

The corruption allegations brought by Nepal's Commission for Investigation of Abuse of Authority (CIAA) against Baikuntha Aryal, the former Chief Secretary, have raised widespread criticism and concern. Aryal, who was appointed to the position on March 28, 2023, faces accusations linked to irregularities in the procurement of excise duty stickers while he was a Secretary of the Ministry of Information Technology and Communication. This marks the first time in Nepal's history that such charges have been made against a Chief Secretary.

In response to the CIAA's accusations, Aryal has been suspended from Chief Secretary as per the Prevention of Corruption Act 2002 and subsequently transferred to the National Planning Commission. The details of the corruption case alleging Aryal mentions that a bid agreement to print excise duty stickers for the Inland Revenue Department in September 2022 was made at an extraordinarily high cost. The stickers that were earlier printed at 25 paisa per piece, were awarded to Printcell for 89 paisa per piece during his tenure, increasing the total cost of printing by four folds to NRs. 108.3 million.

The involvement of senior bureaucrats like the Chief Secretary itself showcases deep systemic weaknesses. On one hand, it erodes the public trust and perceptions on institutions and their integrity and also raises questions on how the accountability mechanism and framework operate within the institutions. The discretionary powers vested in bureaucrats and politicians are often cited as catalysts for corruption, and cases as this further prove it to be true. Moreover, the cabinet decision to transfer Aryal by creating a separate post for him in the National Planning Commission also showcases the stand of our executive mechanisms against corruption. Rather than demotivating corruption, the practices as such set a bad precedent where individuals accused of corruption, especially those with strong political connections, can evade consequences without facing any action. This might also foster a network of corruption enabling leaders and bureaucrats to reinforce and escalate irregularities mutually.

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Governance Issues of the Week

1. Article 22 of Nepal's constitution prohibits all forms of torture against detainees and prisoners. The National Human Rights Commission has condemned torture in Nepal's government detention facilities through its monitoring efforts. In the fiscal year 2023/24, the Commission recommended actions and compensation for 22 out of 55 complaints. Human Rights organizations have documented 109 cases of torture and custodial deaths between 2018 and 2023.

Read more: The Kathmandu Post

2. The ambitious cold storage plan worth NRs. 2 billion by the Madhesh Province government has been in limbo for the past five years. In its FY 2075/76 budget, the province allocated NRs. 1.79 billion to construct eight cold storage facilities across the province to ensure fair pricing and proper agricultural produce storage. Despite agreements with various construction companies in 2075, the construction of the storage facilities has not progressed.

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3. Two separate investigation committees have been established to probe alleged financial irregularities in the Pokhara International Airport (PIA) and Gautam Buddha International Airport (GBIA) construction. The sub-committee headed MP Rajendra Prasad Lingden with 12 members will focus on PIA, whereas the 8-member sub-committee led by MP Yogesh Bhattarai will investigate GBIA. One month has been allocated to complete inquiries and submit their findings.

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4. National Examinations Board released the SEE examination results with a pass rate of 47.86%. The increased failure ratio of 52.14% has raised concerns about the grading system and education quality. New grading criteria were introduced this year mandating students a minimum of 35% in each subject and 40% in practical subjects to pass. Lumbini, Madhesh, and Sudurpaschim provinces have reported the highest number of student failures.

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5. The government has registered a "Bill on Water Resources" in the parliament proposing punishment of imprisonment for those found guilty of polluting water resources by waste disposal or mixing industrial wastewater, sewage, chemicals, or other toxins. The punishment includes imprisonment ranging from three months to three years, a fine of up to half a million, or both. The bill also allocates responsibilities for three levels of government to safeguard water resources.

Read more: <u>The Kathmandu Post</u>

6. In the past three years, police have referred 212 cases of cooperative fraud worth NRs. 800 billion rupees to court, among which a high number of accused are reported to have fled the country. The Financial Survey 2080/81 indicates Nepal's cooperative institutions hold total savings of NRs. 478 trillion, suggesting that the cooperative fraud claimed amount constitutes approximately 6 percent of the overall cooperative transactions.

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Our return e-mailing address is: nepal@accountabilitylab.org