

# GOVERNANCE

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## Political Interference in Nepal's Energy Sector:

**The Case of**

**Kulman Ghising**

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The Nepal government's recent decision to remove Kulman Ghising as Managing Director of the Nepal Electricity Authority (NEA) has sparked widespread public backlash. His dismissal, just four months before the completion of his tenure, has drawn criticism both in parliament and on the streets, fueling concerns about growing political interference in state institutions.

Ghising, first appointed in 2016 and reappointed in 2021, played a crucial role in ending Nepal's decade-long electricity crisis. His leadership eliminated up to 18-hours of power cuts that households endured, while industries continued to receive uninterrupted electricity through dedicated [trunk lines](#). During his tenure, NEA repeatedly pushed for industries to bear the cost of these exclusive power lines, but this met resistance as the government maintained a favorable stance toward industrial consumers. Under Ghising's leadership, NEA transformed from a financially struggling entity into a profitable institution, recording a profit of NPR 14.46 billion in FY 2023/24, a stark contrast to its NPR 8.89 billion loss in FY 2015/16. His tenure also saw Nepal's first-ever electricity exports.

The government has justified his removal by citing multiple allegations, including failure to implement directives and unauthorized dealings with international partners on electricity trade. However, opposition leaders argue that the decision was politically motivated to benefit influential middlemen in the energy sector. In response, opposition parties have obstructed parliamentary proceedings, demanding an explanation from the prime minister, who has remained defiant. Public protests in Kathmandu and other cities have also called for Ghising's reinstatement.

Following the removal, the government appointed Hitendra Dev Shakya as the new NEA executive director. Shakya was appointed as the NEA chief during the previous PM Oli-led government in 2021 but was removed in a few months. Ghising, however, has challenged his dismissal in the Supreme Court, seeking reinstatement.

Ultimately, this controversy goes beyond just Ghising's personal career; it reflects a troubling trend in Nepal's governance system, where political loyalty often supersedes institutional competence. The case highlights how decisions driven by political agendas can undermine the effectiveness of key public institutions. If such actions continue unchecked, there is a serious risk of weakening service delivery, discouraging capable leadership, and weakening governance and development efforts across the country. This also raises the pressing question; if political appointments in technical institutions like the NEA truly support effective service delivery and development?

Read more: [The Himalayan Times](#)

### Governance issues of the week

- Government Plans to lower marriage age:** The government is preparing to amend the Child Act and Criminal Code to lower the legal marriage age or reduce penalties for child marriage. The move follows rising rape cases linked to the current law, which classifies consensual relationships with girls under 18 as rape. The Home Minister has hinted at introducing a "Romeo and Juliet Law", as practiced in multiple countries to exempt close-in-age couples from statutory rape charges.  
Read more: [The Kathmandu Post](#)
- Amended Law enables CIAA sting operations:** The Prevention of Corruption Act has been amended by Parliament which now allows the Commission for Investigation of Abuse of Authority (CIAA) to conduct sting operations to catch officials red-handed while accepting bribes. This provision, now included in Section 62(d) of the Act, was previously halted after the Supreme Court ruled the CIAA's regulation unconstitutional. The amendment revives the law, enabling future sting operations.  
Read more: [NayaPatrika](#)
- Revision in Budget Ceilings for Development Ministries:** The National Resource Estimation Committee has set the budget ceiling at NPR 19.65 trillion for the upcoming fiscal year, marking a 12.5% increase from the revised estimate of the current fiscal year. However, several development ministries face budget cuts, including Physical Infrastructure (-3.84%), Urban Development (-23.72%), and Labor (-25.14%). In contrast, the Ministry of Drinking Water (+27.11%), Women and Children (+24.11%), and Energy (+25.62%) have seen significant budget increases.  
Read more: [Ratopati](#)
- Funding freeze affects hospital operation:** Bayalpata Hospital in Achham, established in 2008 with funding from an INGO to provide free specialised healthcare, is facing a severe financial crisis. Despite receiving NPR 70 million from the Sudurpaschim provincial government this fiscal year, the hospital is struggling with staff hiring and supply procurement. It requires NPR 220 million annually, but funding delays have led to ongoing financial difficulties. The hospital has served over 1.15 million patients since its inception.  
Read more: [Kantipur](#)
- Subcommittee discusses Civil Service Bill:** The State Affairs and Good Governance subcommittee has finalized a report on the Federal Civil Service Bill, agreeing on several key provisions. These include creating a position for an additional secretary, limiting reservation benefits to two times, and raising the retirement age for civil servants to 60. It also proposes changes to the reservation system, adding Tharu and Muslim communities to category and outlining adjustments for unfilled positions.  
Read more: [NayaPatrika](#)
- Committees to Recommend Officials for TJ Process Reinstated:** The government has reinstated the committee led by Chief Justice Om Prakash Mishra to recommend officials for Nepal's transitional justice commissions. The Truth and Reconciliation Commission and the Commission on Enforced Disappearances, established in 2015 to accelerate the peace process, have been inactive since 2022 due to a leadership vacuum. The committee was first assigned this task of recommending officials in October 2024.  
Read more: [The Kathmandu Post](#)

### Civil Society Feedback on the E-Governance Blueprint

The E-Governance Board of Nepal has released an E-Governance Blueprint with the aim to enhance the effectiveness of public service delivery through the use of information and communication technology, and build a transparent and accountable governance system through digital transformation.

Accountability Lab Nepal and Digital Rights Nepal have jointly prepared an analysis with key recommendations emphasizing necessary reforms in legal and regulatory structures and importance of the stakeholder engagement to make the draft more practical, inclusive, and effective.

Find the detailed analysis [here](#).

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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