

GOVERNANCE

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Corruption Surge in Local Governments Calls For Accountability Mechanisms

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Local governments have emerged to be the most accessible agents for service delivery and development. However, the corruption cases among this tier of the government are consistently increasing. In the last fiscal year, the Commission for the Investigation of Abuse of Authority (CIAA) filed a total of 201 corruption cases, with 81 cases specifically implicating local governments. This constitutes 40 percent of the total filed cases. Similarly, either the Chairperson or Vice-Chairperson have faced allegations in 22 local governments.

The local governments enjoy several exclusive rights guaranteed by the constitution and share 15 functional responsibilities with provincial and federal governments. However, such allocation of exclusive rights also demands a high level of vigilance towards the local decision-makers. The rising incidence of corruption also poses a significant risk of its institutionalization within local governments in Nepal, even much faster than the provincial and federal governments. The local governments do not have a parliament where opposing voices are heard. Local committees, journalists, and citizen groups are expected to hold their government accountable. However, in a highly politicized society like Nepal, with little to no culture of demanding information, the risk of local government representatives misusing their power is very high.

Corruption takes forms in many ways including persistent delay in services, bribery, money laundering, abuse of office, and facilitation payments for local procurement. However, there is a lack of holistic policies covering many of these aspects. There is no institutional mechanism to disclose the "conflict of interests" in local decision-making. There have been reports that municipal mayors and chairpersons of rural municipalities have construction companies and hotels that provide direct services to the local governments. It also leads to the conclusion that many irregularities occur through the collusion of local government representatives and senior officials. It is high time all these gaps and loopholes are considered for better policies and active citizen roles to hold the local governments accountable.

Read more: [Onlinekhabar](#)

Governance Issues of the Week

1. The newly formed coalition government of the Nepali Congress and the Communist Party of Nepal, led by KP Oli since July 15, 2024, consists of 22 ministers. However, it faces criticism for its lack of inclusivity, as only 2 women have been appointed to the cabinet, making up just 9 percent. The constitution mandates that women have 33 percent representation at all levels of government leadership.
Read more: [Ratopati](#)
2. A recent report from the Auditor General revealed that 10 development ministries couldn't spend even 50 percent of their allocated capital expenditure last fiscal year. The Ministry of Women, Children, and Senior Citizens had the lowest spending at just 16.50 percent, followed by the Ministry of Communication and Information Technology, which spent 20.84 percent. Additionally, it was observed that most ministries made significant expenditures toward the end of the fiscal year.
Read more: [Kantipur](#)
3. The Supreme Court has directed the government to clear the settlements in the Bagmati corridor and provide alternative housing for the residents. In 2012, the former government under Baburam Bhattarai constructed 230 housing units in Ichangu Narayan to properly resettle squatters. However, they declined to move, citing accessibility concerns. The constitution mandates that the government either facilitate residential arrangements or provide the necessary funds for their relocation.
Read more: [The Kathmandu Post](#)
4. Nearly 25,715 cases are pending in the Supreme Court. Among them, 11,970 are two years old, while 3,209 have been awaiting a decision for five years. The Court had planned to resolve these older cases in the fourth year plan. While this severely disrupts the justice delivery process, court officials complain that it is due to limited resources and a lack of capacity building among the officials.
Read more: [Naya Patrika](#)
5. The Nepali government has halted the requirement for National Identity Cards (NID) to receive social security allowances due to difficulties caused by adverse weather, including floods and landslides. Previously, on June 13, the Ministry of Home Affairs announced that NID would be mandatory for social security allowances in 28 districts starting in the new fiscal year. This decision also faced widespread public criticism for a lack of preparation.
Read more: [The Kathmandu Post](#)
6. The Butwal International Convention Center, built at a cost of NRs. 1.1 billion excluding VAT, has remained unused since its inauguration in September 2022. The federal government is yet to finalize the operational procedure of the center. But despite being non-operational, the center incurs monthly expenses, including NRs. 150,000 on electricity and staffing costs. In addition, the exhibition center within it remains to be constructed due to a lack of sufficient budget.
Read more: [Ukaalo](#)

Nepal Governance Weekly is an analytical update of Nepal's current affairs based on media and real sources mining, to sensitize the communities on hot news on various governance issues from the perspective of accountability.

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