

# GOVERNANCE

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## Government Issues New Ordinance for Cooperative Regulation

WEEKLY

Photo By BBC

The government has issued a new ordinance to regulate cooperative institutions and address the challenges faced by the account holders. The parliamentary investigation committee had reported misappropriation across 40 cooperatives, worth approximately NPR 87 billion. The Department of Co-operatives indicates that over 500 cooperatives are currently struggling to return depositor's money, while the government has declared 22 cooperatives under federal jurisdiction as crisis-ridden.

The key provision of the ordinance is the establishment of an autonomous cooperative body to oversee cooperative institutions, coordinating with the Ministry of Land Management, Cooperatives and Poverty Alleviation, and Nepal Rastra Bank. The body will have powers equivalent to those of a district court, enabling swift action against cooperatives that are mismanaged or crisis-ridden.

The ordinance has classified cooperatives into federal, provincial, and local levels. An individual can deposit up to 1 million rupees in a local cooperative, up to 2.5 million rupees in a provincial-level cooperative, and up to 5 million rupees in a federal-level cooperative. People who have deposited more than the limit must bring their investments within the prescribed limits within 2 years. Furthermore, any deposits exceeding 1 million rupees will require a declaration of the fund's sources.

Depositors with savings up to NPR 500,000 will be prioritized for refunds, while amounts exceeding this will be refunded on a pro-rata basis.

An individual will only be allowed to hold memberships at one cooperative at a time. Individuals holding memberships in multiple cooperatives must limit themselves to only one membership within a year.

The tenure of directors has been reduced to two years, and no individual can hold an executive position in a cooperative for more than two years.

In case of company insolvency, cooperative directors and family members will face seizure of their movable and immovable assets to provide for compensation.

In response to the new ordinance, experts have, however, questioned its practical implications and whether it offers immediate solutions to the already affected individuals. They have also expressed skepticism stating that the ordinance has only set a policy framework and has no assurance about the speed of the refund process, noting that legal procedures such as asset seizures and liquidations are time-consuming. Some experts have suggested the government facilitate immediate refunds by loan provisions through Nepal Rastra Bank. Read More: [BBC](#)

### Governance issues of the week

- 1 Review of Nepal's Inclusion Commission uncertain:** The 2015 constitution of Nepal established seven inclusion commissions to advocate for marginalized and deprived communities' rights, and mandated its revision after 10 years. However, the review process lacks legal clarity, and the federal parliament, with the responsibility of reviewing the provision, has not initiated the discussion.  
Read More: [The Kathmandu Post](#)
- 2 Nepal successfully conducts first breast cancer gene sequencing:** The first ever genetic test (gene sequencing) of breast cancer was successfully conducted in National Health Laboratory at Teku, Kathmandu, according to the Ministry of Health and Population. While a genetic test of breast cancer costs around Rs. 6,000 in India, the laboratory here will be offering the test for half that price.  
Read More: [The Rising Nepal](#)
- 3 Petition to bring Shera Durbar land under government ownership:** The Nuwakot Land Revenue Office has filed a petition to reclaim 164 ropanis of land near Shera Durbar to government ownership. Former Prime Minister Pushpa Kamal Dahal had, during his tenure, initiated the process to alter boundary limits and transfer the land to private ownership. Despite delays, the Ministry of Land Management, based on findings from the Central Investigation Bureau (CIB), is now taking steps to address potential misuse of state property.  
Read More: [myRepublica](#)
- 4 Third confirmed case of monkeypox in Nepal:** Nepal has confirmed three cases of mpox, with two of the cases being migrant workers who arrived from Saudi Arabia 10 days apart. The disease is spread through sexual transmission, respiratory droplets, and skin-skin contact. Not all infected show symptoms, causing barriers for proper isolation and quarantine for returnee migrants. Health authorities are considering implementing community-level monitoring to curb the further spread of the virus.  
Read More: [The Kathmandu Post](#)
- 5 Tender for Sikta's Daduwa Canal opened after 6-year halt:** Duduwa Canal under the Sikta Irrigation Project - one of the national pride projects - has called for tender applications after 6 years hiatus. The Ministry of Finance has allotted Rs. 2.50 billion for the project which is to be completed in two phases in 40 months total. The former contractor had won the contract after bidding 37.5% less than an estimated project cost of Rs. 1.91 billion.  
Read More: [Online Khabar](#)
- 6 598 women and girls rescued from human trafficking at Nepalgunj transit:** Maiti Nepal's Nepalgunj office has claimed to have rescued 598 women and girls at risk of being trafficked from Nepalgunj transit in 2024. Most were headed to India and other countries under false pretenses. Anti-trafficking efforts continue in collaboration with government authorities.  
Read More: [Annapurna Express](#)

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