

GOVERNANCE

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Key Reforms in CIAA Act and Prevention of Corruption Act under Review

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The amendments to the Commission for Investigation of Abuse of Authority (CIAA) Act and the Prevention of Corruption Act are currently under review by the State Affairs and Good Governance Committee of the House of Representatives, sparking significant discussion and debate on several contentious provisions. These discussions focus on key issues that could influence anti-corruption frameworks, and have a far-reaching impact on the transparency and accountability mechanisms in Nepal. The following are the major issues:

Mandatory Identification to lodge Complaints to CIAA: The discussion on whether to maintain anonymous complaint provisions or introduce mandatory identification requirements has sparked debate. On one hand, there are arguments that the anonymous complaints lead to administrative challenges and increase the risk of false reports, while others believe that such provisions encourage reporting, support whistleblower protection, and enhance accountability. However, mandatory identification poses a challenge in Nepal due to the lack of effective whistleblower protection mechanisms. If the government had systems in place to safeguard complainants' identities, mandatory identification could principally be more effective.

Broadening CIAA mandate to Investigate Cabinet Decisions: There are discussions if CIAA should have a mandate to investigate cabinet decisions. As per the existing act, all cabinet decisions were perceived as policy decisions, which barred the decisions to be investigated by the CIAA. However, now the definition of policy decisions developed by the National Assembly has also been approved by the subcommittee under State Affairs and Good Governance. According to the new definition, decisions that don't apply to all citizens or conflict with existing laws, or benefit specific individuals or organizations, will no longer be classified as policy decisions. This shift challenges the immunity previously afforded to cabinet decisions, potentially increasing accountability.

Remove Provision of Immediate Suspension upon being Charged: The subcommittee under the State Affairs and Good Governance Committee of the House of Representatives has agreed to amend the Prevention of Corruption Act, removing the current provision of immediate suspension of officebearers upon being charged with a case. If a case is filed without demanding punishment but claiming restitution and property confiscation, civil servants will not face suspension. Similarly, in cases of property misappropriation where buyers and sellers are both implicated; officials involved as buyers will not face suspension.

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Governance Issues of the Week

1. Cabinet approves new Social Media bill: The Cabinet meeting has approved a new social media regulation bill and is pushing to get it approved either through ordinance or registering it in the parliament. The bill proposes strict norms for social media users and penalties for violations. However, experts believe that the bill has flaws and argue that it limits the constitutional freedom of expression.

Read more: [The Kathmandu Post](#)

2. NRB refuses to freeze accounts of trunk line defaulters: Nepal Rastra Bank has opted not to freeze bank accounts of 28 industrial firms linked to trunk lines that failed to settle long-standing dues, despite appeals from Nepal Electricity Authority (NEA). The Bank and Financial Institutions Act 2017 outlines conditions for freezing bank accounts that includes cases of criminal investigations, national security concerns, or organised crime and corruption. Since NEA's appeal did not meet these criteria, it lacked the legal grounds for enforcement.

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3. EU's ban on Nepali airlines continues: Nepal continues to be on the [EU Air Safety List](#), which enforces bans and restrictions on non-European airlines that don't meet the European safety standards. This marks the twelfth year since Nepali airlines have faced sanctions by the European Commission. Global aviation watchdogs have raised concerns over the dual role of Nepal's Civil Aviation Authority of Nepal and have suggested splitting the institution into two functioning bodies - regulatory and service provider.

Read More: [The Kathmandu Post](#)

4. DDCs quota and delayed payment impacts farmers: Milk farmers have voiced grievances over the DDC assigning quotas for milk collection in the peak dairy production season, and delayed payments of over NRs. 700 million for nearly six months. The DDC is failing to collect nearly 10 to 15 percent of the allocated milk production, resulting in significant wastage. Despite the government's assurance to remove the quota, no action has yet been taken to implement it.

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5. Transitional justice appointment stalled: The committee tasked with appointing officials for Nepal's Truth and Reconciliation Commission (TRC) and the Commission of Investigation on Enforced Disappeared Persons (CIEDP) has been dissolved after failing to reach consensus. Despite shortlisting 8 candidates for chair positions, the process stalled due to political disagreements. This has further delayed the transitional justice process that has remained unresolved for 18 years.

Read More: [Naya Patrika](#)

6. Political appointment of 8 Deans sparks criticism: Tribhuvan University (TU) has appointed eight deans based on political influence, despite previous promises of merit-based selections. Although the vice-chancellor recommended appointing the top candidate from the suggestion committee, the rector and executive council chose candidates from the top three lists. The appointments include three affiliated with NC, two with UML, and two with CPN-MC, with one appointment appearing apolitical.

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