mechanism should be made under the Office of the Prime Minister and Council of Ministers for providing services from a single point.
- (12) Due to weak domestic productive capacity, dependency on import has increased dramatically and the supply of daily consumable goods has faced many problems due to the country's landlocked geographic positioning. Assessing our comparative advantage and competitive capacity, there is a huge challenge to increase our domestic productivity so as to reduce our dependency on imports. Therefore, priority has to be given to domestic products; and the transportation with the neighboring countries has to be improved so as to ensure an easy provision of food items, clothes and fuels and other primary goods. For this, commercial border points with India such as Jogbani, Kakarvitta, Rakshaul, and Rupaidiya among others have to be systematized and road network has to be upgraded. Similarly, road infrastructure up to Khasa, Kerung among other border points has to be improved so as to make them an all-weather-road. Likewise, Kimathanka point must be further systematized and connected by the road network at the earliest which would facilitate an easy transportation of fuel and other consumables. A strategy has to be adopted and implemented for developing Nepal as a commercial transit point between the two rapidly growing economies i.e. India and China.


- (13) The rising trend of building houses and expanding settlements by destroying forests and extracting stones, gravel and sand illegally from the Chure area have multiplied forest encroachment in the country day by day. The failure to stop illicit smuggling of the forestry products has not only led to an unabated deforestation but the risk of adverse consequences in the environment is also increasing. Therefore, mobilization and participation of the local community should be stressed for the conservation of the forest. This would enhance community ownership over forest and contribute to its sustainable development. The use of alternative energy sources has to be promoted for reducing dependency on forest as a source of fuel. Carrying out plantation in open areas and preservation of the plants has to be conducted as a campaign. Moreover, a concrete policy has to be developed and implemented for utilizing forest and forest products and also to ensure sustainable management and value addition of the forest resources. Similarly, monitoring of encroachment of the protected areas, *Chure* area, and aquatic areas should be strengthened; and illicit smuggling of forest resources should strictly be brought under punishment.
- (14) An awful trend of transferring the ownership title to private individuals of the trust land (*Guthi*) registered in the name of temples, religious shrines; monastery etc. has resulted in an alarming encroachment into such public properties. Several hectares of land belonging to holy pilgrimages such as Pashupatinath Area, Broader Janakpur Area, Lumbini, Muktinath among others have been disappeared. Similarly, land in the surrounding of Fewa Lake, Rupa Lake, Begnas Lake of Pokhara; and Rara Lake and Foksundo Lake and many other lakes situated at different places of the country are also being encroached. Therefore, in order to stop such encroachment, the erstwhile maps and records of those lands have to be identified and collected. Then, the lands according to such maps and records have to be surveyed in the field and actualized. And, finally, an integrated record of the lands has to be developed for management and conservation of such lands.
- (15) Though various Commissions have been founded from time to time to address the problems of landless squatters residing unmanageably in various parts of the country, their attempts have not materialized into success. Millions of landless squatters have been staying in Bhalubang of Dang, Attariya of Kailali and across the corridors of various rivers



in Kathmandu Valley such as Bagmati, Dhobikhola and Manohara and many other areas across the country. They are found to have constructed permanent structures for their residence in some places by encroaching the government or public lands. In this scenario, an all-powerful Commission has to be set up to deal with and manage the problem of squatters staying illegally by erecting permanent structures in the public or government land. However, to deal with the problem of genuine landless squatters staying in an uncontrolled and haphazard manner, an autonomous Commission has to be formed also taking into account the recommendations given by the earlier Rawal Commission. Problems of landless squatters should be addressed by identifying genuine landless and managing their settlement at safer areas by forming a 'Commission'. Charging a minimum price and registration fees, the ownership title over the land occupied by the genuine landless squatters has to be transferred to them at least for a single time.

- (16) Majority of people have to rely greatly on the road transportation as other transportation services are nearly impossible due to the rugged topography of the country; and the air transportation is quite expensive. Therefore, focus has to be paid to the expansion of the road networks as well as to the upgrading of roads under construction with an objective to make road transportation safe, reliable and accessible. Though tracks of Madhyapahadi Highway, East-West Highway and Hulaki Highway have been opened, there lies a need to widen and upgrade them with a view to enable two-way traffic throughout all seasons. For this, concrete action plans should be developed and implemented by mobilizing adequate funds in order to make road service accessible.
- (17) The condition of the run way and other aviation infrastructures of Tribhuvan International Airport (TIA) is beyond minimum standard which signals the possibility of spoiling the country's image in the international arena. With the growing air traffic, risks during takeoff and landing of aircrafts are increasing in the absence of improvements in infrastructures and facilities at the airport. Therefore, improvements of physical and technological infrastructure of the TIA should be emphasized. Moreover, construction of Nijgad International Airport has to be started at the soonest so as to reduce air traffic at TIA. Similarly, construction of Regional Airports at Pokhara and Lumbini has to be carried out with a priority and have to be completed at the earliest.

- (18) The cooperative sector has contributed to social mobilization, community development and mobilization of small capitals existing in rural areas. Despite huge potential of this sector to be one of the development pillars, the management of this sector has been less than satisfactory. There lies tremendous possibility for this sector to contribute to the social and economic development of the country through mobilization of savings. However the problems including swindling the lifelong hard-earned money of the people by a handful of owners have been on the rise amidst a multitude of other ill-practices. Therefore, a concrete policy for systematizing the cooperative sector should be developed and enforced. Further, the regulation, monitoring and supervision of the cooperatives have to be made regular and effective. Additionally, security of the savings of depositors in cooperatives should be ensured through establishing a 'Saving Security Fund'.
- (19) The traffic management of the Kathmandu Valley has been almost chaotic resulting into heavy traffic congestion. Reaching even nearby places takes long hours due to traffic jams; and it also increases the risk of accidents. Heavy emissions by old vehicles have resulted in increased pollution ensuing serious repercussions on human health. Therefore, a priority has to be given on promoting the use of electrical vehicles. Similarly, construction of link roads through the banks of rivers including Bishnumati, Bagmati and Manohara; and the construction of flyovers in places facing heavy traffic congestions should be carried out with a top priority. A policy of giving a one-time facilities or concessions for removing the old vehicles from Kathmandu valley and replacing them by modern mass transport have to be adopted. Moreover, abandoning the age old manual system, traffic system should be made technology-based.
- (20) With spiraling increase in the number of small vehicles and the quality of roads not improving as expected in the three districts of Kathmandu Valley, road traffic has reached a high point. Also taking into consideration the density of population in the Kathmandu valley, going for alternative forms of transportation should not be delayed. Therefore, feasibility studies have to be carried out in view of operating Metro Train and Mono Train in the Kathmandu Valley.
- (21) The problems of coordination among different agencies especially involving in utility services and local infrastructures can evidently




be noticed. Besides, frequent instances of buck passing or rent-seeking by the responsible agencies are observed during the course of implementation of the projects relating to physical constructions. It results in unnecessary delays in the completion of projects. In course of building infrastructures by municipalities and some prominent Village Development Committees, duplication and obstructions in their works have been frequently observed in the absence of an effective coordination. An explicit example of this coordination problem in Nepal is demonstrated by scrapping of newly black-topped roads to construct the sewage system or water pipes by the concerned agencies right after construction of those roads. Therefore, a coordinated and integrated action plan should be implemented for sustainable development of infrastructures such as road, drinking water, sewage system, electricity, telephone etc.

- (22) There has to be a performance based reward and punishment system for the manager and other concerned staffs of the development projects and other public agencies. The officials failing to accomplish the project as per the quality, time and cost stipulated in the performance contract have to be punished whereas those having outstanding performance have to be rewarded accordingly. This system of reward and punishment should strictly be implemented.
- (23) Despite mobilization of substantial funds in the name of poverty alleviation for long, there has been no relative decline in the intensity and gravity of this problem. When the Commission conducted monitoring over a small segment of administrative expenses of the Poverty Alleviation Fund (PAF), various anomalies had been found. On this ground, it is not unnatural that serious questions have arisen over the rationale of the program itself and its impact to reduce poverty. Therefore, current modality of poverty targeted programs should be revised; and the criteria for designing pro-poor programs should be reviewed in order to make them result-oriented.
- (24) The principle of autonomous local self-governance has been practiced for years. Though local bodies have been enhanced by providing full authorities and allocated huge amount of resources, the capacity of the local bodies have not improved as expected. As the posting of VDC secretaries lie vacant for long time and they have to look after more

than one VDC, the service recipients are deprived of receiving services with ease and timely basis. In addition, as the Government employees are found disinterested to serve in the capacity of VDC Secretaries and often seek transfers to work elsewhere, the service delivery at the local level has been affected further. Therefore, appointment has to be made by announcing separate vacancy for VDC Secretary in order to ensure retention of the staff at local bodies. Besides, appropriate incentive system should be injected for the employees working as VDC Secretaries.


- (25) Because of prolonged vacuum of elected representatives in the local bodies, the government employees have been fulfilling dual responsibilities as service providers and the executive of the local bodies as well. In the absence of people's representatives, the roles of Local Development Officers of DDCs and Executive Officers of Municipalities have been less effective. On the one hand, it has affected the service delivery and on the other, internal control and accountability have been weakened. Therefore, election of the local bodies has to be conducted at the soonest in order to facilitate an easy and speedy service delivery to the people and to enhance accountability at the local level.
- (26) In the absence of an updated and organized Local Registration System for registering important personal events such as birth, death, migration etc. citizens have to face unnecessary difficulties in receiving public services such as obtaining citizenship, land ownership documents, driving license and so on. Similarly, fake or forged documents are frequently prepared; and in a number of instances, even unauthorized person have received valid documents due to absence of integrated record system. Though government has initiated for preparing National Identity Card by incorporating complete personal details, it has not been materialized yet. Therefore, priority should be given in developing Integrated Citizenry Database; and utilizing the National ID Card System by incorporating every personal detail.
- (27) The rehabilitation and reconstruction works have to be started immediately through an appropriate body in order to expedite the rehabilitation of those who have lost their family members or have been rendered homeless by the April 25, 2015 earthquake. The commitment made by the government with donor agencies has to be translated into a reality by setting a concrete action plan with clear-cut priorities and



should be enforced effectively. Furthermore, prompt actions should be initiated for reconstruction and renovation of government infrastructures including religious and cultural monuments destroyed by the disaster.

- (28) As Nepal is in disaster-prone geophysical location, ample precautionary measures have to be taken; and adequate preparations should be introduced with a view to mitigating the unexpected loss from disaster in future. Moreover, an intact Disaster Response Team should be formed comprising well-trained and skilled manpower.
- (29) The skyscraper-like housing, apartments and shopping malls in major cities including in the Kathmandu Valley are found to be in high risks at the time of disasters including earthquake. It is because of their reluctance to comply with the government's 'Building Code' as well as the poor monitoring of the concerned agencies. Therefore, the risk of earthquake should be taken into consideration while designing or amending the Building Codes. The regulating agency should ensure that the criteria, terms and conditions stipulated in the Building Codes are followed strictly while constructing such buildings.
- (30) A large number of I/NGOs have been operating in the country with the objectives of social and economic transformations including social mobilization, awareness raising, social advocacy and so on. They have been mobilizing the funds received from foreign sources almost equivalent to what the government receives through the formal channels. Rather than serving the needy people in remote areas as per the national priorities, a majority of these I/NGOs are found concentrated in cities. In the absence of a clear policy on the mobilization of I/NGOs, serious questions have often been raised at the justification of their programs, the funding source and the acquisition of funding, transparency in mobilization of funding and the accountability of these institutions. Therefore, to ensure an effective monitoring and supervision work, a single government agency should be defined and made accountable for regulating, mobilizing and managing these institutions. Moreover, in giving permission to register I/NGOs, those that accept to work under the Government's development priority framework should only be granted registration. Similarly, provision has to be made to ensure that there will not be a crowd of institutions of similar nature and having similar programs serving the same locality.

- (31) Nepal, being a member state of the World Trade Organization, has been confronting with the challenge to adjust its tax rates in line with it. However, there is no expected improvement in our system of taxation. Due to the tendency of low invoicing in customs and ineffective implementation of the Value Added Tax (VAT) system, customs and VAT collection have been sluggish and insufficient. Similarly, expansion of tax net and voluntary tax declaration programs have not been effective as expected. Although the business persons and traders have been charging VAT to their customers on sell, the trend of cheating by unissuing invoices has not completely been controlled. In addition, the tendency of seeking immunity from paying taxes through periodically created 'Tax Clearance Commission' has also created a number of problems. Therefore, a permanent mechanism having full authority should be established to control low invoicing and tax evasion, expand tax-net and to reform taxation system.
- (32) Ensuring conducive environment for an open and competitive business in areas such as public transportation, supply management and public contracts has faced severe impediments from a number of ill-practices such as monopoly, carteling and syndicate. Despite a provision requiring adopting the electronic tender system in public procurements and public contracts, there has not been much improvement. By creating various obstacles in the tender process and through illegal alliances, the tendency to compromise on the quality of goods and services has still been practised. Therefore, market monitoring should be made regular, effective and result-oriented in order to control malpractices in market and to promote competitive business. Moreover, electronic tender system should be made mandatory for all public procurement and construction works to discourage unnatural collusion.
- (33) The principle of collective bargaining through 'trade unions' has been acknowledged along with the adoption of democratic system in the country. It is embraced even for employees working in government services including civil service. As the trade unions have been working as 'sister organizations' of the political parties rather than advocating for the valid concerns of the employees, numerous problems have surfaced in the country's public service delivery. There are plentiful instances in which serious obstacles have been created by the unnecessary




involvement and interference of the trade unions in regular management functions such as transfer, posting etc. of the employees. Therefore, special attention should be paid to mobilize trade unions as a precursor of improvements in the service delivery. The existing trend of having multiple trade unions should be replaced by establishing single trade union through their election.

- (34) The country's dependence on foreign aid has been increasing day by day due to limited mobilization of domestic funds on the one hand and ineffective results of the foreign direct investments on the other. In this backdrop, utilizing foreign aid towards strengthening our internal competitive strengths is the need of the time. To make this happen, an appropriate system has to be developed for mobilizing the foreign aid in the priority sectors of the government through the channels of national budget.
- (35) Organization structures and staffing of many government agencies are old and thus, some of them seem obsolete. As the organograms of those institutions have not been updated for long, some of these institutions have been facing the problem of inadequate manpower to perform an increased workload whereas there are some other institutions which have been dealing with the problem of employee redundancies in view of their minimal workload. Even when some organizations have adopted advanced technologies, better management systems and improvements in the service delivery system, their conventional organizational structures have remained unchanged. Therefore, it indicates an urgent need for restructuring these agencies. Specifically, the roles of the Departments and Regional Directorates under the existing organograms have not been effective and thus, they are difficult to be justified. Therefore, also taking into consideration restructuring of the state under the federal set-up in the coming days, there is a need to review current organizational structure of the public institutions for an easy and effective service delivery.
- (36) Currently, more than 200 Commercial Banks, Development Banks and Financial Institutions have been operating in Nepal. In recent days, merger between many of these financial agencies has been developing as a trend in Nepal. In fact, mergers has become a reality to keep the size and number of these institutions in appropriate limits in comparison to

the size of Gross National Product and the volume of internal capital market of the country. However, some of the banks and financial institutions have also been involved in serving the vested interests of some individuals jeopardizing the hard-earned deposits of the ordinary people. Therefore, an appropriate economic policy should be enforced and the monitoring role of the concerned agency has to be made further effective to discourage these ill-practices and reduce the financial risks.

- (37) Efforts have been made towards developing and enforcing the institutional Codes of Conduct in various public institutions. However, it has not been able to bring about significant changes due to the absence of effective monitoring system. In this backdrop, National Ethics and Integrity Policy should be developed and strictly enforced for consolidating the ethical and moral system in public institutions.
- (38) The quality of development projects and the service delivery in the public sphere are bound to improve if the monitoring and supervision of public services is made more effective and result-oriented. The monitoring and supervision aspect has been much ignored in terms of priority and resource. The service seekers are compelled to face innumerable difficulties and troubles due to inapt work procedures of public institutions and the failure to introduce improvements. The presence of agents and intermediaries in government offices has added unwanted layers in the service delivery of these institutions. As the market monitoring has not been effective, it has led to several problems including artificial shortage of goods and services and monopoly in the supply of essential commodities. This has resulted customers being forced to pay inflated prices of the commodities. Therefore, the monitoring and supervision tasks should be made more effective and result-oriented by enhancing the competency and capacity of the monitoring and supervision agencies.
- (39) To ensure decentralized service delivery up to the doors of the service seekers, there lies a need to make service delivery provision from areas the service seekers want. To ensure timely, cost-effective and efficient service delivery by the government agencies to the people, Service Delivery Procedures and Directives have been developed. However, they have not been effectively implemented. Therefore, bringing timely improvements in those Procedures and Directives, their effective



implementation has to be ensured. In addition, to ensure an easy access of the people to the government's services, single point service delivery system has to be developed and an emphasis should also be given to the establishment and operation of service centers. Moreover, the provisions of the Citizen Charter need to be revisited so as to make them contextual and implementable.


- (40) Despite good prospects for development of business sector in the country from the view points of comparative advantage and competitive strengths, no expected benefits have been reaped from the foreign trade. On the one hand, dependency on imports has been increasing and on the other, trade deficit has been spiraling. It is due to the weak internal production capacity and high production costs. Therefore, to give priority to national production by enhancing our competitive strengths and diversify our trade, emphasis has to be given on coordinated and effective implementation of Industrial Policy, Commerce Policy, Agriculture Policy, Water Resource Policy, Foreign Investment Policy and other relevant policies.
- (41) As the grounded old vehicles, machinery tools and equipment dumped in various government agencies are hardly auctioned and disposed in time; they unnecessarily occupy huge spaces and are likely to be stolen or damaged. Therefore, a provision of timely auction or disposing of unused vehicles and equipment in government offices has to be strictly enforced.
- (42) The tendency of indecisiveness or delayed decision making on the part of the public officials and public office holders has resulted in unnecessary delays in some works; and some development projects have witnessed difficulties in meeting their performance deadlines. Besides, a trend has also been evolving in which some ordinary administrative issues are also decided from the cabinet in the name of policy decisions. Therefore, in order to discourage this trend, those not making timely decisions have to be subjected to punishment and a compensation corresponding to the loss resulted on the government from such indecisiveness has to be recovered from those officials. Moreover, explicit criteria and rational should be chartered out for the matters of policy decisions.

Conclusion:

There is no doubt that good governance, economic prosperity and social justice are the urges of this era. Assurance of these traits is the duty of the state whereas access to these attributes is the right of the citizens. Nepal, though, possesses innumerable potentialities for economic development and social transformation; our efforts have hardly been successful to harness them. It is, however, regretting to observe that our economic status has been lagging behind in spite of infinite number of initiatives and efforts. This is not because we have resource deficiency; this is because we lack vision to break the vicious cycle of poverty and to dismantle the concrete barricades of deprivation. We have, however, come across a number of political regimes, policy ground and planning frameworks since last decades in the course of our development endeavor. But we are still in the crossroads to take either side. This indicates that government's efforts to reap fruit for development remained ineffective due to policy inconsistency and implementational incompatibility. By the result of it, we share merely a utopia, a fantasy and a mirage. It is evident that we fail to realize our potentialities and augment them. It seems that those who have hopes fail to realize and those who can realize fail to share hopes. Despite abundance of resources, we are compelled to accept that poverty and marginalization is our fate and it is our inherent reality. Although people have enthusiasm, resistance and endurance for years, they have long been awaiting for the upside down of their ill-fate.

Though, several policies and programs have been developed and implemented for achieving good governance, economic prosperity and social transformations; meaningful results have yet been achieved. It can explicitly be noticed that miseries of the 'needy ones' are getting worse as government policies and systems could hardly address them. The principal obstacle in realizing these objectives has undoubtedly been the corruption. Therefore, prevention and diagnosis of this malady is one of the preconditions for good governance and social justice.

The awareness level of a particular section of society has also increased remarkably along with the advancement of information and communication and development of modern technology. On the contrary, majority ones has been unnoticed even about their fundamental rights and stake to governance. It is encouraging to see people's increasing concerns and vigilance on the



performance of any public servant and their sensitivity towards service seekers. Realization of good governance becomes possible only when the government agencies strive to fulfill their duties being responsible and accountable to the people. So, CIAA has been more focused to hear the 'voice of the voiceless' and to bring back the rights of the poor and down trodden.

It is challenging to address the expectations and desires of citizens by creating corruption-free society. CIAA, of course, has been directed towards creating just and fair society but people's perception on '*CIAA has to or can do everything*' needs to be understood in the light of complementarity; keeping in mind that corruption control is a shared mission and can only be accomplished by collective efforts of all the stakeholders. Therefore, there lies a pressing need for the active and coordinated involvement of the concerned stakeholders with the Commission towards this direction.

Amidst plentiful challenges and impediments, the Commission has been devoted in its path towards fulfilling the responsibilities entrusted by the constitution, however, these efforts have not been adequate. Therefore, there lies a pressing need to determine its course of action ahead by objectively assessing the experiences of past with an aim to reinvigorate its efforts in future. As the administrative structure of the country will adapt the principle of federalism in the coming days, there will be even greater need to intensify monitoring and surveillance over multiple layers of the administration. To make the Commission able and competent enough to perform this role, it has become imperative to strive towards the institutional strengthening and capacity building of the Commission. Taking into consideration this new reality, the Commission would march ahead by making clear strategies and action plans. The Commission pledges that it would make a significant contribution to the promotion of good governance, economic prosperity and social justice in the country with active and constructive support and collaboration of the citizens.

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