

Impact of Weak Governance and Institutional Corruption on the SDGs

PREPARED BY



The webinar was moderated by Mr. Daya Sagar Shrestha, Executive Director of NACASUD, with welcome remarks made by Mr. Khagendra Dhakal, Chair of NPI. In his remarks, Mr. Dhakal emphasized the need to take a whole-of-society approach to tackling institutional corruption in the country.

The panel consisted of the following speakers:

- **Dr. Anga Raj Timilsina**, Global Programme Advisor on Anti-corruption, UNDP Global Centre for Technology, Innovation and Sustainable Development, Singapore
- **Ms. Sharu Joshi**, Executive Board Member, Nepal Policy Institute
- **Mr. Kedar Khadka**, Executive Director, GoGo Foundation Nepal
- **Ms. Padmini Pradhananga**, President, Transparency International Nepal

Mr. Kewal Prasad Bhandari, Member Secretary, National Planning Commission, spoke in his capacity as the invited main guest; and final summation of the proceedings were made by Dr. Gambhir Bhatta, Executive Director, Nepal Policy Institute.

Thematic presentations were made by the four experts, their main points being as follows:

Dr. Anga Raj Timilsina:

- Evidence in Nepal of institutional corruption (ie, it is evident in all sectors and across all themes, including the judiciary, thus signifying a culture of corruption), and with immediate demonstrable impact on a deterioration of the quality of service delivery as well as in difficulties in doing business; the annual report of the Auditor General gives an indication of the scale of mismanagement and corruption in the public sector
- Corruption results not from 'bad person' or 'bad system' but rather is a product of their combination
- The Covid-19 pandemic has only served to weaken the institutions in the country
- One of the key questions facing the policy makers is how to integrate anti-corruption work in development plans, both at the federal and local levels
- Referring to the recent report by the CIAA he said the fact that the problem of corruption is particularly glaring in local governments is a cause for concern

- He also pointed out the following issues on this matter: (i) there is less momentum on awareness on anti-corruption; (ii) there is no date available for the 16.4 target which looks at illicit financial flows (this being one of the main manifestations of global corruption); and (iii) elite capture stymies reform efforts
- Other points raised: (i) less participation of women in decision making; (ii) government effectiveness is deteriorating; (iii) elections have become highly expensive; and (iv) a syndicate system across the sectors has led to elite capture and an impunity for corruption
- The primary problem is the lack of political will to get things done, and done well (this phenomenon is evident across all government levels)
- There are three particular models which help us better understand how to tackle corruption: (i) the developmental model, which focuses on economic growth as a driver; (ii) revolutionary model, which targets radical political change; and (iii) evolutionary model, with its emphasis on strengthening existing laws, systems, etc. Different countries have different applications of these models
- Suggested measures to tackle the problem include, among others: (i) putting the anti-corruption agenda at the top of the electoral agenda; (ii) reforms of procurement processes and systems at all levels of government; (iii) enhancing civic space; (iv) tackling the problem in the judicial sector as well; (v) use of evidence-based data-driven approach; and (vi) demonstration of greater political will on the part of the country's leaders at all levels.

Ms. Sharu Joshi:

- Looked at the issue of corruption from two lenses: the nature of its institutionalization and the lens of gender equality, in particular using female labor migration issues as a point of departure
- There are already many institutional biases that inherently undermine gender equality (eg, government's policies restricting the travel of women in jobs abroad, deemed as being protectionist of women)
- The right to information provision in the Constitution is a powerful tool by which citizens can compel governments to share information so that they may be held to account
- Stressed that there is a sense of accepting corruption in society and that very little of individual accountability is in evidence

- Using the example of recent developments at the BP Koirala Institute of Health Sciences, she highlighted the corruption problem as it is playing out in public, with political interference in the Institute's work and mismanagement of funds being very egregious
- The electoral system also plays a role in restricting women from entering politics (through which they may be able to help create the environment for stronger laws that protect the rights of women)
- One part of better addressing the problem is to promote women to leadership positions.

Mr. Kedar Khadka:

- Highlighted issues of a rights-based approach to the issue at hand; recent history of the country shows that this approach has been at the forefront of how citizens have demanded change
- Using the very illustrative phrase "counting, not shouting", he focused on the real present need of reliance on evidence-based policy and changes rather than street level demonstrations to effectuate change
- The term 'civil society' should now be used instead of NGOs since the debate and the nature of the relationship between citizens and government has undergone changes
- Lamented the current practice of relying on ordinances to get things done by government, as opposed to legislative debates and discussions to come up with laws and policies that can be institutionalized (ordinances have a very short shelf life, and are products of executive unilateral action)
- Stating that there are currently 19 institutions that are involved in addressing corruption, he said this focus on a multi-agency model of combating corruption is clearly not working
- The issue is not of finding new institutions but 'rationing' them, strengthening key ones, and enabling greater coordination among them for effective action; he particularly cited the weak capacity of the CIAA in terms of it being able to carry out its work effectively (largely because its mandate has now been limited primarily to research and investigation)
- Leadership makes a big difference in fighting corruption; this is something that is evidently lacking in the country, as are much-needed institutional reforms

- Instead of looking at the issue of corruption on a case by case basis, we should be considering the primary task of fundamental institutional reforms (eg, ensuring that annual reports of the Office of the Auditor General are indeed tabled and discussed in the Public Accounts Committee in Parliament).

Ms. Padmini Pradhananga:

- Political commitment to fighting corruption is important, which is currently lacking
- The new Constitution, as well as the government formed in 2017 with a strong majority in Parliament had given hope to citizens that good governance would result; but this has not turned out to be the case
- Key among the problems has been factionalization in political parties and their greater focus on political infighting, which is evident at both central and subnational levels
- The Covid-19 pandemic has exacerbated corruption problems, particularly in procurement matters
- Inadequate attention being given to the findings of the latest annual report of the Office of the Auditor General, which has documented evidence of mismanagement of resources
- One key manifestation of mis-governance: politicians making rules and administrative arrangements to have access to greater resources for themselves and their expenses
- Institutionalized corruption is on the rise and the public is wary that the government will ever take effective steps to stem this
- Current proposals to disable corruption cases being brought against senior officials within five years of their leaving office is not evidence of a strong commitment to fight corruption
- Both a bottom-up and a top-down approach to fighting corruption need to be considered
- The recent report of a committee formed to look at governance issues in the judiciary sector has submitted valid recommendations; these should be seriously considered
- TI Nepal plays an important role in ensuring that issues of corruption and of mismanagement of resources are brought out in the open, and is increasingly willing to aggressively pursue its mandate
- Citizens should use their votes to rid the country of corrupt leaders.

Mr. Kewal Prasad Bhandari:

- Considering the government's perspective, maintained that it is committed to the SDGs, including the SDG localization work currently ongoing
- Accepted that institutionalized corruption, and mismanagement of resources, are currently some of the main challenges the country faces in meeting the SDGs
- Put forth the argument that administrative reforms are key to ensuring that the country is better able to work towards achieving the SDGs
- A 'whole of government' approach to fighting corruption including, for example, reforms in public financial management, merit-based appointment in the civil service, adequate rewards and punishment measures, administrative reforms, etc.
- Talked about an "alarming" problem in mismanagement of resources that independent reports, such as from the Office of the Auditor General, have highlighted
- Made mention of the need for reforms in the public procurement process (this being one of the main areas of corruption and mismanagement)
- Also pointed out issues of duplication of work across the three levels of government that continue to constrain effective action against corruption and mismanagement of resources
- A relevant question is: "corruption control is whose responsibility?" (the answer has to be "everyone's", including changing the way things are done)
- The provision of Right to Information has not been utilized to the extent possible
- It's a relevant development that politicians now are more aware of the link between corruption and mismanagement issues and elections – this serves as a driver of their behaviour
- Need to make hard decisions when it comes to developing the right policies about putting them in practice as well.

Dr. Gambhir Bhatta (in providing the summary of the webinar):

Several points merit mention:

- There is a pervasive culture of corruption in the country
- Corruption is also now institutionalized in Nepal, which means its solutions should not be viewed from merely a uni-dimensional perspective; a multi-dimensional approach is needed
- This, in turn, implies that a 'whole of government' approach is needed in order to be able to better address the problem
- Gender aspects of corruption, and of mismanagement of resources, are important considerations
- There are at the moment too many institutions (19) at the federal level that have a mandate to fight corruption in the country (in that sense, a lack of institutions is not the main constraint – their working arrangements, and a lack of coordination and cooperation, are considered to be the primary constraints)
- The 'right to information' provision in the 2015 Constitution is very relevant to the fight against corruption and mismanagement of resources; only when the public is able to get the right kind of information on what was decided by government, how it is being put into practice, and on holding to account government officials will it be able to consider how the SDGs will be achieved
- Countries such as Nepal should be taking into account 'good enough governance' where incremental reforms are deemed more feasible (thus relevant) rather than systemic considerations all at once; the latter are important but it is difficult to make deep changes from the very beginning
- Hoped this is not the end of the conversation on this topic, and suggested having more focus on individual aspects of the problem so that meaningful discussions can be had on each aspect.

Ended the webinar by thanking the panel discussants as well as the attendees.