



Citizens' engagement and accountability of the service providers: Perspectives on governance in Nepal

Bishnu Raj Upreti (PhD)

Gopikesh Acharya (MA)

Citizens' engagement and accountability of the service providers: Perspectives on governance

Bishnu Raj Upreti (PhD)

Gopikesh Acharya (MA)

Nepal Centre for Contemporary Research (NCCR)

Jawalakhel, Lalitpur

January, 2017

Citation:

Upreti BR and Acharya G. (2017). *Citizens' engagement and accountability of the service providers: Perspectives on governance in Nepal.* Kathmandu: Nepal Centre for Contemporary Research (NCCR).

Copyright © 2017 by the Nepal Centre for Contemporary Research (NCCR), Lalitpur Nepal.

All rights reserved.

Layout/cover design: Gopikesh Acharya

Disclaimer: The views and analysis presented in this report are of the authors, and in some instances, the views are credited to professionals working in the area of governance, accountability, anti-corruption, community development, and citizen's engagement on governance and development. Therefore, the views and analysis may not necessarily correspond with the official views of NCCR, Development Communication Society (SODEC), Centre for Media Freedom (CMF) and Organization Development Centre (ODC).

Acknowledgement

Our sincere gratitude goes to all who helped us during the entire course of this study. Though it is not possible to mention all of them, we would like to name a few whose support remained crucial to bring publication in to this shape. We would like to express our special thanks to the experts, including Surya Nath Upadhyaya (Former Chief Commissioner of Commission for Investigation of Abuse of Authority, presently from Eminent Persons' Group), Hiramani Ghimire (from Output Lead Policy Dialogue at Economic Policy Incubator - The Palladium Group) Gangadatta Awasthi (Governance Specialist in Nepal), Mukti Rijal, (Governance Specialist from Institute for Governance and Development), and Kedar Khadka (President of GoGO Foundation).

We would also like to thank the STREAC consortium partners (SODEC-Nepal, NCCR, CMF and ODC). Specially, Dr. Pius Mishra, Bimal Gautam, Prakash Ghimire, Siddhi Pd. Manandhar, Asmita Manandhar, Sharada Rijal Bhoj Raj Adhikari, Bindesh Dahal and Apshara KC deserve our best gratitude for their great contributions.

Bishnu Raj Upreti (PhD)

Gopikesh Acharya (MA)

January, 2017

List of Contents

	Page
Acknowledgement.....	I
List of contents.....	II
Abbreviations.....	III
1 Introduction.....	1
2 Objectives and methodology of the study.....	6
2.1 Objectives of the study.....	6
2.2 Methodology of the study.....	6
3 Civil services in Nepal: Key areas and aspects of governance.....	8
4 Citizens' engagement in good governance and development.....	10
5 Understanding on governance and corruption: literature review.....	18
6 Best practices worldwide: Nepal to learn.....	32
7 Technologies and innovations for good governance.....	37
8 Discussion, conclusion and recommendations.....	39
References.....	44
Annex.....	47
About the authors.....	48

Abbreviations

CIAA	Commission for Investigation of Abuse of Authority
CMF	Centre for Media Freedom
ODC	Organization Development Centre
CPI	Corruption Perceptions Index
DMLI	Department of Money Laundering Investigation
GoN	Government of Nepal
ICAC	Independent Commission against Corruption
LGCDP	Local Governance and Community Development Programme
MoLD	Ministry of Local Development
NCCR	Nepal Centre for Contemporary Research
NGO	Non-Governmental Organization
SCPC	Slovenian Commission for Prevention of Corruption
SODEC	Development Communication Society
STREAC	Strengthening Citizen Engagement in Anti-Corruption Efforts
UN	United Nations
UNCAC	United Nation Convention against Corruption
UNGCO	United Nations Global Compact Office
UNODC	United Nations Office on Drugs and Crime

1 Introduction

This study presents on how national/international agencies have been working towards good governance as a whole thereby promoting accountability, anti-corruption, transparency, and communities' engagement on local governance and development. The study also explores on how the good governance initiatives have been contributing in state capacity building for improved service delivery, while the study also makes an assessment of the existing challenges and way forwards. Likewise, the study also briefly reflects on the best practices and experiences (in regard to good governance) learned globally.

Some of the best good governance and anti-corruption practices are observed from the European countries, such as Denmark, Finland, Germany, The Netherlands, Belgium, France, Luxembourg, Spain, Italy, Sweden, Estonia, Portugal, Slovenia, Croatia, the Czech Republic, Lithuania, Bulgaria, Romania and Greece.

Poorly performing and unaccountable governance contributes to incompetent services and that creates frustration among the citizens towards the services and service providers. Mal-functioning governance (along with corruption, discriminations, ambiguities, and lack of transparency and accountability) undermines the ethics of democracy, degrades moral and social values, at the same time it negatively impacts on human rights and development.

The study has set an assumption that corruption (which is one of the main challenges of good governance) is a practice that people, institution or a political system no matter that are in the name of administration, law, society, culture,

religion, development (whatever), involve in misusing power and brain for economic and other similar institutional/personal gain. Aiming at good governance, the issue of corruption is highly debated, researched and investigated in the recent years. Yet, there is much more to do.

This study shows Nepal has suffered the lack of functional and supportive relations between the line ministries, departments and other partner agencies all of which have aimed at promoting good governance through accountability, transparency and anti-corruption practices.

In Nepal, as the study has shown, most of the agencies combating for good governance and against corruption have mostly focused on the monetary issues of corruption on implementation side, while so rare assessment have been made on policy side. Likewise, the study also shades light on a fact that a service provider's rude response, lie, wrong attitude and behaviors are also corruption in theory, which as a whole contributes in poor governance and uneven development. Such practices also contribute in shaping people's perception negative towards the state and its service provisions. Assessing such scenario, it is quite natural to question on state legitimacy as a whole.

Regarding corruption within the governance, experts' views throughout the study mainly concern on the two types of corruption practices. The first type of corruption argued is '*policy corruption*' while the second type is '*implementation corruption*'.

The study also shades light on the fact that so many international practices on good governance have been adopted in Nepal, but most of these have been endorsed with the populist motto.

The report signals that most of the good governance, accountability, transparency, and anti-corruption practices adopted in Nepal have created obligations. As argued, it is because Nepal has often failed to get prepared before adopting them. As a result, the lack of preparedness to promote good governance and combat corruption has yielded outcomes not as per the expectations. The report sees the state has not been able to prove its capacity to respond the obligations emerged as well.

Likewise, the study reviews that much progress have happened regarding the promotion of good governance and development through community engagement. The progress can be observed in the CIAA's annual reports. But, this study suggests that Nepal lacks institutionalized preventive measures against mal-practices within the whole governance and development, so it is reflected necessary to initiate activities that concern preventive measures (such as strengthening public hearings and social audits activities to measure client satisfaction and adequately responding on the issues emerged).

The study does not find any legal platform functioning significantly in Nepal where citizens can directly get engaged. Occasional and ritual social audits and public hearings have been found not yielding expected results. As identified in this report, it is because Nepal lacks state-agency/programme that can integrate citizens' feedback in to the policy and implementation.

However, the study has pointed out that the unpunished improper activities conducted by the public service providers have posed a critical challenge. The report also highlights improper activities of the public service providers (such as, mandates crossed, not conducted the priority work, not

fulfilled the responsibility as per law, untimely decisions etc.) are mostly unpunished, even if there have been some exceptional cases - these have turned ritual only.

Establishing good governance demands adequate state capacity, willingness and preparedness. Experts' views on this regard have been found mostly concerned with the issue of an invisible but functioning nexus (mostly between the different service providers including from the governance, police, politics, and law sectors). The invisible nexus of the interest groups have been perceived as a challenge in promoting good governance.

As shown throughout this study, with the policy of Nepal to include and integrate people from different geographical and socio-political characters, Nepal has progressed a lot in building individual capacity through inclusion policy in governance, development, politics and bureaucracy. Regarding social inclusion, see the opinion¹ of Om Gurung (PhD), Professor and one of the founding faculty members of the Central Department of Sociology/Anthropology in Tribhuvan University in Annex 1. But as indicated throughout the study, the individual capacity built after the implementation of social inclusion policy in Nepal is not transformed to the institutional or system capacity. This study asserts that transferring the individual capacities in to institutional and system capacity is more significant in the face of Federal Nepal.

¹ Related journal article authored by Gurung is available on: http://himalaya.socanth.cam.ac.uk/collections/journals/opsa/pdf/OPSA_11_01.pdf. 'Social inclusion: Policies and practices in Nepal', accessed on 29 December 2016.

In line with the literature review and expert consultations, the report has presented recommendations (see in section 8) to the policy makers and all other concerned stakeholders.

2 Objectives and methodology of the study

2.1 Objectives of the study

The study has set objectives to understand and assess the state-of-art on the issue of governance as a whole, and specifically aims at exploring on the issues of citizens' engagement in local governance and development, accountability, transparency and anti-corruption in Nepal. It also aims at exploring on the best anti-corruption practices implemented world-wide. Assessing the best anti-corruption practices worldwide, the study aims at contributing in the knowledge of the Nepalese policy makers, practitioner, and all other related stakeholders. Some of the best practices from around Europe are recommended for Nepali policy makers and all other concerned stakeholders to learn and practice the lesson.

2.2 Methodology of the study

Supported by the opinion generated from the In-depth Interviews (IDIs) with some of the renown Nepali experts and professionals on governance, accountability, transparency, citizen's engagement on local governance and development, and anti-corruption issues, this study is based on the literature review on anti-corruption and accountability in Nepal and international arena.

Evidences generated for this study are from expert interviews and literature review. The interlocutors were randomly chosen based on their experience and knowledge in the area of this study. The reviewed materials mostly have a scientific methodological ground, so that the cited literature also stands on the scientific ground of the study. The literature review process is

mainly concentrated on assessing governance as a whole. The process and the reviewed materials have shown that an acute analysis of governance and development practices in Nepali context is essential.

3 Civil services in Nepal: Key areas and aspects of governance

It can be argued predominantly that not having access to a good governance is likely to affect peoples' perceptions of the state. Provision of civil services in Nepal is implemented through the four crucial areas, namely governance area, social area, economic area and infrastructural development area. Bajracharya and Grace (2014) reflects on key aspects within each civil service areas in Nepal. The Governance area for the civil services is focused around the supervision, coordination and other secretarial services to the Council of Ministers. Likewise, peace and security; reconstruction and rehabilitation; defense, foreign affairs and economic diplomacy; civil administration and management; statistics; planning; Law; justice; parliamentary affairs; and corruption control are the key aspects of governance area. So, it is important to assess whether these aspects are better governed, or not. It is because people's negative experiences on these aspects are more likely to shape their perceptions negative towards the state.

Similarly, civil service with in Economic area, as reflected in the Bajracharya and Grace (2014), covers forest and soil conservation; land reform and management; irrigation, agriculture and food security; culture and tourism; industry, commerce and supply management; and auditing (official/public). Civil service within Social areas covers the provision of basic services including education, drinking water, sanitation, nutrition and health. Social protection/security; inclusive local development (building capacity at individual/organizational/and system level); labour and employment; youth mobilization; and sports are the other key aspects of development in social areas

within civil service. Infrastructure development is another area within civil service. Some development aspect, such as energy production (hydro/solar/wind and other alternative areas); transportation (land/air/water); science/information/communication technology; urban and rural infrastructure; and construction and management are the key aspect of infrastructural development area of civil service.

To establish good governance systematically there is need of an effective state. Mukti Rijal, a Governance Specialist from Institute for Governance and Development, (Rijal, Pers., 08 September, 2016, Nepal) argues, '*regarding good governance, Nepal has several formal instruments to implement (for example, good governance act, Right to Information), but the implementation mechanism is very much fragile.*' It means Nepal has suffered the gap between context, formality and reality.

Building trust and confidence of citizens in the civil service has been an immediate necessity. Implementing preventive measures for good governance and to combat corruption, adopting merit-based recruitment, and sharing the information about the operations, practices and performance of civil services is significant in Nepali context.

4 Citizens' engagement in good governance and development

In Nepal, no legal platform is effective where citizens can voice their concerns directly, and experience their concerns responded adequately. Public audit, social audit, public hearing and *'all these initiatives related to social accountability, transparency, and anti-corruption have turned ritual'*, opines Gangadatta Awasthi, a prominent Governance Specialist from Nepal, (Awasthi, Pers., 23 August, 2016, Nepal). For now, public audits seem to be limited with the concerned project, concerned beneficiaries and income-expenditure announcement of concerned project only. While, social audit seems to have a higher significance (in theory), as it concerns beyond a particular project, it also concerns local governance and its service delivery units. Slightly different from the above mentioned two initiatives, public hearing is issue based rather than particular projects only. Public hearing is a kind of measure for overall performance with a purpose to maximize the good governance. However, the major challenge behind all these initiatives is that they lack the feedback integration component.

Surya Nath Upadhyaya, Former Chief Commissioner of Commission for Investigation of Abuse of Authority (CIAA), presently from Eminent Persons' Group (Upadhyaya, Pers., 23 August 2016, Nepal) admits that public hearing, audit, social audit have all turned to be ritual, not preventive. Public hearing is a platform where service provider can shared their concerns and public too can have their say concerning their experiences with the particular service and service provider. *'There is no such platform that could address/respond the feedbacks collected from public hearing. This aspect is silent in Nepal'* (Upadhyaya, Pers., 23

August 2016, Nepal). Who monitors the concerns raised in the public hearings? How to respond and manage those concerns? These are still challenges in Nepali context. Until and unless an agency to respond the concerns of public hearing is not established, it is out-and-out right to claim the public hearing programme are not going to yield positive and expected outcomes.

There are disparities in the level of public awareness throughout the country. In terms of public awareness to combat corruption and hand on good governance, some mid-hill districts such as Kaski Syanjha, Gulmi, Dolakha, Jhapa, Ilam and Morang seem to have progressed more compared to the districts in Karnali zone. According to Awasthi, Pers., (23 August, 2016, Nepal), *'the disparities are visible if we see the geography northward from the east-west highway and its southward geography'*. Local people in Karnali zone still perceive development differently, they often pronounce *'distribution of development'* (Awasthi, Pers., 23 August, 2016, Nepal), meaning they understand that there is someone who distributes them development. It is because the process to engage local people into development and governance is flawed. And local people have failed to realize their engagement in local governance and development. There are several other non-governmental agencies (such as BBC and Transparency International) that conduct public hearing. These agencies' initiatives are ok to some extent (in creating public awareness). However, *'Nepal lacks its own agency to respond all those concerns emerged'* (Upadhyaya, Pers., 23 August 2016, Nepal).

The decade long insurgency that ended in 2006 *'[...] invited corruption in national and local-level development, and [it] frustrated community participation*

in development work, resulting in low levels of development, [thereby contributing in] a great loss of organisational, system and individual capabilities' (Acharya et al., 2016:5). But, however, situation seems quite improved in the post-conflict time. Acharya et al., (2016) argues '*[l]eaving aside the local governance-related hurdles, corruption and delays, Local Governance and Community Development Programme (LGCDP) support is found to be significant in contributing to improving state-society relations and improving the capacity'*.

Social mobilization is a basic tool for good governance as it contributes in local people's empowerment. Empowerment lets people have their say in governance and engage in local development. According to Awasthi, Pers., (23 August, 2016, Nepal), '*Nepal has always suffered a tension between bureaucracy and politics that both of these have negotiation point. But, the negotiations have not yielded productive outcomes'*. This kind of tussle has hampered the process of social mobilization. The negotiations between these two forces have rarely seemed to have happened for good reason.

Citizens' engagement in governance and development in Nepal has been debated as a significant initiation in the last couple of years. The higher the engagement of citizens in the governance and development process is, the more positive their perception of the government appears to be. But, Kedar Khadka, President of GoGO Foundation (Khadka, Pers., 21 September, 2016, Nepal) opines differently:

[i]f I have to rank the level of citizen's engagement in good governance and anti-corruption efforts, it is below 5 in 10, means less than 50 percent. LGCDP and small NGOs have contributed little bit to

enhance the level of citizen's engagement. So far the effective performance is concerned, anti-corruption; accountability and transparency are not at all priorities of legislative, judiciary and executive as well as donors in this country. Hence, no committed efforts are made and therefore both level and performance of citizen's engagement in anti-corruption is unsatisfactory.

However, if we study the cases of social audits in public school we can learn lesson how much of the efforts have turned ritual. Social audit in public schools need Parents' Committee's approval. However, as Awasthi, Pers., (23 August, 2016, Nepal) claims, *'this process seems true in some cases, while in some cases social audits are conducted just for the sake of it (meaning documented in register only). There is a need of reformation of guidelines if the state is genuinely wishing the initiative not to be that much ritualistic'*. Initiatives of conducting public hearing came with greater zeal and remain able to evoke genuine public expectations. But, as time pass on, public hearing too failed to be mass-based, not wider too. Wider public participation begun to decrease event by event, it is because, *'general public did not trust the initiatives as they knew their feedbacks were not responded'* (Awasthi, Pers., 23 August, 2016, Nepal).

Public hearing could have been effective if there was elected local governance. If there was an elected local government, each ward in each local government unit would have experienced practical public hearing (not that ritual). This indicates lack of locally elected local government has turned to a lack of genuine mechanism that could address the genuine feedbacks of publics.

With citizen's participation, Ministry of Local Development (MoLD), LGCDP, Commission for the Investigation of Abuse of Authority (CIAA), Department of Money Laundering Investigation (DMLI) and Special Court have been found initiating good governance, accountability, transparency and anti-corruption activities throughout the country thereby promoting citizens' engagement.

Khadka, Pers., (21 September, 2016, Nepal) points out some of the most important steps to be taken or tasks to be accomplished to improve the level and performance of citizen's engagement in good governance efforts. He lists it out as, a) ensure allocation of 1-3 % budget as '*challenge fund*' or '*accountability fund*' or '*integrity fund*' in each projects and programme of the government and the donors to invest for good governance efforts: mass awareness, capacity building, research, etc. that will ensure proper implementation/utilization of 97 percent fund without misuse or abuse, b) Make laws in a democratic ways and implement them in dictatorial ways (no compromise in fair implementation of the laws and regulations; and c) Civil Society empowerment (lawyers, media, NGOs, etc) on anti-corruption efforts to create anti-corruption mass hysteria (mass movement/pressure). These are some of the important points the policy makers need to consider.

Regarding the performance audit, the Office of Auditor General concentrates its focus on the performance audit but it is reluctant for public hearing. This means '*the part of client's satisfaction towards certain public services and certain public service provider is neglected in the evaluation of Auditor General*' (Awasthi, Pers., 23 August, 2016, Nepal). At least a wing from within the Office of Auditor General, National Information Commission and CIAA

should be strengthened and specialized to evaluate/measure the part of client's satisfaction towards the public services and service providers. This creates a platform where citizens interface/interact on governance and development directly and could contribute in strengthening good governance. If the above mentioned constitutional agencies implement the performance audit based on the internal audits of the concerned public service provider and the public hearings conducted by the constitutional agency themselves, positive results can be expected.

Expectation and capability gap is a vivid challenge in Nepal. Nepal failed to categorize and prioritize the foreign aid. *'Instead of building state's capacity with foreign aid support, Nepal has failed to get balanced on its own foot'* (Rijal, Pers., 08 September, 2016, Nepal). Citizens' engagement in corruption control and good governance sadly has turned ritual. As per the observation of Rizal, citizens' engagement is not institutionalized by the state. *'All that terms, integrity, accountability, inclusion, etc are Phrase mongered'* (Rijal, Pers., 08 September, 2016, Nepal). In practice, all those initiatives have not yielded positive results on behalf of these particular terms.

Despite a great gulf in addressing the towering challenges, citizens' engagement in good governance and development practices has been largely perceived effective through public hearings, social audits, and citizens' forums that demand transparency in the governance practices (especially concerning the issue in public service provisions). But however, the feedbacks received from these practices are not addressed in the policy and programming next. Hiramani Ghimire, from Output Lead (Policy Dialogue) at Economic Policy Incubator, The

Palladium Group opines in an interview for this study (Ghimire, Pers., 8 September 2016, Nepal) claims that the *'feedback received from public hearing, social audit and even internal annual audits are not assimilated in the policy level that is the main challenge'*. In line with this remark, Rijal, Pers., (08 September, 2016, Nepal) opines that the *'social audit yearly report should be published by every public office'*.

Limited civic engagement in good governance, development and anti-corruption practices in Nepal still remains to be a challenge. Corruption is a social construct. As combating corruption is believed to be an uninterrupted and a dynamic progression, the limited civic engagement has somehow/somewhere restricted/resulted in limited outcomes.

Nepal's policy of inclusion is neither understood adequately, nor implemented properly. Rijal, Pers., (08 September, 2016, Nepal) asserts that *'it comes clear if we see the way how has inclusion policy been practiced by the political parties. In the name of inclusion, people from different social characteristic have been pulled in. They are pulled-in, that is ok. But, did they remember the capacity factor when practicing inclusion? Truly, they did not.'* If capacity factor was not ignored, imagine how rich Nepal would have been to have competent political human resource in the face of federalism. Same applies for Nepal's Bureaucracy as well. Rijal, Pers., (08 September, 2016, Nepal) further bemoans, *'It is right to imagine, if capacity factor was not neglected in implementing inclusion policy in bureaucracy, we would have a very competent bureaucratic human resource'* in the face of federalism. Nepal has already missed this opportunity. So now, it is time to learn lesson from the previous activities. It

is time to generate development result. One best thing inclusion and citizens' engagement policies brought at surface is that it contributed a lot in building individual capacity. But, that individual capacity did not supply to institutional capacity, which is still a challenge to win by the policy makers and other concern stakeholders.

Individual capacity seems to have increased but that particular capacity is not transformed in to the organizational and system capacity. It means there are potential individuals in worst performing institution. So that it is important to transfer that available individual capacity into institutional capacity. Then the institutional capacity will be able to transfer capacity in to system capacity.

5 Understanding on governance and corruption: literature review

Global Context: unaccountable and poor governance, lack of transparency, corruption, and lack of citizen's engagement in governance and development creates negative platforms. The undesired results brought through the negative platforms impact on the livelihood of the people. It obstructs economic development, while it negatively contributes in the decreased economic growth also. Integrity, transparency, accountability, participation and reliability are the key concepts all associated with good governance and desired development outcomes. Most of the good governance and anti-corruption work-packages and frameworks worldwide comprise the above mentioned key concepts.

The first anti-corruption commission was established in 1952 in Singapore, which was followed by Malaysia and Hong Kong soon after. Likewise, Asia is nicknamed as the '*cradle of ACAs*' [Anti-Corruption Agency] (De Jaegere (2012) and Wickberg (2013). Hong Kong's Independent Commission against Corruption (ICAC) '*was one of the very first anti-corruption commissions and has been identified as a success story and seen as a model to follow by many governments setting up anti-corruption commissions*' Wickberg, (2013).

United Nation Convention against Corruption (UNCAC) is regarded as the benchmark in combating corruption. UNCAC clearly tells that the '*Corruption ... has a wide range of corrosive effects on societies*. [Corruption impacts negatively on] *democracy, [...] rule of law, [...] human rights, [...] markets, [...] and quality of*

life. [Corruption] allows organized crime, terrorism and other threats to human security to flourish' (UNODC, 2004).

As one of the UN Members, Nepal has already signed UNCAC and has promised to fight against corruption practices. Thus, it is significant to assess whether Nepal has progressed fighting against corruption as agreed in the UNCAC. An adequate assessment has been a necessity to learn about how Nepal has been doing and how she has implemented anti-corruption/preventive measure so as to decrease or eliminate corruption.

Likewise, The Danida Anti-Corruption Code of Conduct consist following 10 principles to combat corruption: (1) Conflict of Interest, (2) Misuse of official and public resources, (3) Respect for laws, (4) Proper personal Conduct, (5) Active and Passive bribery, (6) Anti-corruption, (7) Openness and transparency as a rule - confidentiality when required, (8) Non-discrimination, (9) Dissemination of the Code, and (10) Observance of the Code. The purpose of the Danida Anti-Corruption Code of Conduct is "to ensure behaviour and working ethics charaterised by high standards of personal and organisational integrity." All Danida staff, including local staff and advisors is the target group for the Code². Thus, for Nepal, it still remains important to make an assessment of this document and how it shades light on the lessons to be learned. Also, it seems fairly crucial to observe how the target group has performed their duties under the Code of Conduct.

Terracol (2015) answers some queries made on corruption issues, combating corruption, best practices and examples that countries managed to

² Danida Anti-Corruption Code of Conduct.

reduce the level of corruption. Botswana is exemplified that the '*political leadership's sustained commitment to fight corruption played a major role, as well as the country's anti-corruption agency*' (Terracol, 2015). As claimed by Terracol (2015), some of the countries that have reduced corruption in recent time include Qatar, Rwanda, Singapore, Hong Kong, Georgia and Liberia. Likewise, Chene (2009) in 'Political economy analysis of anti-corruption reforms' opines how political economy analysis has been used to inform the design and implementation of Anti Corruption Agency, and at the same time, it points out some of the best practices. Chene (2009) observes the study carried out by the World Bank that has studied experiences gained by the anti-corruption agencies in Argentina, Malaysia, Tanzania, the United States, Hong Kong, Singapore and India. Measuring performance of the anti-corruption agencies and assessment of these agencies' success in Five African countries (Ghana, Malawi, Tanzania, Uganda and Zambia) seems significant to assess for the Nepali context as well.

"A Guide for Anti-Corruption Risk Assessment" by UNGCO covers anti-corruption risk assessment, forms of corruption, influence on the overall anti-corruption compliance programme, and personnel typically involved etc. Most importantly, this guide book is able to briefly introduce the "corruption risks in specific processes" (UNGCO, 2013) such as in procurement, sales, import and export of goods, government interaction, political support, security protocols, social programs and charitable contributions and sponsorships.

Ghuman et al., (2012) comprises different 27 chapters all concentrated with the issue of governance and corruption. The book helps to picture the Indian experience on corruption and quality of governance through sociological analysis,

perceptions, reality, policy implication, corruption challenge, role of civil society, and role of NGOs. Some of the most interesting chapters include (a) E-governance: A smart way to tackle corruption, and (b) Eradication of corruption through E-governance, and (c) Governance, Power and Corruption: How to Break the Nexus? The book has something special to share with the international academia about the best anti-corruption practices implemented. The stories and context from India might be of relevance to the Nepalese context to compare and contrast for an assessment.

Nepali context: Before 2032, a mechanism of Special Police was functional in Nepal. This mechanism was established under Executive branch of the state under Home Ministry. So that, As Ghimire, Pers., (8 September 2016, Nepal) argues, - *'the mechanism was not able to look at the corruption and governance issues within the Executive branch. The practice to combat corruption began constitutionally from 2032 BS with the formation of Commission for the Prevention of Abuse of Authority.'* With the political changes and drafting of the new constitutions in different time, the mandates of the present CIAA have been changed or amended. The Interim Constitution of Nepal 2063 reduced CIAA's mandate to take action against improper action. According to Ghimire, Pers., (8 September 2016, Nepal), *'Theoretically it was realized good to disperse power (to investigate and to take action) to different agencies. But practically, supportive relation did not appear between the agencies and did not bring fruitful outcomes in combating corruption and establishing good governance.'*

CIAA, at present is granted a reduced responsibility of implementing preventive measure to combat corruption and promote good governance. It is

granted with the responsibility to investigate the corruption cases (meaning it has to do more when things have already gone worst). CIAA and other line ministries have failed to establish functional and supportive relations.

Corruption cases in Nepal have not been studied at micro level. For example, most of the people and agencies relate corruption with monetary affairs only. A service provider's rude response, lie, wrong attitude and behaviors are also corruption in theory. But, as Ghimire Pers., (8 September 2016, Nepal) claims '*most of us do not tag it all with corruption*'. It generally indicates monetary corruption has created a very much bad perception that people have no time to reflect on other type of corruption practices.

It is very much important to categorize the types of corruption first. Awasthi, Pers., (23 August, 2016, Nepal) argues that '*policy and implementation corruption are the two major types of corruption existent in Nepal. Policy corruption is the most one that Nepal has been suffering since a long time*'. Compared to policy corruption, implementation corruption is a '*pea-nut type*' (Awasthi, Pers., 23 August, 2016, Nepal).

Releasing huge some of budgets almost at the end of a fiscal year (i.e. Ashad Mashanta) is a kind of implementation corruption. It is because the design and planning of the concerned programme can not be matured within that short time so cannot bring quality outcomes. For example, if budget is released for road construction almost at the end of fiscal year, all the processes suffer immaturity and yield not much productive results. As the Ministry of Finance has control over treasury and is regarded responsible for releasing budget, Ministry's each and every such activities should be evaluated.

The implementation corruption begins from the very beginning of formation of users' group, because the issue of political parties' representation initially creates negative environment. Awasthi, Pers. (23 August, 2016, Nepal) opines that *'in the name of inclusion and representation, in many cases, the genuine users have been left outside the circle'*. Until and unless the genuine users groups of genuine users are not formed, this challenge remains unchanged.

The Constitution of Nepal, 2019 was amended for the second time in 2032 that paved way for the formation of Commission for the Prevention of Abuse of Authority. It was documented that the Commission could take legal action against those Public Servants who are investigated and found guilty of abusing authority, and the Commission was granted the right to decide on that matter as well. The present CIAA's power to exercise is more reduced compared to what it was granted by the second amendment (2032) of the Constitution of Nepal (2019).

Likewise, the Interim Constitution of Nepal, 2063 in its Part 11, Section 119 documented the provision of formation of the Commission for Investigation of Abuse of Authority. In the Section 120, it mentioned the provisions on Commission's functions, duties and authorities. Constitution of Nepal, 2072, in its Section 238 of Part 21, includes provision on the formation of the Commission and it defines about functions, duties and the authorities of the Commission in Section 239. The constitution allows the Commission to investigate, or request for investigation, of the corruption cases that Public Servants involved in. Commission for the Prevention of Abuse of Authority (as per the second amendment of Constitution of Nepal- 2032) seems more right-granted compared to present CIAA. It is because the Interim Constitution of Nepal 2063 reduced

CIAA's terms of responsibility to take legal action against the public servants even when investigated and found guilty. In this regard, Khadka, Pers., (21 September, 2016, Nepal) argues, *'Though the anti-corruption movement was in right direction until 1st Constituent Assembly time it was started to disappear from the time of the 2nd CA, because the actors did not give priority to anticorruption'*.

International practices have been applied with the motto of populist endorsement in Nepal. Rijal, Pers., (08 September, 2016) argues, *'the Nepali sides rarely have exercised and discussed in-house before signing international protocols against corruptions and for good governance. Each of such endorsement create obligation and we lack capacity to respond that.'* Nepali side neither showed willingness, nor preparedness, nor have resources, nor capacity, yet it moves forward to endorse the international protocols without assessing the possible consequences that may bring in the future.

Regarding corruption, the existing laws have a same look over the one who pays bribe and the one who receives bribe. This approach is influenced by the King Prithivi narayan Saha's famous saying (i.e. *ghus linya ra dinya dubai rajyaka satru hun*) (Trans: One that pays bribe and the one that receives bribe both are the enemy of the state). Ghimire, Pers., (8 September 2016, Nepal) illustrates it more in-depth:

'[T]his theory in Nepali context is absolutely wrong. How can a service beneficiary be an enemy of a state equal to a service provider who demands bribe? A service beneficiary who does not find good governance in the related service, does not find a easy way to access the service, even does not get clear information on how to apply for

the service, and even knows there is no such mechanism that takes actions as per his/her complain and does not complain accordingly, then to pay bribe comes to be an ultimate way to access the service. In such a situation, how can be a service beneficiary measured in the same weighing scale (taraju)?'

So that, the law should be categorized and be made wider and be open. China has recently categorized the corruption weighing scale for the one who pays bribe and the one who receives bribe. Nepal needs to learn this lesson.

Manandhar (2009) in 'The Anatomy of Failed anti-corruption project: A case study from Nepal' identifies corruption as being pervasive in both the public and private sector in Nepal and also opines about CIAA (the constitutional anti-corruption agency in Nepal), Poverty Reduction Strategy Paper and Good Governance (regarded as the fourth pillar of development during the Tenth Five Year Plan: anti-corruption programmes were subsumed within Good Governance). The 25th Annual Report prepared by the Commission for the Investigation of Abuse of Authority, Nepal is the compilation of synopsis of performance of the Commission. The report presents the evidence of anti-corruption initiatives. The report makes an assessment of the Commissions' performance to ensure transparency, responsibility and accountability of public service providers (institutions) and public servants. The 25th Annual Report of CIAA documents that there were 31 thousands 2 hundreds and 13 complaints filed in CIAA in 2015 (Fiscal Year 2071/72). The report further reads 21 thousands 6 hundreds and 48 complaints out of the total complaints filed were resolved, while 1 thousand 2 hundreds and 44 complaints were referred for a detailed

investigation. Likewise, the 13th Annual Report prepared by National Vigilance Centre (2015) reflects that there is a slight increase in the numbers of complaints filed in government offices. As reflected in the report, there were 1 thousand and 98 complaints resolved out of the total complaints filed (i.e., 1 thousand 5 hundreds and 88).

The Government of Nepal drafted the 'National Strategy and Work-plan to Implement United Nation Convention against Corruption (UNCAC) – 2069' in 2012, which aims at "[Trans:] establishing different programmes to fight against corruption in Nepal that boosts the anti-corruption practices, and at the same time, it aims to accomplish the goal to best implement the UN convention against corruption" (GoN, 2012). The 'National Strategy and Work-plan...' document clearly pictures about the responsible agencies and the cooperative agencies to combat corruption, roles to be played by the monitoring agency, and the limitation and risk factor of the National Strategy and Work-plan developed to fight against corruption. The document clearly reflects on the provisions from UNCAC – 2069 that are incorporated in the existing laws and policy in Nepal.

May not be in same line with the objectives of UNCAC that Nepal has signed already, if we see CIAA annual reports, we can see much progress have happened in combating corruption. Awasthi, Pers., (23 August, 2016, Nepal) argues, *'but with so many other political and contextual factors existent, we cannot claim genuine anti-corruption initiatives have been implemented with true spirit.'* The first thing is that the issue is too much politicized, while the second thing is that Nepal lacks experience and lessons to combat corruption and to promote good governance.

Good governance contributes as a prime factor in each service sector towards better and improved service delivery. Sometimes fairness and accountability of a service provider (public servant) creates environment for good governance in any service sector. To illustrate it in public education sector in Nepal, Acharya (2014) and Tandukar et al. (2015) argue that it is not the quality of overall performance of public school, but however, the way people perceive the fairness and accountability of the school headmaster to be positive, more likely his/her performance attracts the student. If that particular performance is perceived negative, more likely that repels student from that school.

Good governance demands capacity and willingness, combination of it only performs better. Ghimire, Pers., (8 September 2016, Nepal) argues, *'in line with the provision of Citizen's Charter, if any service beneficiary could not access the service within the time mentioned in the citizen's charter and applying as per the process mentioned, the beneficiary is legally right to get compensation.'* But, as he reports his observation there is not a single case that service beneficiary is compensated for any delayed service or no service. *'It does not mean the service provisions are improved. If someone says it is because the service provision is improved, which is quite unbelievable'* (Ghimire, Pers., 8 September 2016, Nepal). It can be understood easily that people did not trust that provision and did not apply for compensation.

Regmee (2001) observes how has corruption being boomed in Nepal and how has it affected the service delivery thereby impacting the livelihoods of people. It concentrates around 'Handling information with responsibility', 'some day-to-day irregularities what officials deny, but people face'. Likewise, the book

briefly tells about the state of corruption, it sees corruption in a multi-dimensional perspective, and briefly documents how the Medias in Nepal have raised voice against corruption (the author presents some newspaper cuttings snipped for evidence). Irregularities in financial transactions by the government offices are still not adequately assessed. As shown by the 53rd Annual Report of the Auditor General (2016), the percentage of scores by its frequency distribution for irregularities measure is 4.67 in government offices.

Defined in the Article 2 (da) of the Financial Procedures Act, 2007 Nepal, irregularities means all those '*financial transactions [...] occurred without [meeting the terms and conditions] stated in the existing laws [and bylaws]. [In addition, government offices that fail to] maintain their accounts as required [...] and also the transactions made in an irregular and irrational manner [comes to be irregularities of the government office]*. Likewise, in terms of Right to Information (RTI) and complaints lodged, the 7th annual report of National Information Commission (NIC) 2015 reads that 7 hundreds and 77 complaints were filed at NIC, of which 7 hundreds and 65 complaints were resolved. The number of complaints, as claimed in the report seems to have increased compared to past years. The increase in the number indicates the civic awareness has been increased because of the various social, development and media campaigns organized throughout the country to aware citizens about their RTI.

Published more than a decade ago, the book 'Firing Corruption' is still significant for the assessment by the stakeholders that are fighting against corruption. The book has much to say about the state of art on corruption in

Nepal. And it is still significant to compare and contrast those issues with the more recent corruption and governance issues in Nepal.

The Transparency International (TI) Corruption Perceptions Index (CPI) 2014 has ranked Nepal 126 out of 175 countries studied. Nepal scored "29 out of 100" (Transparency International Nepal, 2015). Likewise, TI CPI has ranked Nepal's position at 130 out of 168 countries and territories in 2015. It signals corruption level is still extremely high, which is even more terrible in public sector. While the Worldwide Governance Indicators (WGI) by World Bank indicates the percentage of scores by its frequency distribution for Nepal in Control of Corruption (CC) appears to be 36.1. Verified through WGI CC, the score appears to be increased compare to previous years.

Annual audit could have been more effective if it had direct relation with action. For example, if the audit showed irregularities in the performance there should have been action programme effective to punish the irregularities. Upadhyaya, Pers., (23 August 2016, Nepal) argues that *'at present, if audit and CIAA had functional relation, it would have been a great mechanism. This lack has let annual audit in the public offices be more process-oriented but less outcome-oriented.'* The office of the Auditor General too cannot take action against irregularities.

Noteworthy to mention that public hearings in the hydropower production sector (in the name of EIA and AIA) have been observed more effective compared to other sector. It is because the involved interest groups are diverse (for example, politicians, designers, implementers, and community people). In a way, there is private interest more in this sector and that private interest has protected

the political interest as well. *'Compared to public sector, public hearings in private sector have turned more effective'* (Upadhyaya, Pers., 23 August 2016, Nepal). Two major reasons appear at front (a) clear identification of stakeholders, and (b) depiction of clear interest of each stakeholder. But, in the case of public hearing in public sector, the identification and interest of stakeholders is always debated.

Office of the Auditor General confirms the irregular financial transactions and governments pending dues and forwards the report to *Kaushi Tosh Khana*. The auditors audits in the public offices and the report goes to the Committee of Auditors. The works and responsibilities of the Committee of Auditors are not clear. Upadhyaya, Pers., (23 August 2016, Nepal) argues:

[I]t is not yet clear whether the committee is Executive or not. But, in some cases the committee has attempted to be an executive as well. In the past, the Committee requested the government not to channel money for Chameliya Hydropower project, after about a month it again requested the government that their previous request is dismissed. It requested the government again to provide money to the contractor.

As a result, the government had to pay the contractor full amount with added interest in a very high rate, he asserts.

Establishing good governance and combating corruption still seems a tough challenge in Nepal. There is an invisible but functioning nexus between the interested parties from different service sectors (such as governance, police, politics, and law) that has posed a serious challenge against good governance. As Upadhyaya, Pers., (23 August 2016, Nepal) claims, this can be illustrated with the

'case of some doctors having fake certificate which was highly debated in the last year. It is important to note that almost all the concerned cases were tabled to a same judge. How is this possible under rule of law?' Does not it mean state is captured? The invisible power nexus of different interest groups has hampered the social accountability part in the country. Until and unless the irregularities are not punished good governance is not possible.

6 Best practices worldwide: Nepal to learn

Governance in Nepal is reportedly poor these days, and sadly, is being quite pervasive. The good governance, accountability, transparency and anti corruption agencies, despite their intention to combat corruption, have not been able to bring expected results. The main reasons include that these agencies lack experience on how some of the countries in the world have been implementing the best practices against corruption. Based on the EU Anti-corruption Report (Report from the Commission to the Council and the European Parliament) (European Commission, 2014), perceptions on corruption and reduction in corruption (by index) has been assessed in this section. So, the concerned agencies in Nepal can translate the lesson (which is not learned yet) in to policy and practice.

The study glimpses best anti-corruption practices worldwide and lessons Nepal to learn from. Positive perception and low experience of bribery cases in Denmark, Finland, Luxembourg and Sweden are identified. Perceptions from Germany, Netherlands, Belgium, Estonia and France are observed and identified significant to assess as it is claimed that *'more than half of the respondents reflect corruption is a widespread phenomenon'* but they have rare experience having had to pay bribe. This would be an interesting story to assess why respondents perceive there remains corruption at large scale but they have rare experience of paying bribe. How have the good governance and anti-corruption agencies been combating there and how they are successful in bringing out positive result is still a matter for study for Nepali stakeholders.

Denmark, Finland, Luxembourg, Sweden: European Commission (2014) shows that there are positive perceptions and low experience of bribery (people expected to pay bribery in less than 1%).

Germany, Netherlands, Belgium, Estonia, and France: More than half of the respondents reflect corruption is a prevalent trend; people having had to pay a bribe is low, i.e., around 2 % (European Commission, 2014).

Bribery seems to be a rare phenomenon in **Portugal, Slovenia, Spain and Italy**. However, corruption as a whole is perceived to be a serious concern in the above mentioned countries. The report reflects moderately a low number of respondents asserted they were expected to pay a bribe in the last 12 months (European Commission, 2014).

Some European countries, including **Croatia, the Czech Republic, Lithuania, Bulgaria, Romania and Greece** are found '*lagging behind*' in the scores concerning both perceptions and actual experience of corruption. As reported, between 6 % and 29 % are expected to pay a bribe, while 84 % up to 99 % think that corruption is widespread in their country) (European Commission, 2014).

Effective from 01 July 2011, **The Bribery Act 2010 - UK** is assessed as the '*strongest anti-bribery rules in the world*' (European Commission, 2014). This legislative framework is established so strong that any sort of '*payment and receipt of bribes*' are regarded as the criminal activities. Not only that, it also '*extends criminal liability to commercial organisations that fail to prevent bribery committed on their behalf*' (European Commission, 2014).

Corruption has been a serious concern in the political sphere as well. Financing on political parties with no regulation, or with limited regulation, invites corruption. Nepal is not far from this reality. So that it is always important in Nepal to formulate related policy to regulate financing on political parties. Lesson on the best practice on this regard can be learnt from **Finland**. Amendment on the '**Act on Political Parties 2010**' in Finland has been assessed successful in bringing out the '*new legal framework*' thereby aiming at '*transparency of financing of election candidates, political parties, as well as other entities affiliated to political parties*' (European Commission, 2014). Likewise, if it is to be viewed in terms of sustaining the rule of law and good governance through anti-corruption efforts, the **Slovenian Commission for Prevention of Corruption (CPC)** can also be a good example to learn lesson. '*CPC has a solid track record of implementation, with over 1 000 reviews and investigations per year*' (European Commission, 2014).

Similarly, the **Croatian Bureau for Combating Corruption and Organized Crime** has also been assessed successful in combating corruption in the country. More especially, the Bureau has been successful in establishing a '*track record of proactive investigations and successful prosecutions including in notable cases concerning high level elected and appointed officials*' (European Commission, 2014). **The central Spanish specialised anti-corruption prosecution office** has also achieved a very positive experience in tracking investigations and prosecutions. The Office has also been successful in investigating on the high-level cases related to illegal party funding.

When it is about the good governance in public administration, corruption practices mostly associated with integrity, accountability and transparency have hampered negatively. Best practices and experiences on combating corruption in public administration can be learnt from **the Netherlands**. Office for the Promotion of Public Sector Integrity (BIOS), an independent institute established by the Ministry of Interior and Kingdom Relations, '*encourages and supports the public sector in the design and implementation of integrity policies*' (European Commission, 2014). In line with this remark best practices can also be assessed and learn from the 'Risk management tools and public procurement platforms in Italy'.

In terms of experience of combating corruption, especially in public administration, **Greece** seems to be rich in knowledge and experience. This country, in 2010, adopted a law on **transparency of decision-making in public administration**. Each and every decision in every public institution is required to be uploaded on the internet through a developed programme called '**Clarity**'. Decisions, if are not uploaded in 'Clarity' cannot be implemented. However, the law exempts obligation only when the decision is about sensitive personal data, or about national security. Further to know about the success of the Romanian National Anti-Corruption Directorate (DNA), see Annex 2.

Nepal has adopted several international protocols for good governance. But, '*Nepal neither has shown political preparedness, nor bureaucratic preparedness*' (Rijal, Pers., 08 September, 2016, Nepal). Bureaucratic corruption is high in Nepal. Nepal's bureaucracy is reluctant to implement E-governance. It in a way indicates that the existing Bureaucracy is less competent to adopt technology

and innovation. But to maintain transparency and to establish good governance, implementation of e-governance has been a most essential process. Nepal's bureaucracy is parochial, so that it is challenging to unbundle it in the context of federalism. Nepal requires innovative and contextual policies for good governance and community-led development.

7 Technologies and innovations for good governance

Most vividly, transparency is not observed in funding of the political parties in Nepal. If we see the same case, in America or other developed countries, funding the political parties is comparatively more transparent. Funding to political parties is tax deductive in developed countries. But, *'Nepal has not even a rare experience of transparent political party funding system'* (Ghimire, Pers., 8 September 2016, Nepal). Different interest groups fund political parties during election time in Nepal. And as soon as the political parties reach to the power level then benefit collection process begins from the interest groups and that particular political party protects their interests. This is another serious challenge to promote good governance. Nepal needs to develop an innovative tactics to overcome this challenge.

Because of lack of experience to initiate activities related to good governance, case related to investigation on corruption issues have yielded outcomes not in a desired scale. Ghimire, Pers., (8 September 2016, Nepal) exemplifies it - *'suppose someone is asked for investigation, sensation gets spread through media. The general theory that everybody is innocent until proven guilty gets violated.'* When observed in some European countries, may be they have adopted technology or innovation of their own, there is less chance of dignity-loss of the investigated person until found guilty. *'If someone is called for investigation of abuse of power and authority but is found not guilty. But, if his/her social life and dignity is hampered, the concerned person can demand compensation of the loss'* (Ghimire, Pers., 8 September 2016, Nepal). But in Nepal, we do not have such practice in real.

As it is seen as an easier job to display information of related services, displaying citizen's charter at public offices seems mostly implemented throughout the country. But, when it is about a bit more technological, electronic or innovative governance process (for example online bidding, social protection transfer through banks, online registration and online database), the plan, design and implementation all turn vulnerable in Nepal. Because of the socio-political context adopting technology for good governance and to combat corruption seems challenging in Nepal. *'Technology in Nepal is more labor-based than machine and software, which is one of the main reasons that Nepal has not been much successful to reduce the level of corruption and promote good governance'* asserts Awasthi, Pers., (23 August, 2016, Nepal).

On-line application, online complaint mechanism, coupon system- clean, transparent, efficient, and 'hassle-free' environment is not assured in public service sectors in Nepal. Nepal lacks experience of using innovation and technology for good governance and to combat corruption. Keeping statistical database online has been practiced in some sectors but that too is not properly used for the purpose of investigation of irregularities. Polygraph, bio-metrics, finger-prints, clarity web (as that of Greece) and some other such preventive measure are not adopted for investigation in Nepal. Even CIAA has not been able to adopt all these technologies for its investigative activities.

8 Discussion, conclusion and recommendations

This study has found a way-out to understand state of art of governance in Nepal as a whole, and the state of corruption, transparency, accountability and citizens' engagement in governance and development specifically.

The idea of anti-corruption initiatives as reflected in this study, started from a long time back in the history. It is found that initiative to combat corruption date backs to 2032 BS. The Constitution of Nepal, 2019 which was amended for the second time in 2032 only paved way for the formation of Commission for the Prevention of Abuse of Authority. This study also shows a picture that how the above initiative has developed and transformed to the present Anti-corruption agencies.

The issues of good governance (that are accountability, transparency, anti-corruption and citizens' engagement in governance and development) in Nepal are widely discussed in the recent years. However, the government of Nepal since a long time has not been able to promote and guarantee the improved governance practices. Nepal is rapidly on the process of federalism and decentralization. So that reluctance and failure in implementation of accountability system, establishment of functional civil service performance measure, and failure to envision/set practical objectives will seriously impact the civil service reform, decentralization process and even the entire central/local governance process.

Political interest, social interest, religious interest and cultural interests have shadowed the overall national interests of the state. Until and unless the

national interest of the state is shadowed, the other group interests cannot be secured and achieved. Nepal has failed to learn this lesson. The present scenario signals, instead of state subordinating others, others have subordinated the state. This is a terrible but real indication of the study.

Reform in the civil service and establishment of good governance necessarily demand long term and continuous effort. No reforms happen dramatically. As it has suffered entrenched politicization in Nepal, reform in civil service governance and accountability is sustainable only when practices are implemented gradually with true spirit. The available literature reviewed and the experts opinions presented in this study, mostly, suggest, accountability and performance measurement system, citizen's engagement in governance and developments are the most essential foundations for sustainable and better future.

Established in 2008, Local Governance and Community Development Programme (LGCDP) seem to have been little bit successful, at least, in contributing citizens' engagement in local governance and accountability. However, several studies have shown LGCDP too has been experiencing the local political influence in the local governance and development. There were some other similar kind of programmes founded by national/international non-government agencies so as to promote good governance and anti-corruption practices, most of these are not functional at present. It, in a way, signifies too much delay in achieving expected results have compelled donors to abandon or narrow down the programmes related to good governance, citizens' engagement, accountability and anti-corruption.

Almost all irregularities, crossing of the mandates, intervention to the government, and the activity done untimely are not punished practically. It demands that there should be a functional relation between all other related government agencies and CIAA. Until and unless there is no functional relation with CIAA, annual audit too cannot be effective. CIAA previously was granted with the right to take action against the irregularities in the public offices. But, the Interim Constitution of Nepal 2063 reduced this role from CIAA's mandates. Irregularities conducted, mandates crossed, not conducted the priority work, not fulfilled the responsibility as per the law, and some other improper activities were the punishable activities and CIAA could take the action against such activities in the past. CIAA could request the government not to promote that particular (corrupt) public servant, to be careful in promoting, not to transfer in vulnerable service sector and not to transfer where financial activities are the main concerns. Reduction of CIAA's such mandates to take action against irregularities has negatively contributed in CIAA's public accountability part. This has shown the improper activities are not punished these days, at least it can be assumed there is an acute lack of an agency that can take action against the irregularities in the public service sectors. And there is not public trust that the line ministries take action against the irregularities.

At present, CIAA is at a sensitive position. If it do not work; it will be blamed for not working, and if it work; again it will be blamed for working (as per its choice). Perception counts a lot in good governance and combating corruption. CIAA needs to make its way clear and strong. CIAA has its own credibility. People trust on its activities, so that CIAA must not lose the case. Losing case invites negative perception of people. So that proper preparation is important before

CIAA's activities. Decreased credibility of CIAA is ultimately the decreased credibility of the State herself.

This study agrees on the fact that a comprehensive initiative to reform public sector with a strong base on geo-political and social context seems essential and immediate in Nepal. Best practices from other countries (mostly from European countries) can be learned and adapted to Nepali context. But, however the study suggests before introducing the foreign models of reforms it is more significant to assess the local geo-political and social context.

List of policy recommendations

- Make laws in a democratic ways and implement them in dictatorial ways
- Strengthen organizational checks and balances to reduce the extreme political influence and to reduce the unfair game-play of illegal power nexus.
- Create environment to ensure functional and supportive relations between the line ministries and CIAA
- Strengthen Community, Civil Society and Media thereby ensuring freedom of expression, promoting open access to information, ensuring community's productive engagement in development and governance, and measuring and responding on the client's satisfaction.
- Manage public service sector thereby promoting ethical leadership, value system, competitive procurement, assets declaration, and strictly implementing the preventive measures of corruption practices.
- Ensure political accountability through transparent political party funding system and assets declaration

- Strengthen the entire system thereby promoting and integrating the individual, organizational and system capacity

References

- Acharya, G., Upreti, B.R., Paudel S.B., Tandukar, A. and Harris, D. (2016). '*The Drinking Water and Sanitation Programme of Nepal's Local Governance and Community Development Programme*'. SLRC Working Paper 45. London: Secure Livelihood Research Consortium. See more at: http://securelivelihoods.org/publications_details.aspx?resourceid=408.
- Acharya, G., Upreti, B.R., Paudel S.B., Tandukar, A. and Harvey, P. (2015). '*The drinking water service and users' perceptions of the state in Rolpa, Nepal*'. SLRC Working Paper 35. London: Secure Livelihood Research Consortium.
- Acharya, G., Upreti, B.R., Paudel S.B., Tandukar, A. and Harvey, P. (2015). '*Thirsty for change: Water services in Nepal and users' perceptions of the state*'. SLRC Briefing Paper 14. London: Secure Livelihood Research Consortium.
- Acharya, S. (2014). '*Gender, Jobs and Education Prospects and Realities in Nepal*'. Kathmandu: UNESCO.
- Bajracharya, P., and Grace, C. (2014). '*The Nepal Civil Service and Re-structuring of the State*'. Kathmandu: Government of Nepal Ministry of General Administration, and United Nations Development Programme
- Bhattarai, P. (2010). '*Messy Local Governance*'. Kathmandu: Republica, 17 November, 2010 ed. Nepal Republic Media Private Limited, Kathmandu.
- Byrne, S., & Klem, B. (2015). '*Constructing legitimacy in post-war transition: The return of 'normal' politics in Nepal and Sri Lanka*'. *Geoforum*, 66, 224-233.
- Chene, M. (2009). '*Political economy analysis of anti-corruption reforms*'. Transparency International.
- Commission for the Investigation of Abuse of Authority, (2016). '*Twenty-Fifth Annual Report (Summary)*'. Kathmandu: Commission for the Investigation of Abuse of Authority.
- Danida Anti-Corruption Code of Conduct*.

De Jaegere, S. (2012). '*Principles for Anti-Corruption Agencies: A Game Changer*'. Jindal Journal of Public Policy, vol. 1:79-120. See more at: <http://www.pogar.org/publications/ac/2012/publications/Principles%20for%20ACA%20amuel%20De%20Jaegere.pdf>.

European Commission. (2014). '*Report from the Commission to the Council and the European Parliament- EU Anti-corruption Report*'. Brussels: European Commission.

Government of Nepal (GoN). (2012). '*National Strategy and Work-plan to Implement United Nation Convention against Corruption (UNCAC) – 2069*'. Kathmandu: Government of Nepal.

KC, S., Upreti, B.R., Paudel, S.B., Acharya, G., Tandukar, A. and Babajanian, B. (2014). '*The Old Age Allowance and perceptions of the state in Rolpa District of Nepal*'. SLRC Working Paper 25. London: Secure Livelihoods Research Consortium.

Mallett, R., Acharya, G., Sturge, G. and Uprety, P. (2016). '*Taxation, livelihoods, governance: evidence from Nepal*'. SLRC Research Report 8. London: Secure Livelihood Research Consortium.

Manandhar, N. (2009). '*The Anatomy of Failed anti-corruption project: A case study from Nepal*'. Anti-corruption Resource Centre.

Paudel, S.B., Uprety, B.R., Acharya, G., Tandukar, A., and Harvey, P. (2015). '*Health services and users' perceptions of the state in Rolpa, Nepal*'. SLRC Working Paper 36. London: Secure Livelihoods Research Consortium.

Regmee, R.K. (2001). '*Firing Corruption*'. Kathmandu: Transparency International Nepal.

Tandukar, A., KC, S., Upreti, B., Paudel, S., Acharya, G., and Harvey, P. (2015). '*Education services and users' perceptions of the state in Rolpa, Nepal*'. London: Secure Livelihoods Research Consortium.

Terracol, M. (2015). '*U4 Expert Answer: How to reduce levels of corruption at country level- lessons learned*'. Transparency International.

Transparency International Nepal. (2015). '*Annual Progress Report 2014/15*'. See more at: [http://www.tinepal.org/tmp-content/uploads/2015/10/TIN APR-AT-3-Oct HD- 1 -edited-tng_3 .pdf](http://www.tinepal.org/tmp-content/uploads/2015/10/TIN%20APR-AT-3-Oct%20HD-1-edited-tng_3.pdf), retrieved on June 20, 2016.

United Nations Global Compact Office. (2013). '*A Guide for Anti-Corruption Risk Assessment*'. New York: United Nations Global Compact Office.

United Nations Office on Drugs and Crime (UNODC). (2004). '*United Nation Convention against Corruption (UNCAC)*'. Vienna: United Nations Office on Drugs and Crime.

Wickberg, S. (2013). '*Best practices for a anti-corruption Commissions*'. Transparency International.

Annexes

Annex 1: Introduction to social inclusion [As in 'Social inclusion: Policies and practices in Nepal, a journal article by Om Gurung (PhD)]

*'Social inclusion is one of the most vibrant issues raised strongly by indigenous peoples, women, Madhesi, Dalits and other marginalized communities in Nepal. At present, this issue has been a political agenda among political leaders, a subject of academic discourse among intellectuals and a field of development priority among development practitioners. Given the fact that the present state is exclusionary, non-participatory and non-representative and discriminates against indigenous peoples, women, Madhesi, Dalits and other marginalized communities on the basis of caste, ethnicity, language, religion, sex, class and geographical territory, these marginalized peoples and communities are demanding for a inclusive state through its restructuring along the line of federalism on the basis of national regional autonomy. For this purpose the election of constituent assembly has served as a legitimate and democratic process in present day Nepal.'*³

Annex 2: An excerpt from European Commission (2014) - the success of The Romanian National Anti-Corruption Directorate (DNA)

"A specialised prosecution office for combating medium and high-level corruption, DNA has built a notable track record of non-partisan investigations and prosecutions into allegations of corruption at the highest levels of politics, the judiciary and other sectors such as tax administration, customs, energy, transport, construction, healthcare, etc. In the past seven years, DNA has indicted over 4 700 defendants. 90.25 % of its indictments were confirmed through final court decisions. Nearly 1 500 defendants were convicted through final court decisions, almost half of them holding very high level positions. Key to these results has been DNA's structure which incorporates, apart from prosecutors who lead and supervise investigations, judicial police and economic, financial and IT experts."
- European Commission (2014)

³ Available on:

http://himalaya.socanth.cam.ac.uk/collections/journals/opsa/pdf/OPSA_11_01.pdf. Data accessed on: 29 December 2016.

About the authors

Bishnu Raj Upreti (PhD) is working as a Research Director at Nepal Centre for Contemporary Research (NCCR) and co-leading different regional and global research projects. He has 43 books and hundreds of articles to his credit. He is engaged with communities to national and international non-governmental organisations, government organisations, donors and private sectors. Bishnu is equipped different participatory methodologies and planning tools. He has experiences of working in multi-disciplinary, multinational, multi-cultural and diverse geographical settings. Read more about him and his publications on: <http://www.nccr.org.np/people/pubList/8>.

Gopikesh Acharya (MA) is a Research Associate at the Nepal Centre for Contemporary Research (NCCR). He is actively engaged in the national/international debates and research on governance, public services, taxation and livelihoods. Read more about him and his publications on: <http://www.nccr.org.np/people/pubList/40>.

